



November 10, 2020

**VIA E-File**

The Honorable Conrad A. Johnson  
Administrative Law Judge  
Pennsylvania Utility Commission  
Piatt Place, Suite 220  
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[cojohnson@pa.gov](mailto:cojohnson@pa.gov)

**Re: Pa. PUC v. Pennsylvania American Water Company,**  
***Docket Nos. R-2020-3019369 (Water); R-2020-3019371 (Wastewater)***

Dear Judge Johnson:

Enclosed, please find the **Main Brief of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** 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. A Microsoft Word version of this testimony will be submitted to Your Honor electronically.

Respectfully submitted,

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**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**Certificate of Service**

I hereby certify that I have this day served copies of the **Main Brief of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** upon the parties of record in the above-captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party), and consistent with the Commission's Emergency Order issued on March 20, 2020, in the manner and upon the persons listed below.

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November 10, 2020

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**MAIN BRIEF OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA**

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## **I. INTRODUCTION AND OVERVIEW**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel at the Pennsylvania Utility Law Project, files this Main Brief in support of its positions, and the recommendations advanced by CAUSE-PA's expert witnesses Mitchell Miller, Daniel G. Vitek, Esq, and Judith Lewis, Esq. CAUSE-PA's expert witnesses made recommendations regarding the effects of Pennsylvania American Water Company's (PAWC or the Company) proposed increase on PAWC's residential customers, especially low and moderate-income customers, and the critical need for improvements to PAWC's low income programming to ensure that rates are reasonably affordable for economically vulnerable consumers.

Due to the economic devastation and uncertainty caused by the current COVID-19 pandemic, and for the reasons explained below, CAUSE-PA urges the Honorable Administrative Law Judge (ALJ) Conrad A. Johnson and the Pennsylvania Public Utility Commission (Commission) to deny PAWC's proposed rate increase in its entirety.

To address critical affordability issues at existing rates – and especially in the event that any rate increase is approved – CAUSE-PA argues the Commission to take the following steps to ensure that low income consumers are protected from rate unaffordability and the corresponding inaccessibility of service for economically vulnerable Pennsylvanians:

- Reject PAWC's request for a rate increase in its entirety and require PAWC to study the impact of the pandemic on the economy of PAWC's service territory, the affordability of rates, and how PAWC's low income consumers have been financially impacted by COVID-19 and might be affected by a new rate proposal. PAWC should be required to propose aggressive mitigation policies and programs to ensure that economically vulnerable customers can remain connected to services;
- Require PAWC to implement a comprehensive arrearage forgiveness program, which will allow H2O participants to freeze and earn forgiveness on debt accrued prior to entry into the H2O Program over a thirty-six month period;



- Require PAWC to transition the discount offered under the H2O bill discount program to a percentage of income program (PIP), which targets affordability based on individual's income;
- Require PAWC to develop a comprehensive Universal Service Plan;
- Require PAWC to improve its program data collection and reporting consistent with this Main Brief;
- Require PAWC to expand low income program outreach consistent with this Main Brief;
- Require PAWC to convene a low income advisory group that meets at least quarterly and comprises community-based organizations, interested parties from this proceeding, representatives from the Commission's Bureau of Consumer Services, and other interested stakeholders;
- Require PAWC to develop a low income conservation and line repair program within the H2O bill discount program to target high users;
- Require PAWC to improve tracking for the Winter Moratorium and expand its protections to all PAWC water/ wastewater customers with household incomes at or below 250% FPL;
- Direct PAWC to implement the following relief during the pendency of the COVID-19 pandemic:
  - Waive reconnection fees for one year from the final order in this case;
  - Waive the Hardship Fund's good faith payment requirement for at least one year from the date of the final order in this case;
  - Allow customers to self-certify income when applying for the Hardship Fund during the pendency of COVID-19 and 12 months thereafter;
  - Increase efforts to identify new sources of funding for the Hardship Fund and, in turn, evaluate whether expanding the grant amount is appropriate;
  - Work with stakeholders to prepare a plan for resuming terminations, including how to help low income customers avoid terminations;
  - Develop a community outreach plan and expand outreach to target the most hard-hit communities in coordination with the low income advisory group.

As more fully discussed below, critical reforms and enhancements are needed to ensure that customers continue to have access to affordable water and wastewater service to their homes. While these services have always been essential and life-sustaining, the importance of uninterrupted water and wastewater service has become all the more essential as a result of the spread of the COVID-19 pandemic. Immediate and decisive steps must be taken to ensure that access to running water is not dependent on income.

## **A. Description of Company**

PAWC is a regulated public utility that serves customers in 37 Pennsylvania counties.<sup>1</sup> As of December 31, 2019, the Company provided water services to approximately 665,829 customers and wastewater services to approximately 74,354 customers in the Commonwealth.<sup>2</sup>

PAWC's current rate structure for water and wastewater services consists of a monthly minimum (fixed) service charge that varies by meter size and a volumetric charge that varies by customer class and rate zone.<sup>3</sup> In total, there are currently five Water Rate Zones and nine Wastewater Rate Zones. PAWC also currently maintains separate rate zones for its recently acquired systems in Winola (water) and Kane and Delaware (wastewater), Pennsylvania.<sup>4</sup>

## **B. Procedural History**

On March 6, 2020, the Governor of the Commonwealth of Pennsylvania, Tom Wolf, issued a Disaster Declaration pursuant to Section 7301(c) of the Emergency Management Services Code to address the exigencies created by the COVID-19 global pandemic.<sup>5</sup>

On March 19, 2020, the Governor's Office issued an order closing all businesses that were not life sustaining.<sup>6</sup>

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<sup>1</sup> First Interim Order Granting Respondent's Petition For Protective Order, at 2 (Order entered June 29, 2020)

<sup>2</sup> Id.

<sup>3</sup> CAUSE-PA St. 1 at 7: 2-5; CAUSE-PA St. 1 at 9: 13-17; PAWC Tariff Water – Pa. PUC No. 5, Supp. 19 at p. 16-16.7.

<sup>4</sup> CAUSE-PA St. 1 at 9: 13-17.

<sup>5</sup> Proclamation of Disaster Emergency pursuant to Section 7301(c) of the Emergency Management Services Code, 35 Pa. C.S. §§ 7101, et seq. (Disaster Declaration)

<sup>6</sup> See Order of the Governor of the Commonwealth of Pennsylvania Regarding the Closure of All Businesses That Are Not Life Sustaining, as amended; see also Order of the Secretary of the Pennsylvania Department of Health Regarding the Closure of All Businesses That Are Not Life Sustaining, as amended.

On March 20, 2020, the Commission issued an Emergency Order suspending statutory deadlines, modifying filing and service requirements, and providing guidance on the conduct of Commission proceedings during the pendency of the COVID-19 disaster emergency.<sup>7</sup>

On March 30, 2020, PAWC filed a Notice of Intent with the Commission to file data and testimony in support of a proposed general base rate increase. On April 29, 2020, PAWC filed Supplement No. 19 to its Original Water Tariff (Pa P.U.C. No. 5) and Supplement No. 19 to its Original Wastewater Tariff (PA P.U.C. No. 16).

On May 12, 2020, CAUSE-PA filed a Petition to Intervene and Answer in the present matter.

On May 21, 2020, the Commission entered an Order suspending PAWC's general base rate increase until January 28, 2021 in order to investigate and determine if PAWC's proposed rates, policies, and procedures for water and wastewater service are just, reasonable, and in accordance with all applicable laws and policies of the Commonwealth. On May 22, 2020, a Notice was issued which indicated that the Honorable Administrative Law Judge Conrad A. Johnson (ALJ) had been assigned to this matter. On May 28, 2020, the OCA filed an Expedited Motion to extend the statutory suspension period in this case by 45 days in light of the ongoing pandemic – which has created substantial additional practical challenges to fully investigate of PAWC's filing. On June 1, 2020, CAUSE-PA filed an Answer in support of OCA's Motion.

A Prehearing Conference was held on June 4, 2020. After hearing oral argument on OCA's Motion for Extension, Chief ALJ Rainey granted OCA's Motion for Extension and extended the statutory suspension period in this matter for 45 days.<sup>8</sup> On June 24, 2020, PAWC

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<sup>7</sup> Emergency Order Re Suspension of Regulatory and Statutory Deadlines; Modification to Filing and Service Requirements, Docket No. M-2020-3019262 (Emergency Order).

<sup>8</sup> See Order, June 4.

filed a Petition for Reconsideration which sought to reverse CALJ Rainey's grant of OCA's Motion for Extension. On July 8, 2020, CAUSE-PA filed an Answer in opposition to PAWC's Petition.

On August 20, 2020, the Commission issued an Opinion and Order which granted in part and denied in part PAWC's Petition. In its Order, the Commission reversed CALJ Rainey's Order extending the effective date of PAWC's proposed rates from January 28, 2021 to March 15, 2021. As a result, the litigation schedule in this proceeding shortened by several weeks, truncating full review and analysis of PAWC's filing.

Eight Public Input Hearings were held on August 18, August 25, August 26, and August 27, 2020. On September 8, 2020, the non-Company parties, including CAUSE-PA, submitted direct testimony in this matter. On September 29, 2020, the parties submitted rebuttal testimony in this matter. On that same date, CAUSE-PA filed a Letter indicating that it would not be submitting rebuttal testimony. On October 20, 2020, the parties, including CAUSE-PA, submitted surrebuttal testimony. On October 22, 2020, PAWC submitted an oral rejoinder outline. On October 26, the Company submitted written rejoinder testimony on behalf of two of its expert witnesses.

A second Prehearing Conference was held on October 23, 2020, at which time the parties were informed that a partial settlement had been reached between I&E and PAWC. Evidentiary Hearings were held on October 27-28, 2020, at which PAWC's expert witnesses Bruce W. Aiton, James Cawley, Ashley E. Everette, John R. Wilde, Tawana Dean, and Preston Pallas provided oral rejoinder testimony, subject to cross-examination by the other parties. The written testimony and exhibits of all parties were also admitted into evidence at the hearing.

On October 30, 2020, PAWC and CAUSE-PA submitted a Joint Stipulation addressing the issues raised by CAUSE-PA related to PAWC's language access policies and procedures, as well as PAWC's policies and procedures concerning victims of domestic violence. On that same date, PAWC and I&E submitted a Non-Unanimous Settlement which will be discussed in further detail below. On November 9, 2020, PAWC and CAUSE-PA filed a second Joint Stipulation addressing the issues raised by CAUSE-PA regarding PAWC's adherence to the Discontinuance of Service to Leased Premises Act and its policies and procedures related to its provision of service to tenant occupied properties within its service territory.

### **C. Overview of PAWC's Filing**

PAWC proposed a multiyear rate plan to increase its water and wastewater rates by approximately \$138.6 million – or 18.7% over two years.<sup>9</sup> In Rate Year 1, rates would increase \$92.4 million, or 12.9%.<sup>10</sup> In Rate Year 2, rates would increase an additional \$46.2 million, or 5.8% over Rate Year 1 rates.<sup>11</sup> Year 2 rates would remain in effect until PAWC files another rate case.<sup>12</sup> If approved, 67.38% of the proposed \$138.6 million increase – or approximately \$93.4 million - will come from increased residential rates.<sup>13</sup>

Because PAWC's rate structure for water and wastewater services consists of a service charge in addition to a volumetric charge, the percent increase in rates that a residential customer will experience will depend on the individual customer's household usage – which is largely dependent on family size.<sup>14</sup> Moreover, because of PAWC's differing rate zones, a customer's

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<sup>9</sup> PAWC St. 1 at 7; CAUSE-PA St. 1 at 6: 9-14.

<sup>10</sup> Id.

<sup>11</sup> Id.

<sup>12</sup> Id.

<sup>13</sup> CAUSE-PA St. 1 at 6: 9-14, citing CAUSE-PA to PAWC V-8.

<sup>14</sup> CAUSE-PA St. 1 at 7: 1-2.

actual bill impact as a result of the proposed increase will differ greatly depending on a customer's rate zone.<sup>15</sup>

In its filing, the Company also proposes to consolidate Water Rate Zone 2 into Rate Zone 1.<sup>16</sup> The Company proposes to maintain separate zones for Water Rate Zone 3 and 4, but would equalize those rates with Rate Zone 1 by 2022.<sup>17</sup> For the consolidated Rate Zone 1, as well as Water Rate Zones 3 and 4, PAWC proposes to increase the fixed customer charge to \$18.00 per month in 2021 and to \$18.50 per month in 2022.<sup>18</sup> The Company has also proposed to maintain Water Rate Zone 5 (Steelton) as a separate rate zone due to settlement obligations from the PAWC/Steelton acquisition proceeding.<sup>19</sup> PAWC has further proposed to consolidate Wastewater Rate Zone 1 with Wastewater Rate Zones 4, 5, 7, 8, and 9, as well as its Delaware Acquisition.<sup>20</sup> The Company proposes to maintain separate rate zones for Wastewater Rate Zone 2, 3, 4, and 6.<sup>21</sup>

PAWC offers customer assistance through the Help to Others (H2O) Program.<sup>22</sup> Through its H2O Program, PAWC offers low income customers the following assistance: 1) grant assistance for customers with temporary hardship of up to \$500 per year, *provided funding is available*;<sup>23</sup> 2) a monthly bill discount of 85% off the fixed monthly service charge for water services and 20% off the total bill for wastewater services; and 2) usage reduction assistance

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<sup>15</sup> Id. at 7: 5-6.

<sup>16</sup> CAUSE-PA St. 1 at 9: 18-19; 10: 1-5; PAWC St. 1 at 28.

<sup>17</sup> CAUSE-PA St. 1 at 9: 18-19; 10: 1-5; PAWC St. 1 at 28.

<sup>18</sup> CAUSE-PA St. 1 at 10: 1-5; PAWC St. 1 at 28, 29.

<sup>19</sup> CAUSE-PA St. 1 at 10: 1-5.

<sup>20</sup> CAUSE-PA St. 1 at 10: 6-9; PAWC St. 1 at 30.

<sup>21</sup> Id.

<sup>22</sup> CAUSE-PA St. 1 at 32: 4-5; PAWC St. No. 1 at 48.

<sup>23</sup> See CEO St. 1 at 7: 2-3 (explaining PAWC's hardship grant program funding was increased from \$300,000 to \$400,000 as a result of its 2017 rate case).

through the availability of water-saving devices and education.<sup>24</sup> To qualify for a hardship grant, a customer must have household income at or below 250% of the Federal Poverty Level (FPL).<sup>25</sup> To qualify for the H2O bill discount, customers must have household income at or below 150% FPL.<sup>26</sup> PAWC reports that, in February 2020, approximately 21,000 residential water customers and 2,250 residential wastewater customers – or just 3.3% of PAWC’s total residential customer class – were enrolled in the H2O discount program.<sup>27</sup> PAWC also adheres to the Commission’s winter moratorium, which prohibits termination of customers with *heat related* water service from December 1 to March 31 for customers with income at or below 250% FPL – though it does not extend winter protections to all low income water and wastewater customers.<sup>28</sup>

In its rate proposal, PAWC proposes to (1) add a 10% discount on the volumetric charge for water customers and (2) increase the wastewater bill discount from 20% to 30% of the total bill for customers enrolled in the H2O bill discount program.<sup>29</sup> It is important to note that in its rate filings, PAWC fails to set forth any proposal to manage arrearage levels of its low income customers, any changes to the structure of the discount offered to customers under the H2O Program to ensure equitable distribution of assistance based on relative income and usage level of participants, or any plans to expand outreach to improve its current low enrollment rates.<sup>30</sup>

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<sup>24</sup> CAUSE-PA St. 1 at 32: 4-10; PAWC St. No. 1 at 48: 10-13.

<sup>25</sup> CAUSE-PA St. 1 at 32: 10-12, citing CAUSE-PA to PAWC I-3, OCA-5-6 Attach.

<sup>26</sup> CAUSE-PA St. 1 at 32: 10-12; PAWC St. No. 4 at 46: 13-17.

<sup>27</sup> CAUSE-PA St. 1 at 32: 13-16, 33:5-8; PAWC St. No. 1 at 48: 17-20.

<sup>28</sup> See CAUSE-PA St. 1 at 32: 14-16, citing CAUSE-PA to PAWC I-32; CAUSE-PA to PAWC III-11; 52 Pa. Code § 56.100.

<sup>29</sup> CAUSE-PA St. 1 at 36: 7-10.

<sup>30</sup> Id. at 36: 9-12.

#### **D. Overview of Non-Unanimous Settlement**

On October 30, 2020, PAWC and I&E submitted a Joint Petition for Non-Unanimous Settlement of Rate Investigation (Settlement). In the Settlement, PAWC and I&E agreed that, upon the Commission's approval of the Settlement, but no later than January 28, 2021, PAWC will be permitted to charge rates for water and wastewater services in order to produce additional annual water and wastewater operating revenue of \$70.5 million.<sup>31</sup> The \$70.5 million increase will be offset by an annualized credit of \$10.5 million in 2021 and 2022 beginning on the effective date of the Settlement Rates.<sup>32</sup>

Pursuant to the Settlement, the total net increase will be implemented in two installments: 1) a net increase of \$40 million on the effective date of the Settlement Rates; and 2) a second installment effective on January 1, 2022 that increases base rates by \$70.5 million, which will be off-set by a credit of \$10.5 million, for a net total increase of \$60 million for twelve months ending December 31, 2022. This credit will then cease to apply January 28, 2023.<sup>33</sup> From a consumer perspective, rates will increase precipitously each year for three years.

CAUSE-PA opposes the Settlement between PAWC and I&E, as it will impose an unreasonable, unjust, and categorically unaffordable rate increase on top of already unaffordable rates. As discussed in further detail below, CAUSE-PA opposes any rate increase at the present time, given the continued health and economic devastation caused by the COVID-19 pandemic.<sup>34</sup> Allowing a rate increase that would be designed to procure additional annual water and wastewater

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<sup>31</sup> Settlement at 8.

<sup>32</sup> Id. at 8-9.

<sup>33</sup> Settlement at 9.

<sup>34</sup> See supra, Section III.



revenues of \$70.5 million would substantially increase the cost of essential and life-sustaining water and wastewater services in the midst of a public health and economic crisis, the full range and impact of which is yet to be fully known or understood.

PAWC and I&E included a few limited pandemic-related measures in the Settlement.<sup>35</sup> Specifically, the Settlement waives reconnection fees for customers at or below 200% FPL for one year from the date of the final Order; waives the Hardship Fund good faith payment requirements for one year from the date of the final Order; allows self-certification of income for the Hardship Fund until the earlier of March 31, 2021 or the date on which the Executive Order is rescinded; expands community outreach; and increases PAWC's annual contribution of the Hardship Fund to \$500,000 for water and \$100,000 for wastewater.<sup>36</sup>

CAUSE-PA recognizes that the Settlement includes these additional protections, and indeed urges the Commission to implement some of these provisions related to customer affordability and low income assistance in this Main Brief. However, given the considerable increase agreed to by PAWC and I&E, the Settlement in sum is wholly inadequate to provide affordable rates to customers. In particular, the Settlement fails to set forth meaningful improvements to PAWC's low income programming, as it does not provide for changes to the structure of PAWC's H2O bill discount or provide for any mechanism for H2O participants to address arrears prior to entry into the discount program.<sup>37</sup> As discussed in further detail below, PAWC's economically vulnerable customers were already struggling to maintain water and wastewater to their home under existing rates, and prior to profound economic impact of the

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<sup>35</sup> See Settlement at 11-13.

<sup>36</sup> Id. at 11-12.

<sup>37</sup> See id. at 12-13.

pandemic. But in recent months, that struggle has increased exponentially, as low income customers have been particularly hard-hit by the pandemic. Low wage workers have experienced profound wage and job losses, while at the same time residential consumers have experienced increased usage as they spend more time at home to prevent further spread of the virus.<sup>38</sup> As such, and consistent with its discussion below, CAUSE-PA strongly opposes the non-unanimous Settlement between PAWC and I&E, and urges ALJ Johnson and the Commission to reject PAWC's rate increase and implement the critical changes and improvements outlined in this Main Brief in order to remediate current unacceptable levels of unaffordability and help customers maintain critical water and wastewater services to their home. Water and wastewater has always been critically important to the health and safety of Pennsylvanians, but is particularly critical now to prevent further spread of the virus and ensure that families remain safe in their home.

#### **E. Burden of Proof**

The Commission has a “duty to set ‘just and reasonable’ rates, reflecting a ‘balance of consumer and investor interests.’”<sup>39</sup> In determining just and reasonable rates, the Commission has discretion to determine the proper balance between interests of ratepayers and utilities.<sup>40</sup> Pursuant to Section 315 of the Public Utility Code, the burden of proving that a rate proposal is just and reasonable rests on the public utility.<sup>41</sup>

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<sup>38</sup> See, e.g., CAUSE-PA St. 1 at 44: 16-20.

<sup>39</sup> Popowsky v. PUC, 665 A.2d 808, 811, 542 Pa. 99, 107-108 (1995); 66 Pa. C.S. § 1301.

<sup>40</sup> Id. citing Pa. PUC v. Philadelphia Electric Co., 522 Pa. 338, 342-43, 561 A.2d 1224, 1226 (1989); Pa. PUC v. Pa. Gas & Water Co., 492 Pa. 326, 337, 424 A.2d 1213, 1219 (1980), cert. denied, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981))

<sup>41</sup> 66 Pa. C.S. § 315.

## II. SUMMARY OF ARGUMENT

It is both unjust and unreasonable to raise rates for critical water and wastewater services during the pendency of the COVID-19 pandemic, when it is unclear when and if Pennsylvania's consumers will recover from the economic devastation caused by the pandemic. COVID-19 has taken a disproportionate toll on low income communities, especially communities of color, who have experienced disproportionately profound financial costs and health impacts of the pandemic. Even at present rates, PAWC's customers struggle to afford and remain connected to basic water and wastewater services to their home. With the precipitous increase in unemployment throughout Pennsylvania, especially among low wage workers, a substantial number of PAWC customers will face termination if they cannot keep up with the already high cost of services. Without access to consistent water and wastewater services, customers are unable to practice hygiene necessary to stave off the continued spread of COVID-19, placing their households and communities at increased risk of transmission. Raising rates on water and wastewater services during the pendency of the COVID-19 pandemic would exacerbate public health risk, prolonging the duration of the pandemic and the economic recovery therefrom.

As discussed throughout, immediate steps must be taken to address *existing* unaffordability, which would be greatly exacerbated by any approved increase in rates. PAWC must be required to adopt meaningful improvements to the structure of its bill discount program and implement an arrearage forgiveness program for customers enrolled in the bill discount program. PAWC should further be ordered to make several temporary changes to its policies and procedures to protect customers during the pendency of the pandemic. Finally, PAWC should enhance its outreach for its low income programming and comprehensive line repair and

conservation program so that customers are able to access critical low income assistance and maintain more affordable bills.

### III. OVERALL POSITION ON RATE INCREASE

It is neither just nor reasonable to precipitously raise rates for essential, life-sustaining water and wastewater services in the midst of an unprecedented pandemic that has profoundly impacted the health and economic well-being of customers throughout the country and across PAWC's service territory.<sup>42</sup>

As CAUSE-PA expert witness Mitchell Miller explained in his direct testimony, Pennsylvanians – many of whom were already struggling to make ends meet before the pandemic – are experiencing unprecedented levels of economic devastation as a result of the COVID-19 pandemic.<sup>43</sup> It is unclear when and if Pennsylvania's households – particularly low income households, that have experienced disproportionate losses – will begin to financially recover.<sup>44</sup> Given the continued and potentially long-term impact of COVID-19 on people's lives and livelihoods, and need for consumers to maintain water and wastewater services to stave off the spread of the pandemic, it is inappropriate to raise rates for water and wastewater services at this time.

The Commission has a “duty to set ‘just and reasonable’ rates, reflecting a balance of consumer and investor interests.”<sup>45</sup> In determining just and reasonable rates, the PUC has

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<sup>42</sup> CAUSE-PA St. 1 at 8: 6-9.

<sup>43</sup> Id. at 7: 9-17.

<sup>44</sup> Id. at 44: 22-23; 45: 1-2.

<sup>45</sup> Popowsky v. Pa. PUC, 542 Pa. 99, 107-108 (1995) (emphasis added); 66 Pa. C.S. § 1301.

discretion to determine the proper balance between interests of ratepayers and utilities.<sup>46</sup> “[T]he PUC is obliged to consider broad public interests in the rate-making process.”<sup>47</sup>

[T]he term “just and reasonable” was not intended to confine the ambit of regulatory discretion to an absolute or mathematical formulation but rather to confer upon the regulatory body the power to make and apply policy concerning the appropriate balance between prices charged to utility customers and returns on capital.<sup>48</sup>

As Mitchell Miller explained, “In order to be just and reasonable, *it is critical that rates are also affordable for those served.*”<sup>49</sup> Indeed, universal accessibility is a polestar principle of ratemaking for essential, life-sustaining services like water and wastewater. It is neither just nor reasonable to price an entire class of consumers out of the market – but that is exactly what PAWC’s proposed rate increase threatens to do.

In the midst of a profound economic and health crisis, PAWC has proposed to increase its water and wastewater rates by approximately \$138.6 million – or 18.7% over two years.<sup>50</sup> As described in Table 2 of Mr. Miller’s direct testimony, the bill impact for residential customers with average usage from the proposed water rate increase will be substantial as a result of this increase.<sup>51</sup> As shown in Table 2, PAWC’s proposed rate increases will – on average – raise residential customers’ monthly bills at minimum by 20.5%.<sup>52</sup> But the average increase will vary greatly by

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<sup>46</sup> Id. citing Pa. PUC v. Philadelphia Electric Co., 522 Pa. 338, 342-43, 561 A.2d 1224, 1226 (1989); Pa. PUC v. Pa. Gas & Water Co., 492 Pa. 326, 337, 424 A.2d 1213, 1219 (1980), cert. denied, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981)).

<sup>47</sup> Id. citing Pa. Elec. Co. v. Pa. PUC, 509 Pa. 324, 331, 502 A.2d 130, 134 (1985).

<sup>48</sup> Id.

<sup>49</sup> CAUSE-PA St. 1 at 8:10.

<sup>50</sup> PAWC St. 1 at 7; CAUSE-PA St. 1 at 6: 9-13.

<sup>51</sup> CAUSE-PA St. 1 at 21: 1-8. Mr. Miller further notes that, when evaluating the impact of the proposed increase on low income customers, *average* usage is not necessarily the best indicator of actual customer impact, as discussed further in Mr. Miller’s testimony related to low income customer usage levels.

<sup>52</sup> Id.

rate zone. In PAWC's Rate Zone 3, *rates would more than double* for residential customers with average usage – an increase from \$33.28 to \$69.73, *or 109.5%*.<sup>53</sup> Similarly, while the impact of the proposed water and wastewater increase depends on usage and varies between rate zones, the proposed wastewater rate increase will substantially increase the residential customers monthly bills for those with average usage rates.<sup>54</sup> As Mr. Miller explained, the largest increase to wastewater rates would be to Rate Zone 6 (Port Vue) at \$35.05 per month, a 119.3% increase over current rates, followed by Rate Zone 9 at \$34.13, a 79.9% increase over current rates.<sup>55</sup> *Eight rate zones would see an increase of over 40% in wastewater bills.*<sup>56</sup> For those with higher than average usage, the increase will be even more pronounced. Given water and wastewater usage varies most significantly based on household composition, the rate increase as proposed will fall hardest on larger families.

For low income customers, PAWC's proposed rate increases will have an immediate and profound impact on their ability to stay connected to service. As Mr. Miller explained in direct testimony, there are a substantial number of low income consumers in PAWC's service territory.<sup>57</sup> With the exception of consumers actively participating in PAWC's poorly promoted H2O program, which currently reaches just 3.7% (22,608) of its residential customers, PAWC does not otherwise track its low income customers – even if they are enrolled in an income based payment arrangement.<sup>58</sup> Nevertheless, CAUSE-PA's expert witness Mitchell Miller – former Director of

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<sup>53</sup> Id.

<sup>54</sup> Id. at 22: 3-4.

<sup>55</sup> Id. at 21: 9-15.

<sup>56</sup> Id. at 21: 14-15.

<sup>57</sup> CAUSE-PA St. 1 at 13-17.

<sup>58</sup> CAUSE-PA St. 1 at 13-17.

the Commission's Bureau of Consumer Services – conservatively estimated that at least 20% of PAWC's residential customers – or roughly 123,162 households – have income at or below 150% FPL.<sup>59</sup>

Low income consumers have been particularly hard hit by the economic repercussions of COVID-19, and low wage and hourly workers have experienced the highest levels of job losses and reductions of workforce.<sup>60</sup> Half of adults in households with incomes of less than \$25,000 who lost employment income as a result of COVID-19 lacked confidence if they could pay the next month's rent or mortgage on time, compared with 8.4% of adults in households with an income of \$100,000 or more.<sup>61</sup> More than 2 million Pennsylvanians have sought unemployment benefits since mid-March.<sup>62</sup> Mr. Miller noted that, as a result of these deep economic disruptions, the number of low income customers in PAWC's service territory is likely substantially higher than the estimated 20% of PAWC's residential customer class.<sup>63</sup>

Even during relatively good economic times, low income customers have struggled profoundly to afford and maintain services at current rates.<sup>64</sup> For context, a family of four at 150% FPL has a gross annual income of just \$39,300, while a family of four at 50% FPL has a gross

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<sup>59</sup> Id. at 15: 3-6.

<sup>60</sup> CAUSE-PA St. 1 at 7: 15-17, citing Parker, Kim, About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19, Pew Research Center (April 21, 2020), available at <https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/>.

<sup>61</sup> CAUSE-PA St. 1 at 8: 1-3, citing Brian Mendez-Smith, Mark Klee, Census Bureau's New Household Pulse Survey Shows Who Is Hardest Hit During COVID-19 Pandemic, US Census Bureau (June 29, 2020), available at <https://www.census.gov/library/stories/2020/06/low-income-and-younger-adults-hardest-hit-by-loss-of-income-during-covid-19.html>

<sup>62</sup> CAUSE-PA St. 1 at 16: 11-12.

<sup>63</sup> Id. at 16: 12-15.

<sup>64</sup> Id. at 22: 5-13

annual income of just \$13,100.<sup>65</sup> These household incomes are scant in comparison to how much a household needs to meet their basic expenses in any of the counties in PAWC's service territory.<sup>66</sup> Tables 4 and 5 in Mr. Miller's direct testimony provided a breakdown of the relative water and wastewater burdens (the percentage of income paid toward water and wastewater) at current rates for households with average usage and income at 50, 100, and 150% FPL.<sup>67</sup> At current rates, a family of 4 in PAWC's rate zone 1 at 50% FPL pays an average of 10.8% of their gross household income on water and wastewater; a family of 4 at 100% FPL pays a combined 5.5% of income on water and wastewater; and a family of 4 at 150% FPL pays a combined 3.6% of income on water and wastewater.<sup>68</sup> At proposed rates, the combined water and wastewater burden for average usage customers in rate zone 1 would increase to 13.4% for households with income at 50% FPL; 6.7% for households with income at 100% FPL; and 4.4% for households with income at 150% FPL.<sup>69</sup> As discussed in further detail below in Section XIV.A, PAWC's H2O discount program – which serves just a fraction of PAWC's estimated eligible customers – only moderately improves the water and wastewater burden for low income customers at current and proposed rates – especially for those at the lowest end of the poverty scale who struggle most profoundly to afford basic living expenses.<sup>70</sup>

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<sup>65</sup> Id. at 18: 7-14.

<sup>66</sup> Id., citing Self Sufficiency Standard, <http://www.selfsufficiencystandard.org/Pennsylvania>.

<sup>67</sup> Id. at 27, T.4 & T.5.

<sup>68</sup> Id. at 27, T.4 & T.5.

<sup>69</sup> Id. at 29, T.6 & T.7.

<sup>70</sup> Id. at 34-35, T. 9 & 10 (showing water and wastewater burdens for H2O participants at current rates); Id. at 39, T. 12 & T.13 (showing water and wastewater burdens for H2O participants at proposed 2022 rates).



A benchmark that is often used to assess the level of household income needed to live without assistance in Pennsylvania is the Self-Sufficiency Standard.<sup>71</sup> This tool measures the income a household must earn to meet their basic needs – housing, child care, food, health care, transportation, and taxes – without public subsidies.<sup>72</sup> Unlike the federal poverty level, the Self-Sufficiency Standard takes into account the varied costs of these basic needs for different geographical areas and different aged household members.<sup>73</sup> The *average* Self Sufficiency Standard in PAWC’s service territory for a family of four with two adults and two school aged children is approximately \$63,081.05 per year – far higher than the income of households at or below the federal poverty level.<sup>74</sup>

Mr. Miller estimated that the average annual household income for the Company’s confirmed low income customers – its H2O participants – is \$14,283.<sup>75</sup> Mr. Miller explained that this was significantly less than the amount needed to be self-sufficient in Pennsylvania and that “[a]ny increase in the cost of necessities, including the rates for water and wastewater service, will result in increased unaffordability for low and moderate income households, and will likely result in a corresponding increased rate of uncollectible expenses, service termination, and associated hardships.”<sup>76</sup>

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<sup>71</sup> Id. at 18: 15-18.

<sup>72</sup> Id. at 18: 15-18; 19: 1-2, citing PathWays PA, Overlooked and Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania, available at: <http://www.selfsufficiencystandard.org/Pennsylvania>.

<sup>73</sup> Id. at 19: 1-6, citing PathWays PA, Overlooked and Undercounted, How the Great Recession Impacted Household Self-Sufficiency in Pennsylvania, <http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/PA2012.pdf>.

<sup>74</sup> Id. at 19: 1-6, citing Average Self Sufficiency Standard of all 37 Pennsylvania counties served by PAWC for a four-person household that includes two adults and two school aged children. See 2020 Pennsylvania Sufficiency Standard, available at <http://www.selfsufficiencystandard.org/Pennsylvania>.

<sup>75</sup> CAUSE-PA St. 1 at 19: 7-19, citing CAUSE-PA to PAWC VI-1.

<sup>76</sup> Id. at 19: 11-14.

PAWC's proposed rate increases to life-sustaining water and wastewater services will severely impact low-income households who have already borne a disproportionate toll from COVID-19. Mr. Miller noted that ***"Increasing rates at the rapid, multi-year pace proposed by PAWC will not only push rates further out of reach of customers who currently cannot afford service, it will also push service out of the reach for many customers who are currently just getting by."***<sup>77</sup>

Increasing rates during the pendency of the pandemic is likely to cause increased terminations to economically vulnerable consumers or, alternatively, will cause these customers to go without other critical necessities in order to keep up with PAWC's inflated cost of services.<sup>78</sup> While PAWC was only able to report very limited data about its low income customers, Mr. Miller noted that H2O participants already appeared to have markedly higher rates of termination than residential customers as a whole, even with the (limited) assistance provided through PAWC's H2O program. **In 2019, H2O customers comprised 14.9% of the total 28,300 involuntary terminations for non-payment, despite comprising only 3.2% of total residential water and wastewater customers as of December 2019.**<sup>79</sup> As discussed below, this is a clear indication that the structure, design, and delivery of PAWC's H2O program is wholly inadequate to address existing rate unaffordability. Without remediation, PAWC's low income consumers will continue to experience disproportionately high levels of involuntary termination – depriving more and more Pennsylvanians of access to running water in their homes simply because they do not have

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<sup>77</sup> Id. at 30: 12-14 (emphasis added).

<sup>78</sup> CAUSE-PA St 1 at 31: 4-16.

<sup>79</sup> CAUSE-PA St. 1 at 31: 8-13, citing CAUSE-PA to PAWC I-21, Attach. (22,090 H2O participants as of Dec. 2020); see also CAUSE-PA to PAWC I-19, Attach. (69,223 residential sewer and 615,811 residential water customers as of Dec. 2020).

adequate income to keep up with ever increasing rates. This, again, is neither just nor reasonable – and places the household and the surrounding community at substantial risk of harm.

In his direct testimony, Mr. Miller described the tangible link between water services and household health and well-being and noted that households with the financial means to pay for water and wastewater services will do so, given the serious ramifications of going without services, especially during the pendency of the COVID-19 pandemic.<sup>80</sup> Mr. Miller described the serious and far-ranging consequences that result from the termination of water and wastewater service:

As such, termination of service to the home can jeopardize a parent’s custody of his/her children, can cause a home to be condemned, and is often cited as a cause of evictions from private and public housing -- leading to increased rates of homelessness. To look at this from another angle, consistent and affordable access to water and wastewater services has shown to have numerous benefits to communities as a whole. Having affordable access to such services has been linked to healthier child development, decreasing homelessness, and improving affordability of public and private housing.<sup>81</sup>

Again, the need to access safe and affordable water and wastewater services has been amplified as a result of COVID-19.<sup>82</sup> Without running water, people cannot follow the most consistent guidance to guard against COVID-19 – to wash your hands and sanitize surfaces.<sup>83</sup> Moreover, basic daily tasks of livings, such as cooking, cleaning, flushing the toilet, and brushing teeth become impossible if water and wastewater services are terminated.<sup>84</sup> Mr. Miller explained that a lack of consistent water and wastewater services posed a “significant threat to health and safety,” and was especially dangerous to vulnerable consumers, including seniors and individuals

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<sup>80</sup> CAUSE-PA St. 1 at 23: 4-8.

<sup>81</sup> Id. at 23: 9-15 (internal citations omitted).

<sup>82</sup> CAUSE-PA St. 1 at 24: 9-10.

<sup>83</sup> Id. at 24: 9-11.

<sup>84</sup> Id. at 25: 1-5.

living with underlying health issues who are more susceptible to health complications as a result of loss of service.<sup>85</sup>

In his direct testimony, Mr. Miller recommended against raising rates in the midst of the COVID-19 pandemic.<sup>86</sup> He explain that it is unknown when and if Pennsylvania’s households will begin to finally recover from the pandemic and that we “are experiencing unprecedented levels of economic devastation as a result of the COVID-19 pandemic, which are likely to continue and may in fact worsen over the long term.”<sup>87</sup> Mr. Miller further explained:

The full impact of COVID-19 on people’s lives and livelihoods is still unknown. However, it is clear that COVID-19 will have lasting impacts on the economy that cannot be adequately accounted for in the current rate proceeding. With such profound uncertainties, now is not the time to raise rates for water and wastewater services – services that directly impact whether consumers can remain safely in their homes and exercise necessary hygiene to protect against COVID-19.<sup>88</sup>

As Mr. Miller noted in his direct testimony, rates are not just and reasonable if they are not affordable.<sup>89</sup> As such, CAUSE-PA submits that PAWC’s request for a rate increase must be denied at this time.

As Mr. Miller recommended in his direct testimony, prior to any new rate filing, PAWC should be required to undertake an analysis through a third party consultant of the economic health of its service territory, how PAWC’s low income consumers have been financially impacted by the COVID-19 pandemic, and how the Company’s low income programs might be affected as a

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<sup>85</sup> Id.

<sup>86</sup> CAUSE-PA St. 1 at 44: 6-10.

<sup>87</sup> Id. at 7: 12-13.

<sup>88</sup> Id. at 8: 4-9.

<sup>89</sup> Id. at 8: 10.

result.<sup>90</sup> As a result of these analyses, PAWC should be required to propose aggressive mitigation policies and programs to ensure that economically vulnerable households can remain connected to service over the long term.<sup>91</sup>

Unsurprisingly, PAWC’s expert witnesses Rod P. Nevirauskas and Toby Bishop disagree with Mr. Miller’s recommendation that PAWC’s rate increase should be rejected given to continued hardships of the COVID-19 pandemic.<sup>92</sup> Mr. Nevirauskas believes that there is an “inherent contradiction” in Mr. Miller’s testimony, and – in essence - asserts that PAWC cannot both address rate unaffordability and continue to operate safely and effectively.<sup>93</sup> Similarly, Mr. Bishop argues that Mr. Miller fails to account for PAWC’s capital program, which would be funded by rates and which Mr. Bishop claims would benefit the economy in PAWC’s service territory.<sup>94</sup> Mr. Nevirauskas further disagrees with Mr. Miller’s recommendation that PAWC conduct a formal analysis of the effects of the pandemic on the affordability of rates, claiming such an analysis would be too time-consuming and expensive for PAWC to perform.<sup>95</sup>

As Mr. Miller explained in his surrebuttal testimony, protecting customers to maintain life-sustaining water and wastewater services during this unprecedented time is not contradictory to PAWC operating safely and effectively.<sup>96</sup> As Mr. Miller explained, “[d]ramatically increasing the

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<sup>90</sup> CAUSE-PA St. 1 at 8: 16-19; 9: 1-3.

<sup>91</sup> Id.

<sup>92</sup> PAWC St. 1-R at 80: 1-6; PAWC St. 15-R at 7: 6-13. Mr. Bishop improperly quotes Mr. Miller in Mr. Bishop’s rebuttal testimony when Mr. Miller explains: “while I acknowledge that there is a critical need to maintain operating expenses and to improve infrastructure to provide safe and consistent water and wastewater services to customers, I do not believe that it is appropriate to raise rates for essential utilities in the current economic crisis.” PAWC St. 15-R at 8: 9-13; CAUSE-PA St. 1 at 7: 9-12.

<sup>93</sup> PAWC St. 1-R at 80: 8-13.

<sup>94</sup> PAWC St. 15-R at 7: 6-13.

<sup>95</sup> PAWC St. 1-R at 82: 4-16.

<sup>96</sup> CAUSE-PA St. 1-SR at 8: 8-17.

costs of basic services that are essential to stave off the spread of COVID-19... is not an appropriate path to economic recovery at this time.”<sup>97</sup>

Moreover, while Mr. Miller recognized the size and varying geography of PAWC’s service territory, he nonetheless recommended an analysis of PAWC’s service territory in order to understand the effects that COVID-19 has had on PAWC’s customers and rate affordability as an “invaluable tool” to understand the varied impacts of COVID-19 on affordability.<sup>98</sup> As such, Mr. Miller recommended this analysis be performed prior to PAWC filing another request for a rate increase.

CAUSE-PA urges ALJ Johnson and the Commission to reject PAWC’s request for a rate increase in its entirety and, prior to filing any additional request for a rate increase, require PAWC to analyze the economic health of its service territory and the effects of COVID-19 on its customers. Such an analysis should specifically assess the impact of a proposed rate increase on PAWC’s low income customers, and any subsequent rate increase proposal should include aggressive mitigation proposals to remediate that impact and ensure that water and wastewater services are universally available to all those who reside in PAWC’s service territory.

Finally, and consistent with its arguments below, CAUSE-PA urges ALJ Johnson and the Commission direct PAWC to implement several enhancements and improvements to its low income programs to mitigate the present unaffordability of PAWC’s rate on low income customers.<sup>99</sup> While such recommendations are critical to appropriately address rate unaffordability regardless of whether any rate increase is ultimately approved, these recommendations are made

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<sup>97</sup> CAUSE-PA St. 1-SR at 11: 10-12.

<sup>98</sup> CAUSE-PA St. 1-SR at 9: 8-11.

<sup>99</sup> See supra, Section XIV.

all the more vital to protect economically vulnerable consumers if the Commission ultimately allows PAWC to increase its rates at the present time.<sup>100</sup>

#### **IV. PAWC’S PROPOSED MULTI-YEAR RATE PLAN**

CAUSE-PA opposes PAWC’s proposed rate increase in its entirety, including its unprecedented request for a multi-year rate increase in the midst of grave economic uncertainties faced by tens of thousands of PAWC customers. That said, beyond its overarching opposition to the entirety of PAWC’s rate proposal, CAUSE-PA did not take a specific position on PAWC’s proposed multi-year rate plan in this proceeding.

#### **V. RATE BASE**

CAUSE-PA did not take a specific position as to the rate base in this proceeding.

#### **VI. REVENUES**

CAUSE-PA did not take a specific position as to the revenue requirement in this proceeding. However, as discussed below, CAUSE-PA is highly concerned about how the overall proposed rate increases will affect the accessibility of service for residential customers, especially low income customers who already struggled profoundly to pay their water and wastewater bills – even before the pandemic brought about unprecedented economic losses felt most severely by low income consumers. It would be unjust and unreasonable to approve an increase in PAWC revenue when PAWC’s consumers are struggling profoundly to maintain water and wastewater service to their homes.

#### **VII. OPERATING AND MAINTENANCE EXPENSES**

CAUSE-PA did not take a specific position as to operating and maintenance expenses in this proceeding.

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<sup>100</sup> CAUSE-PA St. 1 at 9: 4-9.

## **VIII. TAXES**

CAUSE-PA did not take a specific position as to taxes in this proceeding.

## **IX. RATE OF RETURN**

CAUSE-PA did not take a specific position as to rate of return in this proceeding.

## **X. REGIONALIZATION AND CONSOLIDATION SURCHARGE**

CAUSE-PA did not take a position as to the regionalization and consolidation surcharge in this proceeding.

## **XI. PENSION/OPEB TRACKER**

CAUSE-PA did not take a position as to the Pension/OPEB Tracker in this proceeding.

## **XII. RATE STRUCTURE AND RATE DESIGN**

CAUSE-PA did not take a position on the structure and design of PAWC's rates in this proceeding, except as it pertains to the structure and design of rates available to economically vulnerable low income consumers through PAWC's H2O discount program – discussed below.

## **XIII. RECOMMENDATIONS FOR ACTIONS RELATED TO THE COVID-19 EMERGENCY**

PAWC has made several temporary modifications to its policies and procedures as a result of the COVID-19 pandemic. Consistent with the March 13, 2020 Emergency Order of the Pennsylvania Public Utility Commission, PAWC ceased all terminations of residential accounts for the duration of Governor Wolf's Proclamation of Disaster Emergency.<sup>101</sup> Additionally, PAWC indicated through testimony that it implemented a number of temporary measures in response to COVID-19, including temporarily waiving late fees and reconnection fees.<sup>102</sup> PAWC also temporarily decreased its "Low Funding Threshold" for the H2O hardship fund assistance

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<sup>101</sup> PAWC St. No. 1 at 49: 1-3; CAUSE-PA St. 1 at 41: 5-11.

<sup>102</sup> See id.



program.<sup>103</sup> The “Low Funding Threshold” is the threshold at which PAWC – and its program administrator, Dollar Energy Fund (DEF) – will only provide assistance to those whose service has been shut off.<sup>104</sup> As Mr. Miller explained in his direct testimony,<sup>105</sup> this threshold was set at 10% of the funds designated for use in specific areas of PAWC’s service territory, and after the spread of COVID-19, the threshold was set at zero.<sup>106</sup> Notably, however, PAWC did not also increase funding for hardship grant assistance. In other words, PAWC has hastened distribution of available funds – without ensuring that funding will remain available to help those who face termination of service *after* the mandatory moratorium on utility terminations is lifted in March.<sup>107</sup>

PAWC provided additional information related to its customer service, bill, and outreach in response to a Secretarial Letter dated May 29, 2020, docketed at M-2020-3020055.<sup>108</sup> In its response filed June 16, 2020, PAWC indicated that, after the Commission’s Emergency Order on Terminations is lifted, PAWC “intends to determine the timeline it will use to begin the collections process and issue termination notices.”<sup>109</sup> PAWC then intends to enter customers into the collections process based upon customers’ meter readings and billing schedules.<sup>110</sup> PAWC indicates that, in accordance with Chapter 14 and Chapter 56 requirements, the Company intends that residential customers will receive standard 10-day written termination notices and 72-hours

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<sup>103</sup> CAUSE-PA St. 1 at 41: 12-19, citing CAUSE-PA to PAWC III-9.

<sup>104</sup> Id.

<sup>105</sup> CAUSE-PA St. 1 at 41: 12-19.

<sup>106</sup> Id., citing CAUSE-PA to PAWC III-9.

<sup>107</sup> Public Utility Service Terminations Moratorium - Modification of March 13th Emergency Order, Order, Docket No. M-2020-3019244 (Order entered October 13, 2020).

<sup>108</sup> CAUSE-PA St. 1 at 42: 1-3.

<sup>109</sup> CAUSE-PA St. 1 at 42: 3-10, citing COVID-19 Customer Service, Billing, and Public Outreach Provisions, Pennsylvania-American Water Company’s Responses to Secretarial Letter Dated May 29, 2020, Docket No. M-2020-3020055 (response filed June 16, 2020).

<sup>110</sup> Id.

notices prior to termination<sup>111</sup> – though it does not propose any enhanced outreach or notice to these customers to help ensure that households are matched with appropriate programming and receive all protections to which they are entitled.

As Mr. Miller described in his direct testimony, PAWC has only collected limited information on how COVID-19 has affected its residential customers.<sup>112</sup> 37,150 residential customers were eligible for termination as of May 2020 – an increase from 30,599 customers who were eligible for termination in May 2019.<sup>113</sup> By October 2020, that number grew to 52,724 – representing a 63% increase in residential consumers eligible for termination year over year.<sup>114</sup>

In proposing to exponentially increase rates during the ongoing pandemic, PAWC failed to plan for or undertake any analysis related to the potential long-term impacts that COVID-19 might have on the health and economy of its service territory, or on its low income customers.<sup>115</sup>

In particular, Mr. Miller notes:

Without undertaking such investigations, I am concerned that PAWC will not be able to accurately gauge the full scope and projected long-term effects that the pandemic will have on customers – especially low income customers who have borne a disproportionate impact as a result of COVID-19 and resulting economic devastation. While PAWC asserts that the changes it proposes to its low income programming are in “consideration of increasing pressures on low income customers, particularly those impacted by the current COVID-19 crisis,” without an analysis of the impacts of COVID-19 on its low income consumers, it is unclear whether PAWC’s proposed changes to its H2O Program are sufficient to appropriately account for the economic repercussions caused by the COVID-19 pandemic.<sup>116</sup>

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<sup>111</sup> Id.

<sup>112</sup> CAUSE-PA St. 1 at 42: 13-17.

<sup>113</sup> Id.

<sup>114</sup> See Public Utility Service Termination Proclamation of Disaster Emergency – COVID-19, PUC Docket No. M-2020-3019244, Response of PAWC to the PUC’s Request for Data (response filed October 15, 2020).

<sup>115</sup> CAUSE-PA St. 1 at 43: 1-16.

<sup>116</sup> Id. at 43: 1-16 (internal citations omitted).

Because of PAWC's failure to evaluate or plan for the effects of the pandemic on its customers, coupled with the profound economic repercussions felt across the Commonwealth as a result of COVID-19, CAUSE-PA urges ALJ Johnson and the Commission to require PAWC to implement several improvements to its policies and procedures during the pendency of the COVID-19 pandemic. These improvements should be adopted *regardless of whether rate increase is ultimately approved*.<sup>117</sup>

First, as discussed above, the ALJ and the Commission should deny any increase to PAWC's rates at this time, and PAWC should be required to conduct a formal analysis of the impact that the COVID-19 pandemic has had and is projected to have on the affordability of rates and the continued accessibility of water and wastewater for economically vulnerable Pennsylvanians in PAWC's service territory.<sup>118</sup>

Second, PAWC should be required to waive all reconnection and late fees for one year from the final order it's the current matter.<sup>119</sup> As Mr. Miller described in his direct testimony:

[I]t is essential that consumers attempting to connect to crucial and life-sustaining services are able to do so during the pendency of the pandemic – and thereafter, as our communities grapple with the continued economic fall-out from the pandemic that is likely to ripple through our economy for years to come.<sup>120</sup>

Given that water and wastewater services are necessary to washing, sanitizing, and ultimately defending a household against transmission of COVID-19, it is critical that consumers can readily connect to and maintain water and wastewater services without facing additional fees

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<sup>117</sup> Id. at 44: 3-5.

<sup>118</sup> CAUSE-PA St. 1 at 44: 6-10.

<sup>119</sup> Id. at 44: 11-20.

<sup>120</sup> Id. at 44: 12-16.

that would present an insurmountable obstacle for households to have access to running water in their home.<sup>121</sup>

Third, PAWC should be required to waive its good faith payment requirements for its Hardship Fund for at least a year from the date of the final order in this case, and should increase funding for the program to better serve the overwhelming need for assistance.<sup>122</sup> Pennsylvanians continue to file unemployment claims at levels far exceeding pre-pandemic rates.<sup>123</sup> Given the steep rise in unemployment, requiring customers to show that they have made good-faith payments in recent months as a condition of receiving grant assistance poses significant barriers to customers who have been unable to make payments as a result of unprecedented hardship.<sup>124</sup> In her rebuttal testimony, PAWC witness Tawana Dean indicates that the Company is willing to waive its good faith payment requirement for the Hardship Fund for one year from the final Order – though it did not commit to providing any increased resources to meet the dramatically increased need for assistance.<sup>125</sup>

Fourth, PAWC should be required to simplify income documentation requirements for its Hardship Fund during the pendency of the COVID-19 crisis and for at least 12 months thereafter, to allow customers to self-certify their income, consistent with PAWC's income documentation requirements for the H2O bill discount program.<sup>126</sup> To meet the rising need for assistance that might occur when the emergency moratorium is lifted and terminations are permitted to

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<sup>121</sup> Id. at 44: 11-20.

<sup>122</sup> Id. at 44: 21-22; see also CEO St. 1 at 7: 1-13.

<sup>123</sup> CAUSE-PA St. 1 at 45: 1-3, citing Pa. Office of Unemployment Compensation, UC Claim Statistics, <https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx>.

<sup>124</sup> CAUSE-PA St. 1 at 45: 3-9.

<sup>125</sup> PAWC St. 17-R at 22: 13-17; see also PAWC St. 4-R at 16: 3-16

<sup>126</sup> CAUSE-PA St. 1 at 45: 10-17.

commence, Mr. Miller further recommended that PAWC explore additional sources of funding for the Hardship Grant program and whether it is appropriate to expand the grant amount offered under the Hardship Fund to meet the rising community need for grant assistance.<sup>127</sup>

Fifth, PAWC should be directed to work with stakeholders to develop a plan to prepare for and lessen the wave of terminations and customer removed from the H2O Program as the emergency termination moratorium is lifted.<sup>128</sup> In his direct testimony, Mr. Miller describes how, while PAWC has indicated that they have made a limited number of phone calls to customers with past-due balances and sent some courtesy letters, PAWC has failed to articulate a detailed plan for resuming terminations, or how to lessen the impacts of termination on low income customers.<sup>129</sup> Indeed, PAWC has stated that, when the Commission's Emergency Order on terminations is lifted, PAWC will determine the timeline it will use to begin collection process, in accordance with applicable notice requirements, and enter customer into collections based on customer's readings and billings schedules.<sup>130</sup> Given the significant number of PAWC customers who would potentially face terminations when the Commission's emergency moratorium on terminations is lifted, it is crucial that PAWC work with stakeholders to develop a fully articulated plan for resuming terminations – including reasonable ways that low income and vulnerable households might avoid termination and remain in PAWC's customer assistance programs.<sup>131</sup>

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<sup>127</sup> Id.

<sup>128</sup> Id. at 45: 18-19; 46: 1.

<sup>129</sup> Id. at 46: 1-7.

<sup>130</sup> CAUSE-PA St. 1 at 46: 5-10, citing COVID-19 Customer Service, Billing, and Public Outreach Provisions, Pennsylvania-American Water Company's Responses to Secretarial Letter Dated May 29, 2020, Docket No. M-2020-3020055 (response filed June 16, 2020).

<sup>131</sup> CAUSE-PA St. 1 at 46: 10-16.

Sixth, PAWC should be required to expand its outreach efforts and develop a community outreach plan to target the most hard-hit and at-need communities as a result of the COVID-19 pandemic.<sup>132</sup> As Mr. Miller recommends, this plan should be developed in conjunction with interested parties and stakeholders to best target at-need areas in PAWC's service territory.<sup>133</sup> Similarly, PAWC should be directed to work with stakeholders to determine what methods of outreach might best inform impacted communities about the availability of assistance programs. As described below, CAUSE-PA recommends that PAWC be directed to establish a low income advisory group which meets regularly and which can consult in important customer issues, including but not limited to how to best expand outreach efforts in light of COVID-19.

Finally, CAUSE-PA urges the Commission to adopt the emergency assistance program proposed by OCA witness Roger Colton. In addition to the above mitigation measures, it is critical that PAWC provide additional relief to consumers who are struggling to maintain service as a result of the economic devastation caused by the pandemic.<sup>134</sup>

PAWC expert witness Tawana Dean objects in her direct testimony to a number of Mr. Miller's recommendations related to additional COVID-19 relief. First, Ms. Dean objects to Mr. Miller's recommendation that PAWC waive reconnection fees for one year from the date of the final order in this case, and claims that this recommendation is premature given the emergency moratorium is still in place.<sup>135</sup> Second, Ms. Dean objects to PAWC working with stakeholders to develop a fully articulated plan to resume termination, and again argues this recommendation is

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<sup>132</sup> Id. at 47: 3-11.

<sup>133</sup> Id.

<sup>134</sup> See OCA St. 4 at 4-5.

<sup>135</sup> PAWC St. 17-R at 21: 36-37.

premature given that limited guidance has yet to be provided by the Commission.<sup>136</sup> Third, Ms. Dean objects to PAWC be required to allow customers applying for hardship funding to self-certify income during the pendency of the COVID-19 pandemic and for 12 months thereafter, claiming that PAWC is not aware of any existing customer challenges to certification of income.<sup>137</sup> Fourth, Ms. Dean disagrees with PAWC evaluating increasing the amount available under the Hardship Fund, given that it unclear what limits would be placed on this expansion or how this expansion would be funded.<sup>138</sup>

CAUSE-PA disagrees with the contention of PAWC's expert witnesses that it is somehow premature to determine to waive reconnection fees for one year or to work with parties and stakeholders to develop a fully articulated plan for resuming terminations, especially in light of the Commission's decision of October 8, 2020 to lift the emergency moratorium on terminations on November 9, 2020, and to extend additional protections to low income customers until March 31, 2021.<sup>139</sup> Given that PAWC is proposing to implement a substantial rate increase next year, it is critical that the Company have a specific plan in place to assist vulnerable customers stay connected to critical water and wastewater services.<sup>140</sup> As such, PAWC should work with members of its low income advisory group (the creation of which is discussed below) to continue to refine its plan for resuming terminations, with the first meeting of the advisory group to take place in the first quarter of 2021 and quarterly thereafter.<sup>141</sup> As discussed above, PAWC should also be

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<sup>136</sup> Id. at 24: 5-11.

<sup>137</sup> Id. at 22: 18-22.

<sup>138</sup> Id. at 23: 4-13.

<sup>139</sup> CAUSE-PA St. 1-SR at 18: 1-6, citing Public Utility Service Terminations Moratorium - Modification of March 13th Emergency Order, Order, Docket No. M-2020-3019244 (Order entered October 13, 2020).

<sup>140</sup> CAUSE-PA 1-SR at 18: 1-12.

<sup>141</sup> Id. at 18: 13-18.

required to waive reconnection fees for one year from the date of the final order in this case in light of the continued impacts of COVID-19 on Pennsylvania's consumers.

While Ms. Dean further argues that self-certification of income for the Hardship Fund is not necessary because there is no evidence of existing customer issues with self-certification, compared to the number of PAWC customers who are potentially eligible for low income customer assistance, only a small percent of these customers have been able to enroll in the H2O program.<sup>142</sup> Mr. Miller attributed these low participation rates, at least in part, to burdensome application processes and noted that such procedures would need to be simplified to handle the surge in the need for grant assistance once low income terminations commence.<sup>143</sup> Similarly, Mr. Miller recommendation that PAWC evaluate increasing hardship grant funding was to be taken in conjunction with requiring PAWC to explore and identify new sources of hardship grant funding.<sup>144</sup>

Regardless of whether the Commission ultimately approves any rate increase in this proceeding, CAUSE-PA urges the Commission to adopt its recommendations to help mitigate the impact of COVID-19 on low income consumers.

#### **XIV. LOW-INCOME CUSTOMER ASSISTANCE**

##### **A. H2O Discount Program Design**

###### ***1. H2O Discount Program Design – Discount Program Structure***

Critical improvements are needed to the structure and discount offered under the H2O bill discount program to equitably improve affordability for H2O participants. In order to

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<sup>142</sup> CAUSE-PA 1-SR at 19: 1-6.

<sup>143</sup> Id. at 19: 6-12.

<sup>144</sup> Id. at 19: 13-19.



determine if H2O bill discount participants have access to affordable rates, it is first necessary to define utility affordability. As Mr. Miller described in his direct testimony, the accepted metric to determine the affordability of utility service is referred to as a household's utility burden.<sup>145</sup> The utility burden of a household is the percentage of a household income required to cover the cost of the bill.<sup>146</sup> In the context of discussing water and wastewater affordability, the household utility burden is referred to as the household's water and wastewater burden.<sup>147</sup>

In Pennsylvania, there is no specific agency or government-defined standard for water or wastewater affordability.<sup>148</sup> Nevertheless, as Mr. Miller explained in his direct testimony, "there is a general consensus among experts that a *combined* household water and wastewater burden should – conservatively – be no greater than 4.5%, and should be proportionately lower for those at the lowest levels of poverty."<sup>149</sup>

Many H2O bill discount participants face significant water and wastewater burdens even at current rates. As shown in Tables 9 and 10 of Mr. Miller's direct testimony, many H2O bill discount participants, especially those with household income at or below 50% FPL, face water and wastewater burdens in excess of 4.5% -- a percentage that, as noted above, represents what is considered to be the maximum affordability burden.<sup>150</sup> For example, an H2O participant with a

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<sup>145</sup> CAUSE-PA St. 1 at 25: 8-15.

<sup>146</sup> Id., citing Roger Colton, The Affordability of Water and Wastewater Service In Twelve U.S. Cities: A Social, Business and Environmental Concern, The Guardian, (May 2020), available at <https://www.theguardian.com/environment/2020/jun/23/full-report-read-in-depth-water-poverty-investigation>

<sup>147</sup> CAUSE-PA St. 1 at 25: 8-15.

<sup>148</sup> Id.

<sup>149</sup> Id., citing, e.g., Fisher, Sheehan & Colton, Defining "Affordable" Water Rates for Low Income Programs, Public Finance & General Economics (Mar/Apr 2005), [http://www.fsconline.com/downloads/FSC%20Newsletter/news2005/n2005\\_0304.pdf](http://www.fsconline.com/downloads/FSC%20Newsletter/news2005/n2005_0304.pdf) (reviewing available research and determining that "a water/wastewater burden of 2% is the generally accepted threshold of determining affordability for low income households.").

<sup>150</sup> CAUSE-PA St. 1 at 34: 1-8; 35: 1-2.

4-person household and income at 50% FPL (with average usage rates) has a combined water and wastewater burden of 8.4% at current rates.<sup>151</sup> At proposed rates, the same household will face a combined water and wastewater burden of 9.4% - even with the slightly improved discount rate proposed in PAWC's filing.<sup>152</sup> As Mr. Miller concluded, PAWC's proposed rate increase represents an "aggressive and fast-paced increase in rates for life-sustaining services that will detrimentally impact economically vulnerable households, whose incomes have not increased to accommodate the rapid increase in the cost of essential service."<sup>153</sup>

In its current rate filings, PAWC proposes to make the following changes to its H2O bill discount program: (1) add a 10% discount on the volumetric charge for water customers, in addition to the current 85% discount on the service charge; and (2) increase the wastewater bill discount from 20% to 30% of the total bill.<sup>154</sup> As discussed in further detail below, PAWC fails to set forth a proposal to manage arrearage levels of its low income customers, any changes to the structure of the discount offered under the H2O bill discount program, or expanded outreach related to the H2O program.<sup>155</sup>

CAUSE-PA expert witness Mitchell Miller explained in his direct testimony that PAWC's proposed changes to its low income programs were inadequate to protect vulnerable customers against PAWC's proposed rate increase.<sup>156</sup> Mr. Miller noted that:

The structure, delivery, and implementation of PAWC's low income programs do not provide sufficiently targeted rate relief to equitably address deep and chronic

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<sup>151</sup> Id. at 34-35, T. 9 & T. 10.

<sup>152</sup> Id. at 39, T. 12 & T.13.

<sup>153</sup> Id. at 22: 7-10.

<sup>154</sup> CAUSE-PA St. 1 at 36: 7-9.

<sup>155</sup> Id. at 36: 9 -12.

<sup>156</sup> Id. at 36: 20-21.

affordability issues faced by low income consumers – especially for those who are high users, either because their system is in need of repair or because they have larger families.<sup>157</sup>

Mr. Miller noted that, while PAWC’s proposed changes to its H2O bill discount might provide minimal improvements for a number of H2O participants, the proposed changes to the H2O discount do not equitably target the delivery of assistance to provide a consistent level of affordability to those with the lowest income levels and/or those with larger families and correspondingly higher usage levels.<sup>158</sup>

As described in Table 11 of Mr. Miller’s direct testimony, PAWC’s H2O customers have significantly higher usage levels compared to residential customers as a whole.<sup>159</sup> These higher usage levels are most likely attributable to a number of factors, including that low income households are more likely to live in older homes which are in need of repairs to plumbing and do not have water efficiency devices.<sup>160</sup>

While PAWC has recommended some incremental improvements to the bill discount offered to H2O participants, low income customers will continue to experience high levels of unaffordability in their monthly bills and correspondingly high water and wastewater burdens.<sup>161</sup> The reproduced table below shows the water burdens of H2O participants at 50, 100, and 150% FPL, assuming proposed rates and discount levels (using current average usage levels and federal poverty levels):<sup>162</sup>

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<sup>157</sup> Id. at 37: 1-4.

<sup>158</sup> Id. at 37: 7-9.

<sup>159</sup> Id. at 37: 11-15.

<sup>160</sup> Id. at 38: 1-3.

<sup>161</sup> Id. at 38: 11-14.

<sup>162</sup> Id. at 39: 1-2; CAUSE-PA to PAWC II-3, Attach.

**Table 1 - H2O Water Burdens at Proposed 2022 Rates and Discount Levels**

	50% FPL HHD of 2 (\$718)	50% FPL HHD of 4 (\$1,092)	100% FPL HHD of 2 (\$1,437)	100% FPL HHD of 4 (\$2,183)	150% FPL HHD of 2 (\$2,155)	150% FPL HHD of 4 (\$3,275)
Zone 1, \$48.89	<b>6.8%</b>	<b>4.5%</b>	<b>3.4%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>1.5%</b>
Zone 5, \$39.07	<b>5.4%</b>	<b>3.6%</b>	<b>2.7%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.2%</b>

Similarly, the reproduced table below shows the wastewater burdens of H2O participants at 50, 100, and 150% FPL, again assuming proposed rates and discount levels (using current average usage levels and federal poverty levels):<sup>163</sup>

**Table 2 - H2O Wastewater Burdens at Proposed 2022 Rates and Discount Levels**

	50% FPL HHD of 2 (\$718)	50% FPL HHD of 4 (\$1,092)	100% FPL HHD of 2 (\$1,437)	100% FPL HHD of 4 (\$2,183)	150% FPL HHD of 2 (\$2,155)	150% FPL HHD of 4 (\$3,275)
Zone 1, 4-9, \$53.80	<b>7.5%</b>	<b>4.9%</b>	<b>3.7%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>1.6%</b>
Zone 2, \$44.13	<b>6.1%</b>	<b>4.0%</b>	<b>3.1%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.3%</b>
Zone 3, \$31.41	<b>4.4%</b>	<b>2.9%</b>	<b>2.2%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.0%</b>
Kane RZ, \$51.84	<b>7.2%</b>	<b>4.7%</b>	<b>3.6%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>1.6%</b>

As these charts show, customers with household incomes at or below 50% FPL will experience combined water and wastewater burdens in excess of 8% - far exceeding the maximum 4.5% affordability level for water/ wastewater burdens discussed early.

The wide discrepancy in affordability levels achieved through the H2O program is attributable to the fact that the current structure of the discount under the H2O program – currently an 85% discount of the fixed water service charge and a 20% discount of the total wastewater bill – is the same, regardless of whether a customer has a household income at 0% FPL, 150% FPL, or are somewhere in between.<sup>164</sup> Even with the additional discounts proposed by PAWC in the

<sup>163</sup> CAUSE-PA St. 1 at 39: 3-7; CAUSE-PA to PAWC II-3, Attach.

<sup>164</sup> CAUSE-PA St. 1 at 59: 10-12.

current filings, customers at lower income levels and those with higher usage levels must devote a greater portion of their monthly incomes to pay PAWC bills compared to families with higher monthly incomes. Mr. Miller noted that this structure ultimately produces inequitable results, particularly for customers at the lowest end of the poverty guidelines and those with larger families and correspondingly higher usage.<sup>165</sup> In CAUSE-PA Exhibits MM-1 through MM-6, attached hereto as Appendix D for ease of reference, Mr. Miller showed in detail how the application of a flat discount under PAWC's existing H2O discount structure produces uneven and inequitable benefits.<sup>166</sup> As Mr. Miller explained:

As these more detailed water and wastewater burden charts further reveal, households with higher water usage, larger household size, and/or lower household income face substantially higher energy burdens than smaller households with lower usage and higher household income. The varied rate impact, based on usage levels, is particularly important in the context of examining rate impacts on low income households, as low income households are more likely to live in aging housing stock with leaky pipes, and are less able to afford repairs and efficiency upgrades to help control usage levels.<sup>167</sup>

In short, PAWC's predominately fixed discount structure results in combined water/wastewater burdens in excess of 10% for those with the lowest income levels and the highest usage levels – while, in comparison, the fixed discount structure results in a much lower combined water/wastewater burden for those at the higher end of the poverty level with the lowest usage level receive.<sup>168</sup> The following chart, pulled from the data in CAUSE-PA Exhibits MM-1(b) and MM-

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<sup>165</sup> Id. at 59: 16-20.

<sup>166</sup> Id. at 60: 1-6; CAUSE-PA Exhibits MM-1 through MM-6.

<sup>167</sup> CAUSE-PA St. 1 at 30: 1-7, citing US Dep't of Health, Office of Disease Prevention & Health Promotion, Social Determinants of Health: Quality of Housing (2020), <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing>

<sup>168</sup> Id.

3(b) helps to contextualize the disparity in affordability achieved through H2O for those with the lowest income level and/or higher average usage rates:

**Table 3: Combined Water/WW Burden for Proposed Full Tariff and H2O Rates, Zone 1<sup>169</sup>**

	<b>Full Proposed Rate, 2022</b>		<b>H2O Rate, 2022</b>	
<b>2 person HHD</b>	<b>2000 gal</b>	<b>5000 gal</b>	<b>2000 gal</b>	<b>5000 gal</b>
50% FPL	14%	28%	9%	20%
100% FPL	6%	13%	4%	10%
150% FPL	4%	9%	3%	6%
<b>4 person HHD</b>	<b>2000 gal</b>	<b>5000 gal</b>	<b>2000 gal</b>	<b>5000 gal</b>
50% FPL	9%	18%	6%	13%
100% FPL	4%	9%	3%	6%
150% FPL	3%	6%	2%	4%

At proposed rates, H2O customers at the lowest end of the poverty scale and/or the highest usage level will pay rates which far exceed the widely accepted 4.5% maximum affordability standards for water and wastewater services – with some receiving bills in excess of 10 and 20% of total household income for water and wastewater service alone.<sup>170</sup> As Mr. Miler explains, this leaves “very little income to pay for rent, food, medicine, energy, and other critical needs that a household must have in order to meet even the most basic human needs.”<sup>171</sup>

Significantly, Mr. Miller noted that the challenges faced by low income customers as a result of unaffordable water and wastewater burdens have only worsened as a result of COVID-19.<sup>172</sup> While PAWC has not analyzed the impact of COVID-19 on its low income customers, or any of its customers for that matter, low income consumers throughout the Commonwealth have

<sup>169</sup> CAUSE-PA Exhibits MM-1(b) & MM-3(b).

<sup>170</sup> CAUSE-PA St. 1 at 28: 5-8.

<sup>171</sup> Id.

<sup>172</sup> CAUSE-PA St. 1 at 40: 9-11.

faced economic repercussions as a result of COVID-19.<sup>173</sup> These profound impacts were discussed at greater length above, with regard to CAUSE-PA's opposition to PAWC's proposed rate increase.

To address unaffordability at current and proposed rates, and to remediate disparities in the relative water and wastewater burden levels achieved through PAWC's H2O program, Mr. Miller recommended that the Commission require PAWC to make critical improvements to the design of its H2O program.<sup>174</sup> Specifically, Mr. Miller strongly recommended that PAWC implement a percentage of income discount rate program that ties discount levels to customers' ability to pay.<sup>175</sup> Mr. Miller proposed that PAWC target water affordability for the PIP at 2, 2.5, and 3% of household income for those at 0-50%, 51-100%, and 101-150% FPL, respectively – consistent with the PIP recently implemented by the Philadelphia Water Department.<sup>176</sup> Mr. Miller noted that PAWC's system would likely require upgrades and programming to enable PAWC to implement a PIP, and that this programming would come at a cost.<sup>177</sup> In recognition of these limitations, Mr. Miller recommended that the proposed reforms to PAWC's H2O program be implemented within 2 years of a final order in the case – or, to the extent PAWC's proposed rate increase is approved, no later than the effective date of PAWC's 2022 rate increase.<sup>178</sup> Mr. Miller noted, however, that the challenges inherent to implementing these proposals should not dissuade the Commission from acting decisively to ensure that rates are accessible to all those who reside in PAWC's service

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<sup>173</sup> Id. at 40: 9-21.

<sup>174</sup> Id.

<sup>175</sup> Id. at 38: 6-10.

<sup>176</sup> CAUSE-PA St. 1 at 63: 20-23; 64: 1-2, citing Joanne Dahme, Roger Colton, & Robert Ballenger, Managing Public Water Infrastructure with Resource Constraints, [http://graham.umich.edu/media/pubs/Water-CS-Philadelphia-Tiered-Assistant-Program\\_0.pdf](http://graham.umich.edu/media/pubs/Water-CS-Philadelphia-Tiered-Assistant-Program_0.pdf).

<sup>177</sup> CAUSE-PA St. 1 at 64-65.

<sup>178</sup> Id. at 65: 2-6.

territory.<sup>179</sup> Indeed, without robust mitigation for current and proposed levels of unaffordability, PAWC's service will be out of reach for tens of thousands of households within PAWC's service territory – *a fact which is neither just nor reasonable*.

By implementing a PIP, PAWC would be able to precisely target H2O discount rates so that customers receive an appropriate level of assistance.<sup>180</sup> As Mr. Miller explained:

[M]any customers enrolled in the H2O discount program continue to face significant water and wastewater burdens that far outpace low income households' ability to pay. As currently designed, PAWC's flat discount model is not achieving optimal, targeted benefits capable of delivering a targeted and equitable level of benefits to those in need. Implementing a PIP would allow PAWC to precisely target affordability for low income customers, while also helping to ensure that PAWC's most vulnerable customers – those at the lower end of the FPL – are afforded the same levels of affordability offered to customers with higher FPLs.<sup>181</sup>

CAUSE-PA urges ALJ Johnson and the Commission to adopt Mr. Miller's recommendation to transition PAWC's H2O to a PIP.

PAWC expert witness Ashley E. Everette objects in her rebuttal testimony to Mr. Miller's recommendation that PAWC implement a PIP.<sup>182</sup> Ms. Everette indicates that a PIP would be challenging for PAWC given 1) PAWC and Dollar Energy Fund (DEF) do not verify income data from all H2O participants; 2) PAWC does not have a mechanism in place to require customers to provide income information; and 3) PAWC does not have adequate information to correctly

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<sup>179</sup> See CAUSE-PA St. 1 at 65.

<sup>180</sup> OCA's expert witness, Roger Colton similarly recommended a three-tier discount, in which the discounts currently proposed by PAWC would be for customers with incomes at or above 100% FPL and modified discounts would be provided to customers with income at: 1) below 50% FPL; and 2) between 50% and 100% FPL. See OCA St. 4 at 4: 12-17.

<sup>181</sup> CAUSE-PA St. 1 at 64: 3-12.

<sup>182</sup> PAWC St. 4-R at 15: 13-16. While Ms. Everette suggests an alternative discount structure in which H2O participants will receive a 100% discount on the service charge with no discount on the volumetric charge, in addition to additional grant funding, as Mr. Miller explained, such a proposal is wholly inadequate to provide H2O participants with affordable bills. See CAUSE-PA 1-SR at 14: 1-7.



categorize low income customers into tiers.<sup>183</sup> Despite these current limitations in PAWC's current income collection practices, Mr. Miller explained that implementing a PIP was still feasible if PAWC revised its policies and procedures related to income collection.<sup>184</sup> Indeed, DEF - PAWC's H2O program administrator - also administers a number of Customer Assistance Programs (CAPs) that utilize a PIP model, and is therefore capable of implementing a PIP for PAWC.<sup>185</sup>

For the forgoing reasons, and consistent with the detailed recommendations of Mr. Miller described above, CAUSE-PA respectfully requests that ALJ Johnson and the Commission direct PAWC to implement a PIP to help ensure that H2O participants receive targeted and equitable levels of assistance necessary to remain connected to life-sustaining water and wastewater service to their homes.

## ***2. H2O Discount Program Design – Arrearage Management***

CAUSE-PA urges ALJ Johnson and the Commission to require PAWC to implement an arrearage forgiveness component within its H2O bill discount program. As Mr. Miller described in his direct testimony, the level of affordability achieved through H2O – and the associated benefits of universal service programming in terms of improved payment behavior and reduced terminations – is substantially hampered, given that PAWC does not offer a way for participants to address and catch up on arrears accrued prior to program entry.<sup>186</sup>

Customers who enroll in the H2O bill discount program typically enter the program with substantial arrearage levels. In 2018, approximately 1,204 bill discount entrants had arrearage

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<sup>183</sup> PAWC St. 4-R at 14: 11-12; 15: 1-6.

<sup>184</sup> CAUSE-PA St. 1-SR at 13: 7-11.

<sup>185</sup> *Id.* at 13: 12-15.

<sup>186</sup> CAUSE-PA St. 1 at 60: 7-10.

levels exceeding \$500; in 2019, approximately 770 bill discount entrants had arrearage levels exceeding \$500.<sup>187</sup> After enrollment in the program, H2O discount participants continue to carry significantly higher arrearage levels than residential customer as a whole. For example, in PAWC's Rate Zone 1, H2O discount participants had mean arrearage level of approximately \$540.02 in 2018, compared to the mean arrearage level of \$283.27 for all residential customers in the same year, division, and rate zone.<sup>188</sup>

In his direct testimony, Mr. Miller discussed the critical need for arrearage forgiveness for H2O bill discount participants in order to address overall affordability for low income customers, and to obtain systemwide benefits associated with improved affordability – including improved bill payment and reduced uncollectible expenses.<sup>189</sup> Mr. Miller explained:

Other utilities that have customer assistance programs are successful at achieving program goals (e.g. improving affordability and bill payment behavior, and reducing uncollectible expenses) are not only designed to provide meaningful discounts to participants, but are also coupled with a mechanism for arrearage forgiveness.<sup>190</sup>

The importance of PAWC implementing arrearage management component within its H2O program was also emphasized by the Office of Consumer Advocate (OCA). In particular, OCA's expert witness, Roger Colton, recommended that PAWC be required to propose an Arrearage Management Plan to the Commission for review and approval no later than six months from the final Order in this matter.<sup>191</sup> Mr. Colton recommends that this Plan be designed through a multi-party stakeholder process, which includes the Commission's Bureau of Consumer Services. Like

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<sup>187</sup> Id. at 60: Table 14.

<sup>188</sup> Id. at 61: Table 15.

<sup>189</sup> Id. at 61: 10; 62: 1-5.

<sup>190</sup> Id. at 62: 1-5.

<sup>191</sup> OCA St. 4 at 4: 19-23.

Mr. Miller, Mr. Colton found that the average arrears of low income customers was significantly higher than the average arrears of other customers.<sup>192</sup>

CAUSE-PA urges the ALJ Johnson and the Commission to require PAWC to implement a comprehensive arrearage forgiveness program, so that H2O bill discount participants can earn forgiveness on debt accrued prior to entry in the H2O program. Given the significant arrears carried by H2O participants, it is essential that H2O participants are able to earn forgiveness on debt accrued prior to entry into the H2O bill discount program so that they might reasonably address their pre-program arrears. In line with Mr. Miller's recommendations, upon entry into the H2O bill discount program, pre-program arrears should be frozen and should no longer accrue late fees or charges.<sup>193</sup> After enrollment in the H2O program, customers should have 1/36<sup>th</sup> of their pre-program forgiven for each in-full payment made while the customer is enrolled in the H2O bill discount program.<sup>194</sup> PAWC's arrearage forgiveness program should be recovered from the rate base consistent with the recovery of PAWC's H2O program costs, given that arrearage management would address the unaffordability of PAWC's current and proposed rates.<sup>195</sup>

While PAWC has indicated that its computer information system does not currently allow for arrearage forgiveness,<sup>196</sup> information system constraints should not stand as an insurmountable barrier to providing customers with affordable bills. As recommended by Mr. Miller, PAWC should be directed to adopt and implement its arrearage forgiveness program no later than the effective date of its 2022 rate increase, or if the rate increase is denied, within two years of the

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<sup>192</sup> Id. at 11: 5-6.

<sup>193</sup> CAUSE-PA St. 1 at 63: 13-19.

<sup>194</sup> See id.

<sup>195</sup> CAUSE-PA St. 1-SR at 15: 1-7.

<sup>196</sup> CAUSE-PA St. 1 at 64: 12-15; CAUSE-PA to PAWC III-8-A.

entry of a final order in this case.<sup>197</sup> Allowing for a gap before implementation would allow PAWC to prepare for and update its systems, policies, and procedures to allow for an arrearage forgiveness program to be implemented.<sup>198</sup>

### 3. *Line Repair and Conservation Program*

In testimony, Mr. Miller recommended that PAWC develop a low income conservation and line repair program within its H2O bill discount program to target H2O customers with high usage levels and that the company.<sup>199</sup> Mr. Miller explained:

The structure, delivery, and implementation of PAWC’s low income programs do not provide sufficiently targeted rate relief to equitably address deep and chronic affordability issues faced by low income consumers – especially for those who are high users, either because their system is in need of repair or because they have larger families.<sup>200</sup>

PAWC’s H2O customers have significantly higher usage levels compared to other residential customers.<sup>201</sup> Among the H2O customers for whom PAWC was able to collect consistent monthly usage data, both the mean and median usage level were noticeably and consistently higher than those of other residential customers.<sup>202</sup>

Mr. Miller explained that PAWC’s proposed low income improvements are, “not appropriately targeted to equitably address overarching affordability challenges for customers with medium to large households and correspondingly higher usages levels.”<sup>203</sup> According to Mr.

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<sup>197</sup> CAUSE-PA St. 1 at 65: 1-6.

<sup>198</sup> See CAUSE-PA 1-SR at 14: 8-17 (which addresses PAWC expert witness Ashley Everette’s argument that PAWC has information technology limitations to implementing an arrearage forgiveness program).

<sup>199</sup> CAUSE-PA St. 1 at 65, 70-71.

<sup>200</sup> CAUSE-PA St. 1 at 37.

<sup>201</sup> Id.

<sup>202</sup> Id.

<sup>203</sup> CAUSE-PA St. 1 at 37.

Miller, usage reduction and line repair services are critically important to help reduce usage, given low income households are more likely to need urgent repairs to their home water systems – yet are less likely to be able to afford such repairs:

First, low income households are more likely to live in older, aging homes with inadequate or leaky plumbing, and are less able to afford to promptly fix leaks or purchase and install water efficiency devices. Moreover, those with higher monthly bills as a result of higher than average usage – either because their usage is in need of repair or simply because of larger family sizes – are more likely to affirmatively seek out assistance through the H2O program. It is critical that PAWC’s H2O programs be designed in a way that targets a consistent level of affordability for those at higher usage levels – both through the adoption of a progressive, percentage of income discount rate program that ties the discount level to the customers’ ability to pay *and through the delivery of targeted service line repair and water efficiency programming.*<sup>204</sup>

Mr. Miller also pointed out the need for PAWC to redesign the benefits available through the program to “more equitably and consistently reach a targeted level of affordability while holistically addressing the accrual of unaffordable arrears.”<sup>205</sup> Thus, he recommends that PAWC “improve targeting of its water efficiency and line repair programming to provide more aggressive usage reduction services to PAWC’s highest users participating in the H2O program.”<sup>206</sup>

Ultimately, Mr. Miller recommended that PAWC substantially improve its existing water efficiency and line repair programming to intentionally and aggressively target high usage H2O customers because it will “help reduce inefficiencies and control the cost of the program as a whole.”<sup>207</sup> Mr. Miller further recommended that PAWC be required to include a targeted low

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<sup>204</sup> Id. at 38.

<sup>205</sup> Id. at 46.

<sup>206</sup> CAUSE-PA St. 1 at 46-47.

<sup>207</sup> Id. at 65.

income conservation and line repair component as part of its comprehensive Universal Service Plan with input from a newly established low income advisory group.<sup>208</sup>

In response to Mr. Miller's recommendation that PAWC provide focused line repair for high usage H2O customers, PAWC witness Tawana Dean pointed out that PAWC does not currently offer any assistance to low income households for service line repairs.<sup>209</sup> In surrebuttal, Mr. Miller clarified his recommendation, stating: "given that Ms. Dean has indicated that PAWC is not currently operating a line repair program, I recommend that PAWC be ordered to implement a comprehensive line repair and conservation program."<sup>210</sup>

In her rebuttal testimony, Ms. Dean also argues that "[I]t would be challenge for such a program to target low-income customers because some of those customers would be tenants and where the owner of the line is a landlord who does not qualify for the low-income discount program."<sup>211</sup> In response, Mr. Miller explained that "this is not an insurmountable problem, and is certainly not a reason to forego establishing such a programming."<sup>212</sup> Mr. Miller noted that these same challenges are present for all low income system repair and conservation programming, and is not a reason to shy away from providing targeted assistance to the benefit of both the recipient and all ratepayers:

As I explained in my direct testimony, water efficiency and line repair programs help to reduce inefficiencies, especially for high usage customers, and help to control low income program costs as a whole. While I believe that such a program must be available to low income homeowners and renters, PAWC could initially

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<sup>208</sup> Id. at 65.

<sup>209</sup> PAWC St. 17-R at 25.

<sup>210</sup> CAUSE-PA St. 1-SR at 21.

<sup>211</sup> PAWC St. 17-R at 25.

<sup>212</sup> CAUSE-PA St. 1-SR at 21.

offer such a program to low income homeowners – and later phase in low income renters after it gains experience with administration of such a program.<sup>213</sup>

In light of PAWC’s concerns regarding inclusion of tenants, Mr. Miller recommended that PAWC investigate the current barriers to assisting tenants and that the results be reported to interested stakeholders and PAWC’s low income advisory group.<sup>214</sup> Mr. Miller recommended that PAWC file its comprehensive line repair and conservation plan as a component of its comprehensive Universal Service Plan, including an explanation of how tenants may access the program and a proposed budget.<sup>215</sup>

In her rebuttal testimony, Ms. Dean also argues that “Mr. Miller does not address how the conservation and line repair program would be funded.” (St. 17-R Dean At 25) In response, Mr. Miller clarified his recommendation:

Given that the program would help to reduce overall H2O program costs by targeting high users enrolled in the H2O program, I recommend that PAWC be approved to recover program costs in the same manner that it currently recovers its H2O program costs. I also recommend that PAWC investigate other sources of funding for the program, including potentially through settlement funds.<sup>216</sup>

No party questioned or challenged this proposal through cross examination or rejoinder testimony.

As Mr. Miller explained in testimony, “Given the substantial rate increase PAWC proposes, a comprehensive line repair and conservation program is all the more critical to help to

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<sup>213</sup> Id.

<sup>214</sup> CAUSE-PA St. 1-SR at 22.

<sup>215</sup> Id.

<sup>216</sup> CAUSE-PA St. 1 SR at 22.

mitigate some of the costs of the rate increase on low income customers, especially those low income customers with high usage levels.”<sup>217</sup>

For these reasons, CAUSE-PA asserts that it is imperative for PAWC to make substantial improvements to its current water efficiency program and implement a line repair program. These programs should aggressively target services to high users enrolled in PAWC’s H2O bill discount program.<sup>218</sup> PAWC should also be required to consult with its newly established low income advisory group in its design of the program, and should include details about the program in its comprehensive Universal Service Plan within one year of the effective date of rates in this matter.<sup>219</sup>

## **B. Hardship Fund**

CAUSE-PA strongly supports the Commission of Economic Opportunity (CEO) expert witness Eugene M. Brady’s recommendation that PAWC increase its hardship fund from \$400,000 to \$500,000.<sup>220</sup> As explained above, PAWC has proposed to substantially raise its rates in the midst of one of the worst public health and economic crisis in modern history. The Commission recently issued an order that would allow terminations of low income households to resume terminations as of March 31, 2021 and voiced concerns about the amounts of arrears accrued during the emergency moratorium on terminations.<sup>221</sup> As also explained above, PAWC’s low income customers carry significant arrears compared to residential customers as a whole.<sup>222</sup> It is

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<sup>217</sup> Id.

<sup>218</sup> CAUSE-PA St. 1 at 65, 70-71; CAUSE-PA St. 1-SR at 21-22

<sup>219</sup> CAUSE-PA St. 1 at 65, 70-71.

<sup>220</sup> CEO St. 1 at 7: 1-13.

<sup>221</sup> Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order, M-2020-3019244, Order (October 13, 2020).

<sup>222</sup> See infra, Section XIV.A.2.



vital that every effort is made to equitably address accrued arrears and ensure that low income customers are adequately protected from the threat of termination during the pendency of the pandemic and as the Commonwealth begins its path to recovery. As such, CAUSE-PA urges ALJ Johnson and the Commission to require PAWC to increase its hardship funding in line with Mr. Brady's recommendation to help low income customers stay connected to vital water and wastewater services and address arrears.

**C. Low Income Customer Outreach, Data Collection, and Reporting**

***1. Low Income Customer Outreach***

***a) Program Outreach, Generally***

In testimony, Mr. Miller made several recommendations regarding steps that PAWC should take to improve its low income customer outreach and increase H2O enrollment.<sup>223</sup> Mr. Miller pointed out that only an extremely small subset of PAWC's residential customers – 22,608 or 3.7% of residential customers – are currently enrolled in PAWC's H2O program.<sup>224</sup> In comparison, approximately 20% of PAWC's residential customers – or roughly 123,162 customers – are likely income eligible for the program.<sup>225</sup> He further explained that the number of low income customers in PAWC's service territory is likely growing due to the economic impact COVID-19 pandemic throughout Pennsylvania.<sup>226</sup>

Despite this dismal program enrollment rate, PAWC fails to set forth any plans to improve or otherwise expand its outreach to customers who may be eligible for assistance.<sup>227</sup> While Mr.

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<sup>223</sup> CAUSE-PA St. 1 at 47.

<sup>224</sup> Id.

<sup>225</sup> Id. at 14-15.

<sup>226</sup> CAUSE-PA St. 1 at 16-17.

<sup>227</sup> Id. at 36, 53.

Miller commended PAWC for the steps it has taken to evolve its outreach due to the COVID-19 pandemic, he also pointed out that “there is no indication that PAWC has taken steps to analyze and target any portion of its outreach efforts at vulnerable or at-need communities in its service territory.”<sup>228</sup>

Mr. Miller recommended that PAWC “explore ways in which it can target a portion of its program outreach efforts to communities in its service territory who have the greatest economic need.”<sup>229</sup> Mr. Miller explained that PAWC appears to have collected zip code data related to the distribution of its low income customers, the arrears billed to residential customers, and the number of disconnections for non-payment for its low income residential customers. He stated:

I recommend that PAWC use such information as a starting point to target outreach efforts at specific at-need communities. I also recommend that PAWC utilize census tract data to analyze areas of PAWC’s service territory that have the greatest economic needs, and have the greatest concentration of low income residents, to better target such outreach. I further recommend that PAWC work with the USAC I recommended above to develop any targeted outreach plans, so that community organizations and stakeholders can provide input on how to best reach at-need and vulnerable customers.<sup>230</sup>

In response, PAWC Witness Ms. Dean indicated that “PAWC is committed to enhancing and expanding its outreach to low-income customers.”<sup>231</sup> However, she stopped short of agreeing to the targeted outreach recommended by Mr. Miller.

It is, however, vital that PAWC target its outreach efforts to specific communities with the most need. As Mr. Miller explained, such targeted outreach would allow PAWC to “better focus

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<sup>228</sup> Id. at 54.

<sup>229</sup> Id. at 57.

<sup>230</sup> CAUSE-PA St. 1 at 5: 3-10.

<sup>231</sup> PAWC St. 17-R at 24.

its resources to help to ensure that low income customers were better connected with vital customer assistance programs.”<sup>232</sup>

CAUSE-PA asserts that the targeted outreach recommended by Mr. Miller will help PAWC better identify and respond to the needs of low income customers in need and focus its resources to help connect low income customers with appropriate assistance programs. As such, PAWC should be ordered to comply with this recommendation.

b) Hardship Fund

In addition to targeted program outreach to potentially eligible customers, Mr. Miller also recommended that PAWC increase outreach efforts to encourage donations to its Hardship Fund.<sup>233</sup> He pointed to the COVID-19 pandemic and “economic hardships that vulnerable and low income households have disproportionately had to bear as a result of the pandemic.”<sup>234</sup> He expressed concern about whether PAWC has performed any meaningful outreach seeking donations for its Hardship Fund since the pandemic began.<sup>235</sup> Mr. Miller explained that, while PAWC currently offers a number of ways to donate to its Hardship Fund, targeted solicitation of donations and dissemination of information about donation opportunities is crucial to solicit ready donors, many of whom are currently looking for opportunities to help those who are struggling, especially in light of the pandemic.<sup>236</sup>

Increasing efforts to encourage donations to the Hardship Fund has become increasingly important as a result of COVID-19. With the growing financial pressures and unemployment rates faced by many families throughout

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<sup>232</sup> CAUSE-PA St. 1 at 57-58.

<sup>233</sup> Id. at 57.

<sup>234</sup> Id.

<sup>235</sup> CAUSE-PA St.1 at 54.

<sup>236</sup> Id.

Pennsylvania, PAWC must ensure that they have adequate resources to meet increased need for Hardship Fund grants.<sup>237</sup>

Mr. Miller further recommended that PAWC use the same outreach channels that they have utilized during the pandemic, specifically, “conducting email campaigns, including bill insert information, offering pre-recorded video messages, and including information about ways to donate during virtual community events.”<sup>238</sup> He also stated:

PAWC should solicit all customer classes for voluntary donations – including residential and commercial customers. Moreover, solicitations for donations from customers should include information about how to enroll in the program to improve program accessibility for those who may be eligible.<sup>239</sup>

In response to this recommendation, PAWC witness Ms. Dean indicated that PAWC agrees with the recommendation and is actively supporting legislation that would provide additional assistance to customers.<sup>240</sup> She also indicated that the Company encourages CAUSE-PA and other stakeholders to share with PAWC any potential sources of funding.<sup>241</sup>

Given PAWC agrees with this recommendation and recognizes the importance of increasing funding for its hardship fund, the Commission should include Mr. Miller’s recommendations in any order in this proceeding. Increasing hardship funding is especially important in light of the ongoing pandemic. PAWC must ensure that they have adequate resources to meet increased need for Hardship Fund grants to help address the financial pressures and unemployment rates faced by low income families throughout PAWC’s service territory.

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<sup>237</sup> Id. at 55.

<sup>238</sup> Id. at 57.

<sup>239</sup> Id.

<sup>240</sup> PAWC St. 17-R at 23-24.

<sup>241</sup> Id. at 24.

c) Low Income Advisory Group

In addition to improved outreach to improve program enrollment and donations to the hardship fund program, described above, Mr. Miller also recommended that PAWC establish a low income advisory group.<sup>242</sup> Mr. Miller expressed concern that PAWC had not yet developed such a group to help allow input from community organizations and other stakeholders to help evaluate the needs of its low income customers.<sup>243</sup> Mr. Miller explained, “[a]n active and engaged advisory group can be a valuable tool to help improve low income program design and operations, as well as expand and target outreach efforts in the communities that the utility serves.”<sup>244</sup> Currently, every major regulated utility in Pennsylvania that is of comparable size to PAWC operates some form of low income advisory group which meets regularly to review program metrics, provide input, and improve program outreach and awareness in the communities served.<sup>245</sup> Mr. Miller explained:

The formation of an advisory group would help improve and strengthen the efforts that PAWC describes it has already taken to work within its communities, and would help ensure PAWC has an open channel for communication and a ready forum through which it can obtain valuable feedback to improve service to economically vulnerable consumers.<sup>246</sup>

Mr. Miller recommended that the advisory group members include interested parties to this proceeding as well as other stakeholders, including representatives from the Bureau of Consumer Services as well as members of local community based organizations who regularly assist low

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<sup>242</sup> CAUSE-PA St. 1 at 56.

<sup>243</sup> Id. at 55.

<sup>244</sup> Id.

<sup>245</sup> Id.

<sup>246</sup> CAUSE-PA St. 1 at 55.

income and vulnerable consumers.<sup>247</sup> He further recommend that the advisory group initially meet quarterly, with virtual meetings offered during the pendency of the COVID-19 pandemic, and explained that meetings should focus on updates and changes to PAWC's low income programs, and issues that could affect low income and vulnerable PAWC customers.<sup>248</sup> He explained:

PAWC should leverage the expertise of community organizations and other stakeholders who attend USAC meetings to develop and refine plans for outreach and community involvement - including dissemination of information about the H2O Program. The advisory group should also provide PAWC an opportunity to hear and improve on any program-related issues or related customer service issues identified by advisory group members.<sup>249</sup>

In response, PAWC witness Mr. Nevirauskas indicated that the Company is in general agreement with this recommendation and "will commit to work with local community-based organizations within its service territory and other interested parties and stakeholders to convene a low income advisory group."<sup>250</sup> He explained that such a group could provide "beneficial feedback and suggestions regarding the Company's low income programs."<sup>251</sup> However, he argued that details, such as the exact composition of the advisory group, its purview, and how often it meets would need to wait to be addressed.<sup>252</sup>

As PAWC agrees that the low income advisory group would be beneficial to the operation of its low income programing, Mr. Miller's recommendation should be included in the final order in the proceeding. Further, considering the current effect that the pandemic on low income

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<sup>247</sup> Id. at 56.

<sup>248</sup> Id.

<sup>249</sup> Id.

<sup>250</sup> PAWC St. 1-R at 70.

<sup>251</sup> Id.

<sup>252</sup> Id.

households, and the potential for PAWC's proposed rate increase to substantially worsen existing rate unaffordability, time is of the essence and it is important that PAWC be provided with the vital input of stakeholders in its implementation of the changes that will need to be made as a result of this rate proceeding. As such, PAWC should be required to comply with the timeline and composition of the group recommended by Mr. Miller.

*i. Lead Service Line Replacement Outreach*

Finally, with regard to improved outreach activities, Mr. Miller recommended that PAWC coordinate outreach for its lead service line replacements assistance with its other low income assistance program outreach.<sup>253</sup> Mr. Miller pointed out that PAWC has not integrated its low income lead service line replacement program in its outreach materials.<sup>254</sup> On October 3, 2019, the Commission approved PAWC's plan to replace customer owned lead service lines.<sup>255</sup> PAWC's approved plan included providing assistance to qualified low income customers who might not otherwise be able to afford the costs of a private-side lead service line replacement.<sup>256</sup> Additionally, PAWC set forth a customer outreach and communication plan, which included press releases, bill inserts, website information, and educational videos.<sup>257</sup>

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<sup>253</sup> CAUSE-PA St. 1 at 58.

<sup>254</sup> Id. at 55.

<sup>255</sup> See Petition of Pennsylvania-American Water Company For Approval of Tariff Changes and Accounting and Rate Treatment Related to Replacement of Lead Customer-Owned Service Pipes, P-2017-2606100, Order, October 3, 2019.

<sup>256</sup> See Petition of Pennsylvania-American Water Company For Approval of Tariff Changes and Accounting and Rate Treatment Related to Replacement of Lead Customer-Owned Service Pipes, P-2017-2606100, Recommended Decision on Remand, at 8, 15, 22-23, August 7, 2019.

<sup>257</sup> Id.

However, “the materials that PAWC provided related to promotion of its H2O Program do not include any information about the Company’s assistance for low income customers for lead service line replacements – or vice versa.”<sup>258</sup> As Mr. Miller explained, “[t]his is a missed opportunity for cross-program promotion to eligible consumers.”<sup>259</sup> Customers seeking information about the H2O program might also qualify for assistance with lead service line replacements, and presents a good opportunity for cross-program promotion.<sup>260</sup> Consistent with Mr. Miller’s recommendations, PAWC should work with interested stakeholders to determine how it can coordinate its advertising of this program to best target customers who might be eligible for the Program.<sup>261</sup>

PAWC should be ordered to integrate its low income lead line replacement program outreach with its other low income programs to take advantage of opportunities for cross-program promotion. Taking advantage of these efficiencies will help ensure that low income customers are able to access available programs and will help improve both the safety and affordability of the water service that PAWC provides to these customers.

## ***2. Low Income Data Collection and Reporting***

In testimony, Mr. Miller recommended that PAWC begin tracking its estimated and confirmed low income customers numbers, as well as several datapoints that will help PAWC better understand and address the needs of low income households in its territory.<sup>262</sup> Mr. Miller explained that it is difficult to give an approximation of the number of low income households in

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<sup>258</sup> CAUSE-PA St. 1 at 56.

<sup>259</sup> Id.

<sup>260</sup> Id.

<sup>261</sup> Id.

<sup>262</sup> CAUSE-PA St. 1 at 11-17, 49-51



PAWC’s service territory because the Company does not track its low income customers.<sup>263</sup> Mr. Miller explained that PAWC does not seem to have even undertaken any effort to attempt to identify the number of low income customers in its service territory.<sup>264</sup>

Pennsylvania’s public utilities typically track and assess their low income customer population two ways: (1) “estimated low income customers,” which is derived from census data, and (2) “confirmed low income customers,” which is typically a count of customers who have informed the utility of low income status – either through participation in a universal service program, receipt of an income-based payment arrangement, or self-disclosure through the course of other customer communications.<sup>265</sup> Mr. Miller pointed out that the only low income customers that PAWC tracks are those who are actively enrolled in the H2O program, which is an extremely small subset – only 22,608 or 3.7% of residential customers – and is “far short of the likely number of low income consumers in PAWC’s service territory.”<sup>266</sup> He conservatively estimated that the number of PAWC’s low income customers is likely at least 20% of residential customers, which amounts to approximately 123,162 low income customers.<sup>267</sup> He further explained that the number of low income customers in PAWC’s service territory is likely on the rise due to the economic impact COVID-19 pandemic throughout Pennsylvania.<sup>268</sup>

Mr. Miller explained why PAWC’s lack of understanding of its low income population is problematic:

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<sup>263</sup> Id. at 11.

<sup>264</sup> Id.

<sup>265</sup> Id. at 12-13.

<sup>266</sup> Id.

<sup>267</sup> Id. at 14-15.

<sup>268</sup> CAUSE-PA St. 1 at 16-17.

It is critical that PAWC more accurately capture its low income population. Without such fundamental information, it is difficult to assess whether PAWC's low income programming is appropriately designed, funded, and accessible to low income customers, and complicates the ability for PAWC to conduct targeted program outreach. It is critical that PAWC more accurately identify and track customers who have applied for any of PAWC's universal service programs, as well as those who have a low income payment arrangement or who have otherwise disclosed information to PAWC that makes it reasonably likely the household is low income.<sup>269</sup>

Mr. Miller also explained that it is especially important that PAWC understand its customer population, and the relative poverty rates, as PAWC continues to expand into historically disadvantaged and economically depressed regions of the state:

As water and wastewater rates rise, and PAWC continues to expand into new regions - often in historically disadvantaged and economically depressed areas - a formalized needs assessment becomes even more critical. PAWC should consult with the Bureau of Consumer Services to identify a third party to conduct the assessment and to identify key elements that should be included in the report.<sup>270</sup>

To that end, and to better understand its rapidly changing customer base, Mr. Miller recommended that PAWC conduct a comprehensive, third-party needs assessment to better assess the low income communities within its service territory and to "adopt policies, programs, and procedures to better meet those needs over the long term."<sup>271</sup>

Mr. Miller also recommended that PAWC begin to actively monitor its low income customers, and that the Company convene a low income advisory group to help guide PAWC in addressing the needs of those customers. (CAUSE-PA St. 1 at 12). Mr. Miller explained:

An accurate count of confirmed low income customers is a critical metric which allows a company to measure the needs, budgets, and goals of its low income programs. Such information can be invaluable when determining how to target outreach, or to connect appropriate consumers with critical assistance programs

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<sup>269</sup> Id. at 11-12.

<sup>270</sup> CAUSE-PA St. 1 at 12.

<sup>271</sup> CAUSE-PA St. 1 at 12.

who might not otherwise have knowledge of or ability to access such low income programs.<sup>272</sup>

Mr. Miller also recommended that PAWC regularly analyze its service territory to determine how many low income customers are estimated to be in the service territory.<sup>273</sup> He explained:

Having an updated count of low income customers in a service territory is an invaluable metric when evaluating the need for customer assistance programs in a service territory. This information can also be helpful when targeting outreach related to low income programs to potentially underserved regions within a service territory.<sup>274</sup>

In rebuttal testimony, PAWC witness Rod Nevirauskas acknowledged that PAWC lacks the necessary data to evaluate the affordability of its service and that an accounting of both the number of low income households in PAWC's service territory and the number of low income households who are actually PAWC customers are necessary to accurately measure the affordability of its service.<sup>275</sup> PAWC witness Tawana Dean indicated that PAWC "will review its program data collection process to identify potential area of improvement or enhancement."<sup>276</sup>

Mr. Miller pointed out that PAWC can and does already obtain and record customer income information in various situations – though it does not appropriately track that data.<sup>277</sup> PAWC has indicated that it has the ability to calculate income poverty levels for customers that are not enrolled in the H2O Program, and that it already obtains residential customer income information in a

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<sup>272</sup> Id. at 50.

<sup>273</sup> Id.

<sup>274</sup> Id.

<sup>275</sup> PAWC St. 1-R at 63-64, 73.

<sup>276</sup> CAUSE-PA St. 1 at 25.

<sup>277</sup> Id. at 49.

variety of situations.<sup>278</sup> PAWC has also indicated it already collects customer income information in the following situations: whenever a customer expresses inability to pay their bill, requests an extension to pay their bills, or requests an installment plan.<sup>279</sup> PAWC also indicated it obtains customer income information at the end of a call when PAWC addresses customer balances, if the customer is not paying their past due balance over the phone.<sup>280</sup>

Mr. Miller also recommended that PAWC begin monitoring a number of other metrics to help it better and more fully assess the affordability and accessibility of PAWC's service, including the reasons that a H2O bill discount customer left the program, monthly arrearage levels for low income customers by rate zone, and monthly low income termination rates by rate zone.<sup>281</sup>

The metrics that Mr. Miller recommended PAWC begin tracking are critical to fully assess the affordability and accessibility of PAWC's service.<sup>282</sup> Collecting consistent data on low income customers across all PAWC rate zones is, likewise, critical to appropriately assessing whether certain areas of PAWC's service territory face greater levels of unaffordability and to respond accordingly.<sup>283</sup> Thus, the Commission should require PAWC to begin tracking all of the customer metrics and income information recommended by Mr. Miller, in order to better understand and address the needs of its low income customers.

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<sup>278</sup> Id.

<sup>279</sup> Id.

<sup>280</sup> Id.

<sup>281</sup> Id. at 50-51.

<sup>282</sup> CAUSE-PA St. 1 at 51.

<sup>283</sup> Id.

#### **D. Comprehensive Universal Service Plan**

PAWC does not currently have a comprehensive Universal Service Plan (USP) for its H2O program that explains the benefits, eligibility, and rules for each program within PAWC's universal service program portfolio.<sup>284</sup> While PAWC has policies and procedures related to its low income programs, a comprehensive USP details the terms and conditions, eligibility criteria, and key goals and criteria of a utility's low income programs in one place – enabling the Commission, stakeholders, and eligible consumers to better oversee, assess, and access available programs.<sup>285</sup> As Mr. Miller explained in his direct testimony: “[a]doption of a comprehensive USP allows for changes and improvements to a utilities’ low income programs outside of rate case filings to more quickly address areas of concern or emerging need.”<sup>286</sup> While recognizing that regulated water utilities in Pennsylvania are not currently required to submit a USP to the Commission for review, Mr. Miller noted that he nevertheless recommends that PAWC develop and submit a USP as a key opportunity for the interested parties, stakeholders, and the Commission to review the adequacy and accessibility of PAWC's low income programs in greater detail.<sup>287</sup>

PAWC witness Tawana Dean disagreed that PAWC should be required to develop a comprehensive USP and argues that PAWC is not required and does not have the time to dedicate to this undertaking.<sup>288</sup> While developing a USP is a process that requires input from utilities, parties, and stakeholders, Mr. Miller disagreed in his surrebuttal testimony that developing a USP

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<sup>284</sup> Id. at 48: 4-12.

<sup>285</sup> Id.

<sup>286</sup> Id. at 48: 8-10.

<sup>287</sup> Id. at 48: 14-21.

<sup>288</sup> CAUSE-PA St. 1-SR at 20: 1-12; PAWC St. 17-R at 24: 16-22; 25: 1-2.

was unduly burdensome, given the ample USP models from other utilities that PAWC might draw from.<sup>289</sup>

All Commission-approved, ratepayer supported universal service programming should be clear, transparent, and subject to periodic review and improvement to ensure that the programs are appropriately designed to reach the needs of consumers. By requiring PAWC to create a written plan that includes the eligibility, benefits, and program rules, the Commission would streamline its review of PAWC's programs, and would help to ensure that PAWC's programs are just and reasonable, and capable of equitably serving the needs of PAWC's low income consumers.

For the forgoing reasons, PAWC should be required to develop a comprehensive USP for review and approval by the Commission.<sup>290</sup> The Plan should be drafted in consultation with interested parties and stakeholders and should memorialize the guidelines, benefits, and eligibility requirements of PAWC's low income programs - including any modifications as a result of the present case.<sup>291</sup> PAWC should be required to file a Petition for review and approval of its USP with the Commission within one year of the effective date of rates in this proceeding, in line with Mr. Miller's recommendation in his direct testimony.<sup>292</sup> Thereafter, PAWC should be required to Petition for approval of any Plan revisions at least every five years, in line with the Commission's review of regulated gas and electric utility universal service programming. This regular review

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<sup>289</sup> CAUSE-PA St. 1-SR at 20: 1-12.

<sup>290</sup> Id. at 48: 14-15.

<sup>291</sup> Id. at 48: 14-21.

<sup>292</sup> Id. at 48: 21-23.

process would allow for necessary revisions to be periodically made so that PAWC's low income programs are appropriately designed and accessible to consumers in need.<sup>293</sup>

#### **E. Winter Shut Off Moratorium**

PAWC adheres to the winter moratorium, which extends from December 1 to March 31 for customers with incomes at or below 250% FPL.<sup>294</sup> PAWC's winter moratorium applies to only to customers with heat related water service and to multi-dwelling unit customers.<sup>295</sup> PAWC's customers do not have to affirmatively apply to receive protection from the winter moratorium.<sup>296</sup>

As Mr. Miller explained in his direct testimony, PAWC does not appear to collect regular data on the number of its customers who have received protection from the winter moratorium.<sup>297</sup> PAWC's account information system identifies customers who require water for heating, which allows for the protections of the winter moratorium to be automatically applied.<sup>298</sup> However, without maintaining a regular count of customers who receive protection from the winter moratorium, it becomes difficult to determine what portion of PAWC's low income population is receiving these protections and if PAWC's processes are sufficient to protect PAWC's low income customers from termination in the winter months.<sup>299</sup> As such, and in line with Mr. Miller's recommendation in his direct testimony,<sup>300</sup> PAWC should be directed to track low income customers who are protected from termination as a result of the winter moratorium.

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<sup>293</sup> Id. at 48: 21-23; 49: 1-4.

<sup>294</sup> Id. at 66: 3-4, citing CAUSE-PA to PAWC I-32; 52 Pa. Code § 56.100.

<sup>295</sup> CAUSE-PA St. 1 at 66: 6-9, citing CAUSE-PA to PAWC I-32.

<sup>296</sup> CAUSE-PA St. 1 at 66: 9-10, citing CAUSE-PA to PAWC III-11.

<sup>297</sup> CAUSE-PA St. 1 at 66: 5-6.

<sup>298</sup> Id. at 66: 3-6, citing CAUSE-PA to PAWC III-11.

<sup>299</sup> See CAUSE-PA St. 1 at 66: 3-8.

<sup>300</sup> CAUSE-PA St. 1 at 66: 13-14.

In her rebuttal testimony, PAWC witness Tawana Dean indicates that PAWC is willing to track the following customers who are protected as a result of the winter moratorium: customers who fall under 52 Pa. Code § 56.100(a) heat related services, 52 Pa. Code § 56.100(f) landlord ratepayers accounts, and 52 Pa. Code § 56.251 victims under protection from abuse order or other order issued by a court of competent jurisdiction evidencing domestic violence.<sup>301</sup>

Given that water and wastewater services are critical in winter months for customers to remain in their homes, PAWC should be directed to extend its winter moratorium protections not only to customers using water for heating but rather to all water and wastewater customers with household incomes at or below 250% FPL. While PAWC expert witness Tawana Dean objects to expanding the eligibility of the Winter Moratorium,<sup>302</sup> this proposal is in line with Mr. Miller's recommendation in his direct testimony and ensures that the critical protections of the winter moratorium are not relegated to only a marginal subset of PAWC customers.<sup>303</sup>

## **XV. SERVICE QUALITY AND CUSTOMER SERVICE ISSUES**

### **A. Customer Performance Service Standards**

CAUSE-PA did not take a position as to customer performance service standards in this proceeding.

### **B. Call Centers**

CAUSE-PA did not take a position as to PAWC's call centers in this proceeding.

### **C. Customer Complaints**

CAUSE-PA did not take a position as to customer complaints in this proceeding.

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<sup>301</sup> PAWC St. 17-R at 26: 1-7.

<sup>302</sup> PAWC St. 17-R at 26-27.

<sup>303</sup> Id. at 67: 3-9.



**D. Customer Satisfaction Surveys**

CAUSE-PA did not take a position as to customer satisfaction surveys in this proceeding.

**E. Training on Termination of Service**

CAUSE-PA did not take a position as to training on terminations of service in this proceeding.

**F. Pressure Surveys and Pressures**

CAUSE-PA did not take a position as to pressure surveys and pressures in this proceeding.

**G. Main Extension**

CAUSE-PA did not take a position as to main extension in this proceeding.

**H. Sewage Back Ups**

CAUSE-PA did not take a position as to sewage back ups in this proceeding.

**I. Tenant Issues and Protections**

In the Stipulation between CAUSE-PA and PAWC submitted on November 10, 2020, PAWC agreed to implement several critical additions and improvements to its policies and procedures concerning tenants in its service territory. In his direct and surrebuttal testimony, CAUSE-PA expert witness Daniel Vitek, Esq., set forth detailed recommendations, which he explained are critical to improving PAWC's policies and procedures for protecting tenants from unlawful terminations in compliance with the Discontinuance of Leased Premises Act, Water Services Act, and Utility Service Tenant's Rights Act.<sup>304</sup>

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<sup>304</sup> See CAUSE-PA St. 2 and CAUSE-PA St. 2-SR.

The terms contained in the November 10 Stipulation between CAUSE-PA and PAWC represent a reasonable compromise in light of the varied positions of the parties, and contains critical improvements to PAWC's policies and procedures concerning tenants' rights. By implementing these revised policies and procedures, PAWC helps to ensure that this uniquely vulnerable customer group are more appropriately noticed of pending termination, consistent with the Public Utility Code, and provided with the requisite rights to continued service and protection from self-help evictions. As such, CAUSE-PA urges ALJ Johnson and the Commission to approve this Stipulation without modification.

#### **J. Language Access**

In the Stipulation between CAUSE-PA and PAWC submitted on October 30, 2020, PAWC agreed to implement several critical additions and improvements to its language access policies and procedures. In his direct and surrebuttal testimony, CAUSE-PA expert witness Daniel G. Vitek, Esq. set forth detailed recommendations, which he explained are critical to improving PAWC's language access policies and procedures to serve consumers with limited English proficiency in a manner consistent with the Public Utility Code, Commission regulations, and other public policy goals.<sup>305</sup>

The terms contained in PAWC and CAUSE-PA's Stipulation represents a reasonable compromise between PAWC and CAUSE-PA in light of the varied positions of the parties and contains critical improvements to PAWC's policies and procedures concerning language access for customers. The improvements detailed in the Stipulation will help to ensure that customers with limited English proficiency can properly access information about their accounts, obtain

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<sup>305</sup> See CAUSE-PA St. 2 and CAUSE-PA St. 2-SR.

crucial customer assistance, and learn about their rights as a PAWC customer. As such, CAUSE-PA urges ALJ Johnson and Commission to approve this Stipulation without modification.

#### **K. Protection for Victims of Domestic Violence**

In the Stipulation between CAUSE-PA and PAWC submitted on October 30, 2020, PAWC agreed to implement several critical additions and improvements to its policies and procedures concerning victims of domestic violence. In her direct and surrebuttal testimony, CAUSE-PA expert witness Judith Lewis, Esq. set forth detailed recommendations, which she explained are critical to improving PAWC's policies and procedures for applying enhanced customer service standards to victims of domestic violence in compliance with the Public Utility Code, Commission regulations, and other public policy goals.<sup>306</sup>

The terms contained in the October 30 Stipulation between CAUSE-PA and PAWC represent a reasonable compromise in light of the varied positions of the parties, and contains critical improvements to PAWC's policies and procedures concerning victims of domestic violence. By implementing these revised policies and procedures, PAWC helps to ensure that this uniquely vulnerable customer group are properly informed about and able to meaningfully access special protections available to victims of domestic violence with Protection from Abuse (PFA) Orders or other court orders containing clear evidence of domestic violence.<sup>307</sup> In turn, the terms in the Stipulation will help to maintain heightened confidentiality of information related to a consumer's victimization. As such, CAUSE-PA urges ALJ Johnson and the Commission to approve this Stipulation without modification.

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<sup>306</sup> See CAUSE-PA St. 3 and CAUSE-PA St. 3-SR.

<sup>307</sup> See 66 Pa. C.S. § 1417; see also 52 Pa. Code Ch. 56, subchapters L-V.

## **XVI. TARIFF CHANGES**

### **A. Limitation of Liability**

CAUSE-PA did not take a position as to limitations on liability in this proceeding.

### **B. Chapter 56 Customer Protections to Be Included in Tariff**

CAUSE-PA requests that the Commission direct PAWC to revise its water and wastewater tariff to incorporate the revisions and improvements to Chapter 56 Customer protections discussed herein and in the Stipulations between CAUSE-PA and PAWC concerning protections for victims of domestic violence, language access, and tenant-related protections. CAUSE-PA requests that the Commission direct PAWC to file any revisions to its tariff as a result of this rate proceeding through a separate compliance filing, to which the parties are afforded an opportunity to review and respond.

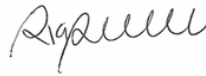
### **C. Align Tariff Language on Low-Income Customers with Actual Practice**

CAUSE-PA requests that the Commission direct PAWC to revise its water and wastewater tariff to incorporate the revisions and improvements to PAWC's low income customers and low income assistance programs described in this Main Brief. CAUSE-PA requests that the Commission direct PAWC to file any revisions to their tariff as a result of this rate proceeding through a separate compliance filing to which the parties are afforded an opportunity to review and respond.

## XVII. CONCLUSIONS

For the reasons set forth above, and in the direct and surrebuttal testimony of CAUSE-PA's expert witnesses Mitchell Miller, Daniel G. Vitek, Esq., and Judith Lewis, Esq., CAUSE-PA urges the Honorable Administrative Law Judge Conrad A. Johnson and the Pennsylvania Public Utility Commission to deny PAWC's proposed rate increase in its entirety, and to take immediate steps to remediate substantial levels of unaffordability within PAWC's low income assistance programs. Moreover, and in the event that the Commission allows any rate increase, CAUSE-PA urges ALJ Johnson and the Commission to take necessary steps detailed herein to ensure that low income consumers are protected from the full impact of any rate increase during this unprecedented and uncertain time.

Respectfully submitted,  
*Counsel for CAUSE-PA*



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Date: November 10, 2020

## APPENDIX A: PROPOSED CONCLUSIONS OF LAW

1. The Commission has a “duty to set ‘just and reasonable’ rates, reflecting a ‘balance of consumer and investor interests.’” Popowsky v. PUC, 665 A.2d 808, 811, 542 Pa. 99, 107-108 (1995); 66 Pa. C.S. § 1301.
2. In determining just and reasonable rates, the Commission has discretion to determine the proper balance between interests of ratepayers and utilities. Id. citing Pa. PUC v. Philadelphia Electric Co., 522 Pa. 338, 342-43, 561 A.2d 1224, 1226 (1989); Pa. PUC v. Pa. Gas & Water Co., 492 Pa. 326, 337, 424 A.2d 1213, 1219 (1980), cert. denied, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981)).
3. Pursuant to Section 315 of the Public Utility Code, the burden of proving that a rate proposal is just and reasonable rests on the public utility. 66 Pa. C.S. § 315.
4. “[T]he PUC is obliged to consider broad public interests in the rate-making process.” Popowsky v. PUC, 542 Pa. 99, 107-108 (1995); Pa. Elec. Co. v. Pa. PUC, 509 Pa. 324, 331, 502 A.2d 130, 134 (1985).
5. “[T]he term “just and reasonable” was not intended to confine the ambit of regulatory discretion to an absolute or mathematical formulation but rather to confer upon the regulatory body the power to make and apply policy concerning the appropriate balance between prices charged to utility customers and returns on capital.” Popowsky v. PUC, 542 Pa. 99, 107-108 (1995).
6. In order to be just and reasonable, rates must also be affordable and accessible to those served. CAUSE-PA St. 1 at 8.
7. PAWC’s proposed rates for water and wastewater services are not reasonable, just, or affordable. CAUSE-PA St. 1 at 7-9.
8. No rate increase should be permitted until we can fully assess the economic impact of the COVID-19 pandemic on our communities. CAUSE-PA St. 1 at 8-9.
9. PAWC’s H2O bill discount program rates are not just, reasonable, or affordable, as they are not adequately designed to ensure that low income consumers can maintain life-sustaining water and wastewater service to their home. CAUSE-PA St. 1 at 59-63.
10. On March 6, 2020, the Governor of the Commonwealth of Pennsylvania, Tom Wolf, issued a Disaster Declaration pursuant to Section 7301(c) of the Emergency Management Services Code to address the exigencies created by the COVID-19 global pandemic. Proclamation of Disaster Emergency pursuant to Section 7301(c) of the Emergency Management Services Code, 35 Pa. C.S. §§ 7101, et seq. (Disaster Declaration).
11. On March 19, 2020, the Governor’s Office issued an order closing all businesses that were not life sustaining. See Order of the Governor of the Commonwealth of Pennsylvania Regarding the Closure of All Businesses That Are Not Life Sustaining, as amended; see also

Order of the Secretary of the Pennsylvania Department of Health Regarding the Closure of All Businesses That Are Not Life Sustaining, as amended.

12. On March 20, 2020, the Commission issued an Emergency Order suspending statutory deadlines, modifying filing and service requirements, and providing guidance on the conduct of Commission proceedings during the pendency of the COVID-19 disaster emergency. Emergency Order Re Suspension of Regulatory and Statutory Deadlines; Modification to Filing and Service Requirements, Docket No. M-2020-3019262 (Emergency Order).
13. On October 8, 2020, the Commission approved a motion to lift the emergency moratorium on terminations on November 9, 2020, and to extend additional protections to low income customers until March 31, 2021. CAUSE-PA St. 1-SR at 18: 1-6, citing Public Utility Service Terminations Moratorium - Modification of March 13th Emergency Order, Order, Docket No. M-2020-3019244 (Order entered October 13, 2020).
14. Special utility protections are available to consumers who are victims of domestic violence with Protection from Abuse (PFA) Orders or other court orders containing clear evidence of domestic violence. See 66 Pa. C.S. § 1417; see also 52 Pa. Code Ch. 56, subchapters L-V.
15. The winter moratorium prohibits termination of customers with *heat related* water service from December 1 to March 31 for customers with income at or below 250% FPL. 52 Pa. Code § 56.100.
16. The Discontinuance of Service to Leased Premises Act extends a number of protections to prevent the loss of service to tenants based on the landlord or property owners' action or failure to act. 66 Pa. C.S. Ch. 15, subchapter B.

## **APPENDIX B: PROPOSED FINDINGS OF FACT**

1. Pennsylvanians are experiencing unprecedented levels of economic devastation as a result of the COVID-19 pandemic. CAUSE-PA St. 1 at 7.
2. It is unclear when and if Pennsylvania's households – particularly low income households, which have experienced disproportionate losses – will begin to financially recover. CAUSE-PA St. 1 at 44-45.
3. In the midst of a profound economic and health crisis, PAWC has proposed to increase its water and wastewater rates by approximately \$138.6 million – or 18.7% over two years. PAWC St. 1 at 7; CAUSE-PA St. 1 at 6.
4. PAWC's proposed rate increases will – on average – raise residential customers' monthly bills at minimum by 20.5%. CAUSE-PA St. 1 at 21.
5. In PAWC's Rate Zone 3, rates would more than double for residential customers with average usage – an increase from \$33.28 to \$69.73, or 109.5%. CAUSE-PA St. 1 at 21.
6. Eight rate zones would see an increase of over 40% in wastewater bills. CAUSE-PA St. 1 at 21.
7. At least 20% of PAWC's residential customers are estimated to have income at or below 150% FPL. CAUSE-PA St. 1 at 15.
8. PAWC does not track its low income customers, other than those enrolled in its H2O discount program. CAUSE-PA St. 1 at 13-17.
9. Low income consumers have been particularly hard hit by the economic repercussions of COVID-19, and low wage and hourly workers have experienced the highest levels of job losses and reductions of workforce. CAUSE-PA St. 1 at 7.
10. Half of adults in households with incomes of less than \$25,000 who lost employment income as a result of COVID-19 lacked confidence if they could pay the next month's rent or mortgage on time, compared with 8.4% of adults in households with an income of \$100,000 or more. CAUSE-PA St. 1 at 8.
11. More than 2 million Pennsylvanians have sought unemployment benefits since mid-March. CAUSE-PA St. 1 at 16.
12. At current rates, a family of 4 with average usage in PAWC's rate zone 1 with income at 50% of the federal poverty level (FPL) pays a combined 10.8% of their gross household income on water and wastewater; a family of 4 at 100% FPL pays a combined 5.5% of income on water and wastewater; and a family of 4 at 150% FPL pays a combined 3.6% of income on water and wastewater. CAUSE-PA St. 1 at 27, T.4 & T.5.
13. At proposed rates, the combined water and wastewater burden for average usage customers in rate zone 1 would increase to 13.4% for a household of 4 with income at 50% FPL; 6.7% for a household of 4 with income at 100% FPL; and 4.4% for a household of 4 with income at 150% FPL. CAUSE-PA St. 1 at 29, T.6 & T.7.



14. The average annual household income for the Company's H2O participants is \$14,283. CAUSE-PA St. 1 at 19.
15. In PAWC's service territory, the average Self Sufficiency income needed to meet basic needs (housing, child care, food, health care, transportation, and taxes) without public subsidies for a family of four with two adults and two school aged children is approximately \$63,081.05 per year. CAUSE-PA St. 1 at 19.
16. In 2019, H2O customers comprised 14.9% of the total 28,300 involuntary terminations for non-payment, despite comprising only 3.2% of total residential water and wastewater customers as of December 2019. CAUSE-PA St. 1 at 31.
17. Termination of water and wastewater service to the home jeopardizes a parent's custody of his/her children, can cause a home to be condemned, and is often cited as a cause of evictions from private and public housing -- leading to increased rates of homelessness. CAUSE-PA St. 1 at 23.
18. Access to affordable utility services is linked to healthier child development, decreased homelessness, and improved affordability of public and private housing. CAUSE-PA St. 1 at 23.
19. Without running water, people cannot follow the most consistent guidance to guard against COVID-19 -- to wash your hands and sanitize surfaces. CAUSE-PA St. 1 at 24.
20. Basic daily tasks of livings, such as cooking, cleaning, flushing the toilet, and brushing teeth become impossible if water and wastewater services are terminated. CAUSE-PA St. 1 at 25.
21. COVID-19 will have lasting impacts on the economy that cannot be adequately accounted for in the current rate proceeding. CAUSE-PA St. 1 at 8.
22. PAWC has hastened distribution of available hardship funds due to the pandemic, but has not increased funding. CAUSE-PA St. 1 at 41.
23. By October 2020, 52,724 residential customers were eligible for termination, representing a 63% increase in residential consumers eligible for termination year over year. CAUSE-PA St. 1 at 42.
24. In proposing to exponentially increase rates during the ongoing pandemic, PAWC failed to plan for or undertake any analysis related to the potential long-term impacts that COVID-19 might have on the health and economy of its service territory, or on its low income customers. CAUSE-PA St. 1. at 43.
25. The accepted metric to determine the affordability of utility service is referred to as a household's utility burden, meaning the percentage of a household income required to cover the cost of the bill. CAUSE-PA St. 1 at 25.
26. There is a general consensus among experts that, to be considered affordable, a combined household water and wastewater burden should exceed 4.5% of total household income. CAUSE-PA St. 1 at 25.
27. Many H2O bill discount participants, especially those with household income at or below 50% FPL, face water and wastewater burdens in excess of 4.5%. CAUSE-PA St. 1 at 34.

28. The structure, delivery, and implementation of PAWC's low income programs do not provide sufficiently targeted rate relief to equitably address deep and chronic affordability issues faced by low income consumers. CAUSE-PA St. 1 at 37.
29. PAWC's H2O customers have significantly higher usage levels compared to residential customers as a whole. CAUSE-PA St. 1 at 37.
30. At PAWC's proposed rates, H2O customers with household income at or below 50% FPL will experience combined water and wastewater burdens in excess of 8%. CAUSE-PA St. 1 at 39.
31. The wide discrepancy in affordability levels achieved through the H2O program is attributable the current structure of the discount under the H2O program, which provides a predominately fixed discount regardless of income and usage level. CAUSE-PA St. 1 at 59.
32. PAWC's predominately fixed discount structure results in combined water/ wastewater burdens in excess of 10% for those with the lowest income levels and the highest usage levels – while in comparison, the fixed discount structure results in a much lower combined water/ wastewater burden for those at the higher end of the poverty level with the lowest usage level. CAUSE-PA St. 1 at 30.
33. PAWC does not offer a way for participants to address and catch up on arrears accrued prior to program entry. This lack of arrearage management component to PAWC's H2O program undermines the ability of the program to achieve a consistent level of affordability and other associated benefits of universal service programming, including improved payment behavior, reduced uncollectible expenses, and reduced terminations. CAUSE-PA St. 1 at 60.
34. In 2018, approximately 1,204 bill discount entrants had arrearage levels exceeding \$500; in 2019, approximately 770 bill discount entrants had arrearage levels exceeding \$500. CAUSE-PA St. 1 at 60, T.14.
35. In PAWC's Rate Zone 1, H2O discount participants had mean arrearage level of approximately \$540.02 in 2018, compared to the mean arrearage level of \$283.27 for all residential customers in the same year, division, and rate zone. CAUSE-PA St. 1 at 61, T.15.
36. Other utilities that have customer assistance programs are successful at achieving program goals are not only designed to provide meaningful discounts to participants, but are also coupled with a mechanism for arrearage forgiveness. CAUSE-PA St. 1 at 62.
37. Usage reduction and line repair services are critically important to help reduce usage, given low income households are more likely to need urgent repairs to their home water systems – yet are less likely to be able to afford such repairs. CAUSE-PA St. 1 at 38.
38. Low income households are more likely to live in older, aging homes with inadequate or leaky plumbing, and are less able to afford to promptly fix leaks or purchase and install water efficiency devices. CAUSE-PA St. 1 at 38.
39. Water efficiency and line repair programs help to reduce inefficiencies, especially for high usage customers, and help to control low income program costs as a whole. CAUSE-PA St. 1 at 21.

40. Only a small subset of PAWC's residential customers – 22,608 or 3.7% of residential customers – are currently enrolled in PAWC's H2O program. CAUSE-PA St. 1 at 47.
41. The number of low income customers in PAWC's service territory has likely grown as a result of the pandemic throughout Pennsylvania. CAUSE-PA St. 1 at 16-17.
42. PAWC has not set forth any plans to improve or otherwise expand its outreach to customers who may be eligible for assistance. CAUSE-PA St. 1 at 36, 53.
43. There is no indication that PAWC has taken steps to analyze and target any portion of its outreach efforts at vulnerable or at-need communities in its service territory. CAUSE-PA St. 1 at 54.
44. Increasing efforts to encourage donations to the Hardship Fund has become increasingly important as a result of COVID-19, which has dramatically increased the need for assistance. CAUSE-PA St. 1 at 55.
45. An active and engaged low income advisory group is a valuable tool to help improve low income program design and operations, as well as expand and target outreach efforts in the communities that the utility serves. CAUSE-PA St. 1 at 55.
46. Currently, every major regulated utility in Pennsylvania that is of comparable size to PAWC operates some form of low income advisory group which meets regularly to review program metrics, provide input, and improve program outreach and awareness in the communities served. CAUSE-PA St. 1 at 55.
47. PAWC has not integrated its low income lead service line replacement program in its outreach materials. CAUSE-PA St. 1 at 55.
48. The materials that PAWC provided related to promotion of its H2O Program do not include any information about the Company's assistance for low income customers for lead service line replacements – or vice versa. CAUSE-PA St. 1 at 56.
49. Customers seeking information about the H2O program might also qualify for assistance with lead service line replacements, and presents a good opportunity for cross-program promotion. CAUSE-PA St. 1 at 56.
50. It is difficult to give an approximation of the number of low income households in PAWC's service territory because the Company does not track its low income customers. CAUSE-PA St. 1 at 11.
51. PAWC has not undertaken any effort to attempt to identify the number of low income customers in its service territory. CAUSE-PA St. 1 at 11.
52. An accurate count of confirmed low income customers is a critical metric which allows a company to measure the needs, budgets, and goals of its low income programs. CAUSE-PA St. 1 at 50.
53. PAWC does not currently have a comprehensive Universal Service Plan (USP) that explains the benefits, eligibility, and rules for each low income assistance program within PAWC's universal service program portfolio. CAUSE-PA St. 1 at 48.

54. Adoption of a comprehensive USP allows for changes and improvements to a utilities' low income programs outside of rate case filings to address areas of concern or emerging need more quickly. CAUSE-PA St. 1 at 48.
55. PAWC adheres to the winter moratorium, which extends from December 1 to March 31 for customers with heat related water service and multi-dwelling unit customers with incomes at or below 250% FPL. CAUSE-PA St. 1 at 66.
56. PAWC does not collect or track the number of its customers who have received protection from the winter moratorium. CAUSE-PA St. 1 at 66.
57. Without a regular count of customers who receive protection from the winter moratorium, it is difficult to determine what portion of PAWC's low income population is receiving these protections. CAUSE-PA St. 1 at 66.

## **APPENDIX C: PROPOSED ORDERING PARAGRAPHS**

1. PAWC's proposed to increase residential rates is denied.
2. PAWC shall make the following immediate improvements to its universal service programming to address existing rate unaffordability and ensure that low income residential consumers can reasonably and equitably connect to and maintain water and wastewater services to their home:
  - a. PAWC shall transition its current H2O discount program to a percentage of income program, which targets water affordability at 2, 2.5, and 3% of household income for households with income at 50, 100, and 150% of the federal poverty level (FPL), respectively.
  - b. PAWC shall implement a comprehensive arrearage forgiveness program, which will allow H2O discount program participants to earn forgiveness on debt accrued prior to entry into the program over a thirty-six month period.
  - c. PAWC, in consultation with interested parties and stakeholders, shall develop a comprehensive Universal Service Plan (USP), which describes the eligibility, benefits, and program rules of each assistance program offered to assist low income consumers to afford and maintain utility services. PAWC shall Petition the Commission for review and approval of its USP within one year of a final order in this proceeding. Thereafter, PAWC will Petition for approval of its USP every five years, subject to review and approval of the Commission.
3. PAWC shall begin tracking the following metrics:
  - a. The number of PAWC's confirmed low income customers by rate zone, including at a minimum consumers who are enrolled in or recently participated in a universal service program, are protected from termination pursuant to the winter moratorium, or are in an active or recently defaulted income based payment arrangement;
  - b. The monthly arrearage level for low income customers, by rate zone;
  - c. The reason an H2O bill discount program participants leaves or is removed from the program; and
  - d. The monthly termination and reconnection rates for low income consumers, by rate zone.
4. PAWC shall convene a low income advisory group (LIAG), comprised of members from community based organizations within PAWC's service territory and interested parties to this

proceeding, as well as representatives from the Commission's Bureau of Consumer Services and other interested stakeholders. PAWC's LIAG will be convened within XX days of a final order in this proceeding, and will meet at least quarterly thereafter.

5. PAWC will develop a conservation and line repair program, which is targeted at serving participants with high usage that are enrolled in PAWC's H2O bill discount program.
6. PAWC will expand its outreach to consumers in the following ways:
  - a. PAWC shall develop and implement a targeted outreach program, in consultation with members of its newly established LIAG, to help connect low income customers with appropriate assistance programs.
  - b. PAWC will increase efforts to encourage donations to its Hardship Fund program through targeted donor solicitations to both residential and commercial customers, and will regularly disseminate information – including through its bill - to its customers about donation opportunities.
  - c. PAWC will cross promote its low income lead service line replacement program with its other available low income programs, and will ensure coordinated delivery of services and assistance.
7. PAWC shall track consumers protected from termination pursuant to the winter moratorium, and shall expand its application of the winter moratorium to all consumers with income at or below 250% FPL.
8. PAWC shall implement the following temporary relief provisions to address the profound economic circumstances faced by low income residential water and wastewater consumers:
  - a. PAWC shall waive reconnection fees for one year of entry of a final order in this proceeding;
  - b. PAWC shall waive its Hardship Fund good faith payment requirement for at least one year from the date of the final order in this proceeding;
  - c. PAWC shall permit customers to self-certify income when applying for the Hardship Fund during the pendency of COVID-19 and for the 12 months thereafter;
  - d. PAWC shall increase efforts to identify new sources of funding for the Hardship Fund and must evaluate whether funding is adequate to expand the maximum available grant amount;

- e. PAWC shall work with stakeholders to prepare a detailed plan for resumption of service terminations, including a specific plan for how PAWC will help low income customers to maintain service to their home.
- f. PAWC shall develop a community outreach plan and expand outreach to target the communities most impacted by the health and economic effects of the pandemic. PAWC will consult with its newly formed LIAG in the creation of its community outreach plan.

# **CAUSE-PA Main Brief**

## **Appendix D**

### **Water and Wastewater Burden Tables 2021 and 2022 Proposed Rates**

CAUSE-PA Exhibit MM-1 - Water Zone 1

CAUSE-PA Exhibit MM-2 - Water Zone 5

CAUSE-PA Exhibit MM-3 - Wastewater Zone 1

CAUSE-PA Exhibit MM-4 - Wastewater Zone 2

CAUSE-PA Exhibit MM-5 - Wastewater Zone 3

CAUSE-PA Exhibit MM-6 - Wastewater, Kane



**CAUSE-PA EXHIBIT MM-1 (a)****Water Burden Table - 2021 Rate Increase, ZONE 1**

Rate calculations based on proposed water tariff rates for 5/8" meter.

2 Person Household							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$ 45.71	\$ 548.52	6%	\$ 27.64	\$ 331.68	4%
100% FPL	\$ 17,240	\$ 45.71	\$ 548.52	3%	\$ 27.64	\$ 331.68	2%
150% FPL	\$ 25,860	\$ 45.71	\$ 548.52	2%	\$ 27.64	\$ 331.68	1%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 59.56	\$ 714.72	8%	\$ 41.56	\$ 498.72	6%
100% FPL	\$ 17,240	\$ 59.56	\$ 714.72	4%	\$ 41.56	\$ 498.72	3%
150% FPL	\$ 25,860	\$ 59.56	\$ 714.72	3%	\$ 41.56	\$ 498.72	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 73.42	\$ 881.04	10%	\$ 52.58	\$ 630.96	7%
100% FPL	\$ 17,240	\$ 73.42	\$ 881.04	5%	\$ 52.58	\$ 630.96	4%
150% FPL	\$ 25,860	\$ 73.42	\$ 881.04	3%	\$ 52.58	\$ 630.96	2%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 87.27	\$ 1,047.24	12%	\$ 65.04	\$ 780.48	9%
100% FPL	\$ 17,240	\$ 87.27	\$ 1,047.24	6%	\$ 65.04	\$ 780.48	5%
150% FPL	\$ 25,860	\$ 87.27	\$ 1,047.24	4%	\$ 65.04	\$ 780.48	3%

3 Person Household							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$ 45.71	\$ 548.52	5%	\$ 27.64	\$ 331.68	3%
100% FPL	\$ 21,720	\$ 45.71	\$ 548.52	3%	\$ 27.64	\$ 331.68	2%
150% FPL	\$ 32,580	\$ 45.71	\$ 548.52	2%	\$ 27.64	\$ 331.68	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$ 59.56	\$ 714.72	7%	\$ 41.56	\$ 498.72	5%
100% FPL	\$ 21,720	\$ 59.56	\$ 714.72	3%	\$ 41.56	\$ 498.72	2%
150% FPL	\$ 32,580	\$ 59.56	\$ 714.72	2%	\$ 41.56	\$ 498.72	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$ 73.42	\$ 881.04	8%	\$ 52.58	\$ 630.96	6%
100% FPL	\$ 21,720	\$ 73.42	\$ 881.04	4%	\$ 52.58	\$ 630.96	3%
150% FPL	\$ 32,580	\$ 73.42	\$ 881.04	3%	\$ 52.58	\$ 630.96	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$ 87.27	\$ 1,047.24	10%	\$ 65.04	\$ 780.48	7%
100% FPL	\$ 21,720	\$ 87.27	\$ 1,047.24	5%	\$ 65.04	\$ 780.48	4%
150% FPL	\$ 32,580	\$ 87.27	\$ 1,047.24	3%	\$ 65.04	\$ 780.48	2%

4 Person Household							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$ 45.71	\$ 548.52	4%	\$ 27.64	\$ 331.68	3%
100% FPL	\$ 26,200	\$ 45.71	\$ 548.52	2%	\$ 27.64	\$ 331.68	1%
150% FPL	\$ 39,300	\$ 45.71	\$ 548.52	1%	\$ 27.64	\$ 331.68	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$ 59.56	\$ 714.72	5%	\$ 41.56	\$ 498.72	4%
100% FPL	\$ 26,200	\$ 59.56	\$ 714.72	3%	\$ 41.56	\$ 498.72	2%
150% FPL	\$ 39,300	\$ 59.56	\$ 714.72	2%	\$ 41.56	\$ 498.72	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$ 73.42	\$ 881.04	7%	\$ 52.58	\$ 630.96	5%
100% FPL	\$ 26,200	\$ 73.42	\$ 881.04	3%	\$ 52.58	\$ 630.96	2%
150% FPL	\$ 39,300	\$ 73.42	\$ 881.04	2%	\$ 52.58	\$ 630.96	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$ 87.27	\$ 1,047.24	8%	\$ 65.04	\$ 780.48	6%
100% FPL	\$ 26,200	\$ 87.27	\$ 1,047.24	4%	\$ 65.04	\$ 780.48	3%
150% FPL	\$ 39,300	\$ 87.27	\$ 1,047.24	3%	\$ 65.04	\$ 780.48	2%

RATE CALCULATIONS	
<b>2000 G</b>	
Customer Chg.	\$18.00
Usage Chg.	\$27.71 (\$1.3854 x 20)
<b>Total</b>	<b>\$45.71</b>
H2O	\$27.64 (Total - \$15.30 - \$2.77)
<b>3000 G</b>	
Customer Chg.	\$18.00
Usage Chg.	\$41.56 (\$1.3854 x 30)
<b>Total</b>	<b>\$59.56</b>
H2O	\$40.11 (Total - \$15.30 - \$4.16)
<b>4000 G</b>	
Customer Chg.	\$18.00
Usage Chg.	\$55.42 (\$1.3854 x 40)
<b>Total</b>	<b>\$73.42</b>
H2O	\$52.58 (Total - \$15.30 - \$5.54)
<b>5000 G</b>	
Customer Chg.	\$18.00
Usage Chg.	\$69.27 (\$1.3854 x 50)
<b>Total</b>	<b>\$87.27</b>
H2O	\$65.04 (Total - \$15.30 - \$6.93)

**CAUSE-PA EXHIBIT MM-1 (b)****Water Burden Table - 2022 Rate Increase, ZONE 1**

Rate calculations based proposed water tariff rates for 5/8" meter.

<b>2 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$ 48.13	\$ 577.56	7%	\$ 29.44	\$ 353.28	4%
100% FPL	\$ 17,240	\$ 48.13	\$ 577.56	3%	\$ 29.44	\$ 353.28	2%
150% FPL	\$ 25,860	\$ 48.13	\$ 577.56	2%	\$ 29.44	\$ 353.28	1%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 62.95	\$ 755.40	9%	\$ 44.45	\$ 533.40	6%
100% FPL	\$ 17,240	\$ 62.95	\$ 755.40	4%	\$ 44.45	\$ 533.40	3%
150% FPL	\$ 25,860	\$ 62.95	\$ 755.40	3%	\$ 44.45	\$ 533.40	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 77.76	\$ 933.12	11%	\$ 56.10	\$ 673.20	8%
100% FPL	\$ 17,240	\$ 77.76	\$ 933.12	5%	\$ 56.10	\$ 673.20	4%
150% FPL	\$ 25,860	\$ 77.76	\$ 933.12	4%	\$ 56.10	\$ 673.20	3%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 92.58	\$ 1,110.96	13%	\$ 69.44	\$ 833.28	10%
100% FPL	\$ 17,240	\$ 92.58	\$ 1,110.96	6%	\$ 69.44	\$ 833.28	5%
150% FPL	\$ 25,860	\$ 92.58	\$ 1,110.96	4%	\$ 69.44	\$ 833.28	3%

<b>3 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$ 48.13	\$ 577.56	5%	\$ 29.44	\$ 353.28	3%
100% FPL	\$ 21,720	\$ 48.13	\$ 577.56	3%	\$ 29.44	\$ 353.28	2%
150% FPL	\$ 32,580	\$ 48.13	\$ 577.56	2%	\$ 29.44	\$ 353.28	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$ 62.95	\$ 755.40	7%	\$ 44.45	\$ 533.40	5%
100% FPL	\$ 21,720	\$ 62.95	\$ 755.40	3%	\$ 44.45	\$ 533.40	2%
150% FPL	\$ 32,580	\$ 62.95	\$ 755.40	2%	\$ 44.45	\$ 533.40	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$ 77.76	\$ 933.12	9%	\$ 56.10	\$ 673.20	6%
100% FPL	\$ 21,720	\$ 77.76	\$ 933.12	4%	\$ 56.10	\$ 673.20	3%
150% FPL	\$ 32,580	\$ 77.76	\$ 933.12	3%	\$ 56.10	\$ 673.20	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$ 92.58	\$ 1,110.96	10%	\$ 69.44	\$ 833.28	8%
100% FPL	\$ 21,720	\$ 92.58	\$ 1,110.96	5%	\$ 69.44	\$ 833.28	4%
150% FPL	\$ 32,580	\$ 92.58	\$ 1,110.96	3%	\$ 69.44	\$ 833.28	3%

<b>4 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$ 48.13	\$ 577.56	4%	\$ 29.44	\$ 353.28	3%
100% FPL	\$ 26,200	\$ 48.13	\$ 577.56	2%	\$ 29.44	\$ 353.28	1%
150% FPL	\$ 39,300	\$ 48.13	\$ 577.56	1%	\$ 29.44	\$ 353.28	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$ 62.95	\$ 755.40	6%	\$ 44.45	\$ 533.40	4%
100% FPL	\$ 26,200	\$ 62.95	\$ 755.40	3%	\$ 44.45	\$ 533.40	2%
150% FPL	\$ 39,300	\$ 62.95	\$ 755.40	2%	\$ 44.45	\$ 533.40	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$ 77.76	\$ 933.12	7%	\$ 56.10	\$ 673.20	5%
100% FPL	\$ 26,200	\$ 77.76	\$ 933.12	4%	\$ 56.10	\$ 673.20	3%
150% FPL	\$ 39,300	\$ 77.76	\$ 933.12	2%	\$ 56.10	\$ 673.20	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$ 92.58	\$ 1,110.96	8%	\$ 69.44	\$ 833.28	6%
100% FPL	\$ 26,200	\$ 92.58	\$ 1,110.96	4%	\$ 69.44	\$ 833.28	3%
150% FPL	\$ 39,300	\$ 92.58	\$ 1,110.96	3%	\$ 69.44	\$ 833.28	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$18.50
Usage Chg.	\$29.63 (\$1.4815 x 20)
<b>Total</b>	<b>\$48.13</b>
H2O	\$29.44 (Total - \$15.73 - \$2.96)
<b>3000 G</b>	
Customer Chg.	\$18.50
Usage Chg.	\$44.45 (\$1.4815 x 30)
<b>Total</b>	<b>\$62.95</b>
H2O	\$42.77 (Total - \$15.73 - \$4.45)
<b>4000 G</b>	
Customer Chg.	\$18.50
Usage Chg.	\$59.26 (\$1.4815 x 40)
<b>Total</b>	<b>\$77.76</b>
H2O	\$56.10 (Total - \$15.73 - \$5.93)
<b>5000 G</b>	
Customer Chg.	\$18.50
Usage Chg.	\$74.08 (\$1.4815 x 50)
<b>Total</b>	<b>\$92.58</b>
H2O	\$69.44 (Total - \$15.73 - \$7.41)

**CAUSE-PA EXHIBIT MM-2 (a)****Water Burden Table - 2021 Rate Increase, ZONE 5**

Rate calculations based on proposed water tariff rates for 5/8" meter

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$ 20.71	\$ 248.52	3%	\$ 5.34	\$ 64.08	1%
100% FPL	\$ 17,240	\$ 20.71	\$ 248.52	1%	\$ 5.34	\$ 64.08	0%
150% FPL	\$ 25,860	\$ 20.71	\$ 248.52	1%	\$ 5.34	\$ 64.08	0%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 30.63	\$ 367.56	4%	\$ 14.26	\$ 171.12	2%
100% FPL	\$ 17,240	\$ 30.63	\$ 367.56	2%	\$ 14.26	\$ 171.12	1%
150% FPL	\$ 25,860	\$ 30.63	\$ 367.56	1%	\$ 14.26	\$ 171.12	1%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 40.54	\$ 486.48	6%	\$ 23.18	\$ 278.16	3%
100% FPL	\$ 17,240	\$ 40.54	\$ 486.48	3%	\$ 23.18	\$ 278.16	2%
150% FPL	\$ 25,860	\$ 40.54	\$ 486.48	2%	\$ 23.18	\$ 278.16	1%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 50.45	\$ 605.40	7%	\$ 32.10	\$ 385.20	4%
100% FPL	\$ 17,240	\$ 50.45	\$ 605.40	4%	\$ 32.10	\$ 385.20	2%
150% FPL	\$ 25,860	\$ 50.45	\$ 605.40	2%	\$ 32.10	\$ 385.20	1%

<b>3 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$ 20.71	\$ 248.52	2%	\$ 5.31	\$ 63.72	1%
100% FPL	\$ 21,720	\$ 20.71	\$ 248.52	1%	\$ 5.31	\$ 63.72	0%
150% FPL	\$ 32,580	\$ 20.71	\$ 248.52	1%	\$ 5.31	\$ 63.72	0%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$ 30.63	\$ 367.56	3%	\$ 14.26	\$ 171.12	2%
100% FPL	\$ 21,720	\$ 30.63	\$ 367.56	2%	\$ 14.26	\$ 171.12	1%
150% FPL	\$ 32,580	\$ 30.63	\$ 367.56	1%	\$ 14.26	\$ 171.12	1%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$ 40.54	\$ 486.48	4%	\$ 23.18	\$ 278.16	3%
100% FPL	\$ 21,720	\$ 40.54	\$ 486.48	2%	\$ 23.18	\$ 278.16	1%
150% FPL	\$ 32,580	\$ 40.54	\$ 486.48	1%	\$ 23.18	\$ 278.16	1%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$ 50.45	\$ 605.40	6%	\$ 32.10	\$ 385.20	4%
100% FPL	\$ 21,720	\$ 50.45	\$ 605.40	3%	\$ 32.10	\$ 385.20	2%
150% FPL	\$ 32,580	\$ 50.45	\$ 605.40	2%	\$ 32.10	\$ 385.20	1%

<b>4 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$ 45.71	\$ 548.52	4%	\$ 27.64	\$ 331.68	3%
100% FPL	\$ 26,200	\$ 45.71	\$ 548.52	2%	\$ 27.64	\$ 331.68	1%
150% FPL	\$ 39,300	\$ 45.71	\$ 548.52	1%	\$ 27.64	\$ 331.68	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$ 59.56	\$ 714.72	5%	\$ 41.56	\$ 498.72	4%
100% FPL	\$ 26,200	\$ 59.56	\$ 714.72	3%	\$ 41.56	\$ 498.72	2%
150% FPL	\$ 39,300	\$ 59.56	\$ 714.72	2%	\$ 41.56	\$ 498.72	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$ 73.42	\$ 881.04	7%	\$ 52.58	\$ 630.96	5%
100% FPL	\$ 26,200	\$ 73.42	\$ 881.04	3%	\$ 52.58	\$ 630.96	2%
150% FPL	\$ 39,300	\$ 73.42	\$ 881.04	2%	\$ 52.58	\$ 630.96	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$ 87.27	\$ 1,047.24	8%	\$ 65.04	\$ 780.48	6%
100% FPL	\$ 26,200	\$ 87.27	\$ 1,047.24	4%	\$ 65.04	\$ 780.48	3%
150% FPL	\$ 39,300	\$ 87.27	\$ 1,047.24	3%	\$ 65.04	\$ 780.48	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$17.74
Usage Chg.	\$2.97 (\$ .9912*3)
<b>Total</b>	<b>\$20.71</b>
H2O	\$5.34 (Total - \$15.08 - \$0.30)
<b>3000 G</b>	
Customer Chg.	\$17.74
Usage Chg.	\$12.89 (\$ .9912*13)
<b>Total</b>	<b>\$30.63</b>
H2O	\$14.26 (Total - \$15.08 - \$1.29)
<b>4000 G</b>	
Customer Chg.	\$17.74
Usage Chg.	\$22.80 (\$ .9912*23)
<b>Total</b>	<b>\$40.54</b>
H2O	\$23.18 (Total - \$15.08 - \$2.28)
<b>5000 G</b>	
Customer Chg.	\$17.74
Usage Chg.	\$32.71 (\$ .9912*33)
<b>Total</b>	<b>\$50.45</b>
H2O	\$32.10 (Total - \$15.08 - \$3.27)

**CAUSE-PA EXHIBIT MM-2 (b)****Water Burden Table - 2022 Rate Increase, ZONE 5**

Rate calculations based on proposed water tariff rates for 5/8" meter

<b>2 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$ 24.15	\$ 289.80	3%	\$ 6.22	\$ 74.64	1%
100% FPL	\$ 17,240	\$ 24.15	\$ 289.80	2%	\$ 6.22	\$ 74.64	0%
150% FPL	\$ 25,860	\$ 24.15	\$ 289.80	1%	\$ 6.22	\$ 74.64	0%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 35.70	\$ 428.40	5%	\$ 16.62	\$ 199.44	2%
100% FPL	\$ 17,240	\$ 35.70	\$ 428.40	2%	\$ 16.62	\$ 199.44	1%
150% FPL	\$ 25,860	\$ 35.70	\$ 428.40	2%	\$ 16.62	\$ 199.44	1%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 47.26	\$ 567.12	7%	\$ 27.02	\$ 324.24	4%
100% FPL	\$ 17,240	\$ 47.26	\$ 567.12	3%	\$ 27.02	\$ 324.24	2%
150% FPL	\$ 25,860	\$ 47.26	\$ 567.12	2%	\$ 27.02	\$ 324.24	1%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 58.82	\$ 705.84	8%	\$ 37.42	\$ 449.04	5%
100% FPL	\$ 17,240	\$ 58.82	\$ 705.84	4%	\$ 37.42	\$ 449.04	3%
150% FPL	\$ 25,860	\$ 58.82	\$ 705.84	3%	\$ 37.42	\$ 449.04	2%

<b>3 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$ 24.15	\$ 289.80	3%	\$ 6.22	\$ 74.64	1%
100% FPL	\$ 21,720	\$ 24.15	\$ 289.80	1%	\$ 6.22	\$ 74.64	0%
150% FPL	\$ 32,580	\$ 24.15	\$ 289.80	1%	\$ 6.22	\$ 74.64	0%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$ 35.70	\$ 428.40	4%	\$ 16.62	\$ 199.44	2%
100% FPL	\$ 21,720	\$ 35.70	\$ 428.40	2%	\$ 16.62	\$ 199.44	1%
150% FPL	\$ 32,580	\$ 35.70	\$ 428.40	1%	\$ 16.62	\$ 199.44	1%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$ 47.26	\$ 567.12	5%	\$ 27.02	\$ 324.24	3%
100% FPL	\$ 21,720	\$ 47.26	\$ 567.12	3%	\$ 27.02	\$ 324.24	1%
150% FPL	\$ 32,580	\$ 47.26	\$ 567.12	2%	\$ 27.02	\$ 324.24	1%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$ 58.82	\$ 705.84	6%	\$ 37.42	\$ 449.04	4%
100% FPL	\$ 21,720	\$ 58.82	\$ 705.84	3%	\$ 37.42	\$ 449.04	2%
150% FPL	\$ 32,580	\$ 58.82	\$ 705.84	2%	\$ 37.42	\$ 449.04	1%

<b>4 Person Household</b>							
	Income	Monthly Full Tariff Proposed	Annual Full Tariff Proposed	Burden - Full Tariff Proposed	Monthly H2O Rate Proposed	Annual H2O Rate Proposed	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$ 24.15	\$ 289.80	2%	\$ 6.22	\$ 74.64	1%
100% FPL	\$ 26,200	\$ 24.15	\$ 289.80	1%	\$ 6.22	\$ 74.64	0%
150% FPL	\$ 39,300	\$ 24.15	\$ 289.80	1%	\$ 6.22	\$ 74.64	0%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$ 35.70	\$ 428.40	3%	\$ 16.62	\$ 199.44	2%
100% FPL	\$ 26,200	\$ 35.70	\$ 428.40	2%	\$ 16.62	\$ 199.44	1%
150% FPL	\$ 39,300	\$ 35.70	\$ 428.40	1%	\$ 16.62	\$ 199.44	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$ 47.26	\$ 567.12	4%	\$ 27.02	\$ 324.24	2%
100% FPL	\$ 26,200	\$ 47.26	\$ 567.12	2%	\$ 27.02	\$ 324.24	1%
150% FPL	\$ 39,300	\$ 47.26	\$ 567.12	1%	\$ 27.02	\$ 324.24	1%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$ 58.82	\$ 705.84	5%	\$ 37.42	\$ 449.04	3%
100% FPL	\$ 26,200	\$ 58.82	\$ 705.84	3%	\$ 37.42	\$ 449.04	2%
150% FPL	\$ 39,300	\$ 58.82	\$ 705.84	2%	\$ 37.42	\$ 449.04	1%

<b>RATE CALCULATIONS</b>		
<b>2000 G</b>		
Customer Chg.	\$20.68	
Usage Chg.	\$3.47	(\$1.1557*3)
<b>Total</b>	<b>\$24.15</b>	
H2O	\$6.22	(Total - \$17.58 - \$0.35)
<b>3000 G</b>		
Customer Chg.	\$20.68	
Usage Chg.	\$15.02	(\$1.1557*13)
<b>Total</b>	<b>\$35.70</b>	
H2O	\$16.62	(Total - \$17.58 - \$1.50)
<b>4000 G</b>		
Customer Chg.	\$20.68	
Usage Chg.	\$26.58	(\$1.1557*23)
<b>Total</b>	<b>\$47.26</b>	
H2O	\$27.02	(Total - \$17.58 - \$2.66)
<b>5000 G</b>		
Customer Chg.	\$20.68	
Usage Chg.	\$38.14	(\$1.1557*33)
<b>Total</b>	<b>\$58.82</b>	
H2O	\$37.42	(Total - \$17.58 - \$3.81)

**CAUSE-PA EXHIBIT MM-3 (a)****Wastewater Burden Table - 2021 Rate Increase, ZONE 1**

Rate calculations based on proposed wastewater tariff rates for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$ 46.26	\$ 555.12	6%	\$32.38	\$ 388.56	5%
100% FPL	\$ 17,240	\$ 46.26	\$ 555.12	3%	\$32.38	\$ 388.56	2%
150% FPL	\$ 25,860	\$ 46.26	\$ 555.12	2%	\$32.38	\$ 388.56	2%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 63.89	\$ 766.68	9%	\$44.72	\$ 536.64	6%
100% FPL	\$ 17,240	\$ 63.89	\$ 766.68	4%	\$44.72	\$ 536.64	3%
150% FPL	\$ 25,860	\$ 63.89	\$ 766.68	3%	\$44.72	\$ 536.64	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 81.52	\$ 978.24	11%	\$57.06	\$ 684.72	8%
100% FPL	\$ 17,240	\$ 81.52	\$ 978.24	6%	\$57.06	\$ 684.72	4%
150% FPL	\$ 25,860	\$ 81.52	\$ 978.24	4%	\$57.06	\$ 684.72	3%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 99.16	\$ 1,189.92	14%	\$69.41	\$ 832.92	10%
100% FPL	\$ 17,240	\$ 99.16	\$ 1,189.92	7%	\$69.41	\$ 832.92	5%
150% FPL	\$ 25,860	\$ 99.16	\$ 1,189.92	5%	\$69.41	\$ 832.92	3%

<b>3 Person Household</b>							
	Income	Monthly Full Tariff	Annual Full Tariff	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$46.26	\$ 555.12	5%	\$32.38	\$ 388.56	4%
100% FPL	\$ 21,720	\$46.26	\$ 555.12	3%	\$32.38	\$ 388.56	2%
150% FPL	\$ 32,580	\$46.26	\$ 555.12	2%	\$32.38	\$ 388.56	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$63.89	\$ 766.68	7%	\$44.72	\$ 536.64	5%
100% FPL	\$ 21,720	\$63.89	\$ 766.68	4%	\$44.72	\$ 536.64	2%
150% FPL	\$ 32,580	\$63.89	\$ 766.68	2%	\$44.72	\$ 536.64	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$81.52	\$ 978.24	9%	\$57.06	\$ 684.72	6%
100% FPL	\$ 21,720	\$81.52	\$ 978.24	5%	\$57.06	\$ 684.72	3%
150% FPL	\$ 32,580	\$81.52	\$ 978.24	3%	\$57.06	\$ 684.72	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$99.16	\$ 1,189.92	11%	\$69.41	\$ 832.92	8%
100% FPL	\$ 21,720	\$99.16	\$ 1,189.92	5%	\$69.41	\$ 832.92	4%
150% FPL	\$ 32,580	\$99.16	\$ 1,189.92	4%	\$69.41	\$ 832.92	3%

<b>4 Person Household</b>							
	Income	Monthly Full Tariff	Annual Full Tariff	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$46.26	\$ 555.12	4%	\$32.38	\$ 388.56	3%
100% FPL	\$ 26,200	\$46.26	\$ 555.12	2%	\$32.38	\$ 388.56	1%
150% FPL	\$ 39,300	\$46.26	\$ 555.12	1%	\$32.38	\$ 388.56	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$63.89	\$ 766.68	6%	\$44.72	\$ 536.64	4%
100% FPL	\$ 26,200	\$63.89	\$ 766.68	3%	\$44.72	\$ 536.64	2%
150% FPL	\$ 39,300	\$63.89	\$ 766.68	2%	\$44.72	\$ 536.64	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$81.52	\$ 978.24	7%	\$57.06	\$ 684.72	5%
100% FPL	\$ 26,200	\$81.52	\$ 978.24	4%	\$57.06	\$ 684.72	3%
150% FPL	\$ 39,300	\$81.52	\$ 978.24	2%	\$57.06	\$ 684.72	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$99.16	\$ 1,189.92	9%	\$69.41	\$ 832.92	6%
100% FPL	\$ 26,200	\$99.16	\$ 1,189.92	5%	\$69.41	\$ 832.92	3%
150% FPL	\$ 39,300	\$99.16	\$ 1,189.92	3%	\$69.41	\$ 832.92	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$35.26 (\$1.7631*20)
<b>Total</b>	<b>\$46.26</b>
H2O WW	\$32.38 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$52.89 (\$1.7631*30)
<b>Total</b>	<b>\$63.89</b>
H2O WW	\$44.72 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$70.52 (\$1.7631*40)
<b>Total</b>	<b>\$81.52</b>
H2O WW	\$57.06 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$88.16 (\$1.7631*50)
<b>Total</b>	<b>\$99.16</b>
H2O WW	\$69.41 30% discount off the total

**CAUSE-PA EXHIBIT MM-3 (b)****Wastewater Burden Table - 2022 Rate Increase, ZONE 1**

Rate calculations based on proposed wastewater tariff rates for metered service

<b>2 Person Household</b>							
	Income	Monthly Full Tariff	Annual Full Tariff	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$ 49.51	\$ 594.10	7%	\$34.66	\$ 415.92	5%
100% FPL	\$ 17,240	\$ 49.51	\$ 594.10	3%	\$34.66	\$ 415.92	2%
150% FPL	\$ 25,860	\$ 49.51	\$ 594.10	2%	\$34.66	\$ 415.92	2%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 68.26	\$ 819.14	10%	\$47.78	\$ 573.36	7%
100% FPL	\$ 17,240	\$ 68.26	\$ 819.14	5%	\$47.78	\$ 573.36	3%
150% FPL	\$ 25,860	\$ 68.26	\$ 819.14	3%	\$47.78	\$ 573.36	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 87.02	\$ 1,044.19	12%	\$60.91	\$ 730.92	8%
100% FPL	\$ 17,240	\$ 87.02	\$ 1,044.19	6%	\$60.91	\$ 730.92	4%
150% FPL	\$ 25,860	\$ 87.02	\$ 1,044.19	4%	\$60.91	\$ 730.92	3%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 105.77	\$ 1,269.24	15%	\$74.04	\$ 888.48	10%
100% FPL	\$ 17,240	\$ 105.77	\$ 1,269.24	7%	\$74.04	\$ 888.48	5%
150% FPL	\$ 25,860	\$ 105.77	\$ 1,269.24	5%	\$74.04	\$ 888.48	3%

<b>3 Person Household</b>							
	Income	Monthly Full Tariff	Annual Full Tariff	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$49.51	\$ 594.10	5%	\$34.66	\$ 415.92	4%
100% FPL	\$ 21,720	\$49.51	\$ 594.10	3%	\$34.66	\$ 415.92	2%
150% FPL	\$ 32,580	\$49.51	\$ 594.10	2%	\$34.66	\$ 415.92	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$68.26	\$ 819.14	8%	\$47.78	\$ 573.36	5%
100% FPL	\$ 21,720	\$68.26	\$ 819.14	4%	\$47.78	\$ 573.36	3%
150% FPL	\$ 32,580	\$68.26	\$ 819.14	3%	\$47.78	\$ 573.36	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$87.02	\$ 1,044.19	10%	\$60.91	\$ 730.92	7%
100% FPL	\$ 21,720	\$87.02	\$ 1,044.19	5%	\$60.91	\$ 730.92	3%
150% FPL	\$ 32,580	\$87.02	\$ 1,044.19	3%	\$60.91	\$ 730.92	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$105.77	\$ 1,269.24	12%	\$74.04	\$ 888.48	8%
100% FPL	\$ 21,720	\$105.77	\$ 1,269.24	6%	\$74.04	\$ 888.48	4%
150% FPL	\$ 32,580	\$105.77	\$ 1,269.24	4%	\$74.04	\$ 888.48	3%

<b>4 Person Household</b>							
	Income	Monthly Full Tariff	Annual Full Tariff	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$49.51	\$ 594.10	5%	\$34.66	\$ 415.92	3%
100% FPL	\$ 26,200	\$49.51	\$ 594.10	2%	\$34.66	\$ 415.92	2%
150% FPL	\$ 39,300	\$49.51	\$ 594.10	2%	\$34.66	\$ 415.92	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$68.26	\$ 819.14	6%	\$47.78	\$ 573.36	4%
100% FPL	\$ 26,200	\$68.26	\$ 819.14	3%	\$47.78	\$ 573.36	2%
150% FPL	\$ 39,300	\$68.26	\$ 819.14	2%	\$47.78	\$ 573.36	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$87.02	\$ 1,044.19	8%	\$60.91	\$ 730.92	6%
100% FPL	\$ 26,200	\$87.02	\$ 1,044.19	4%	\$60.91	\$ 730.92	3%
150% FPL	\$ 39,300	\$87.02	\$ 1,044.19	3%	\$60.91	\$ 730.92	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$105.77	\$ 1,269.24	10%	\$74.04	\$ 888.48	7%
100% FPL	\$ 26,200	\$105.77	\$ 1,269.24	5%	\$74.04	\$ 888.48	3%
150% FPL	\$ 39,300	\$105.77	\$ 1,269.24	3%	\$74.04	\$ 888.48	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$37.51 (\$1.8754*20)
<b>Total</b>	<b>\$49.51</b>
H2O - WW	\$34.66 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$56.26 (\$1.8754*30)
<b>Total</b>	<b>\$68.26</b>
H2O - WW	\$47.78 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$75.02 (\$1.8754*40)
<b>Total</b>	<b>\$87.02</b>
H2O - WW	\$60.91 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$93.77 (\$1.8754*50)
<b>Total</b>	<b>\$105.77</b>
H2O - WW	\$74.04 30% discount off the total

**CAUSE-PA EXHIBIT MM-4 (a)****Wastewater Burden Table - 2021 Rate Increase, ZONE 2**

Rate calculations based on proposed wastewater tariff rates for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$35.60	\$ 427.20	5%	\$24.92	\$ 299.04	3%
100% FPL	\$ 17,240	\$35.60	\$ 427.20	2%	\$24.92	\$ 299.04	2%
150% FPL	\$ 25,860	\$35.60	\$ 427.20	2%	\$24.92	\$ 299.04	1%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 47.90	\$ 574.80	7%	\$33.53	\$ 402.36	5%
100% FPL	\$ 17,240	\$ 47.90	\$ 574.80	3%	\$33.53	\$ 402.36	2%
150% FPL	\$ 25,860	\$ 47.90	\$ 574.80	2%	\$33.53	\$ 402.36	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 60.20	\$ 722.40	8%	\$42.14	\$ 505.68	6%
100% FPL	\$ 17,240	\$ 60.20	\$ 722.40	4%	\$42.14	\$ 505.68	3%
150% FPL	\$ 25,860	\$ 60.20	\$ 722.40	3%	\$42.14	\$ 505.68	2%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 72.50	\$ 870.00	10%	\$50.75	\$ 609.00	7%
100% FPL	\$ 17,240	\$ 72.50	\$ 870.00	5%	\$50.75	\$ 609.00	4%
150% FPL	\$ 25,860	\$ 72.50	\$ 870.00	3%	\$50.75	\$ 609.00	2%

<b>3 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$35.60	\$ 427.20	4%	\$24.92	\$ 299.04	3%
100% FPL	\$ 21,720	\$35.60	\$ 427.20	2%	\$24.92	\$ 299.04	1%
150% FPL	\$ 32,580	\$35.60	\$ 427.20	1%	\$24.92	\$ 299.04	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$47.90	\$ 574.80	5%	\$33.53	\$ 402.36	4%
100% FPL	\$ 21,720	\$47.90	\$ 574.80	3%	\$33.53	\$ 402.36	2%
150% FPL	\$ 32,580	\$47.90	\$ 574.80	2%	\$33.53	\$ 402.36	1%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$60.20	\$ 722.40	7%	\$42.14	\$ 505.68	5%
100% FPL	\$ 21,720	\$60.20	\$ 722.40	3%	\$42.14	\$ 505.68	2%
150% FPL	\$ 32,580	\$60.20	\$ 722.40	2%	\$42.14	\$ 505.68	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$72.50	\$ 870.00	8%	\$50.75	\$ 609.00	6%
100% FPL	\$ 21,720	\$72.50	\$ 870.00	4%	\$50.75	\$ 609.00	3%
150% FPL	\$ 32,580	\$72.50	\$ 870.00	3%	\$50.75	\$ 609.00	2%

<b>4 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$35.60	\$ 427.20	3%	\$24.92	\$ 299.04	2%
100% FPL	\$ 26,200	\$35.60	\$ 427.20	2%	\$24.92	\$ 299.04	1%
150% FPL	\$ 39,300	\$35.60	\$ 427.20	1%	\$24.92	\$ 299.04	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$47.90	\$ 574.80	4%	\$33.53	\$ 402.36	3%
100% FPL	\$ 26,200	\$47.90	\$ 574.80	2%	\$33.53	\$ 402.36	2%
150% FPL	\$ 39,300	\$47.90	\$ 574.80	1%	\$33.53	\$ 402.36	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$60.20	\$ 722.40	6%	\$42.14	\$ 505.68	4%
100% FPL	\$ 26,200	\$60.20	\$ 722.40	3%	\$42.14	\$ 505.68	2%
150% FPL	\$ 39,300	\$60.20	\$ 722.40	2%	\$42.14	\$ 505.68	1%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$72.50	\$ 870.00	7%	\$50.75	\$ 609.00	5%
100% FPL	\$ 26,200	\$72.50	\$ 870.00	3%	\$50.75	\$ 609.00	2%
150% FPL	\$ 39,300	\$72.50	\$ 870.00	2%	\$50.75	\$ 609.00	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$24.60 (\$1.2300*20)
<b>Total</b>	<b>\$35.60</b>
H2O WW	\$24.92 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$36.90 (\$1.2300*30)
<b>Total</b>	<b>\$47.90</b>
H2O WW	\$33.53 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$49.20 (\$1.2300*40)
<b>Total</b>	<b>\$60.20</b>
H2O WW	\$42.14 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$11.00
Usage Chg.	\$61.50 (\$1.2300*50)
<b>Total</b>	<b>\$72.50</b>
H2O WW	\$50.75 30% discount off the total

**CAUSE-PA EXHIBIT MM-4 (b)****Wastewater Burden Table - 2022 Rate Increase, ZONE 2**

Rate calculations based on proposed wastewater tariff rates for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$41.52	\$ 498.24	6%	\$29.06	\$ 348.72	4%
100% FPL	\$ 17,240	\$41.52	\$ 498.24	3%	\$29.06	\$ 348.72	2%
150% FPL	\$ 25,860	\$41.52	\$ 498.24	2%	\$29.06	\$ 348.72	1%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 56.28	\$ 675.36	8%	\$39.40	\$ 472.80	5%
100% FPL	\$ 17,240	\$ 56.28	\$ 675.36	4%	\$39.40	\$ 472.80	3%
150% FPL	\$ 25,860	\$ 56.28	\$ 675.36	3%	\$39.40	\$ 472.80	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 71.04	\$ 852.48	10%	\$49.73	\$ 596.76	7%
100% FPL	\$ 17,240	\$ 71.04	\$ 852.48	5%	\$49.73	\$ 596.76	3%
150% FPL	\$ 25,860	\$ 71.04	\$ 852.48	3%	\$49.73	\$ 596.76	2%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 85.80	\$ 1,029.60	12%	\$60.06	\$ 720.72	8%
100% FPL	\$ 17,240	\$ 85.80	\$ 1,029.60	6%	\$60.06	\$ 720.72	4%
150% FPL	\$ 25,860	\$ 85.80	\$ 1,029.60	4%	\$60.06	\$ 720.72	3%

<b>3 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$41.52	\$ 498.24	5%	\$29.06	\$ 348.72	3%
100% FPL	\$ 21,720	\$41.52	\$ 498.24	2%	\$29.06	\$ 348.72	2%
150% FPL	\$ 32,580	\$41.52	\$ 498.24	2%	\$29.06	\$ 348.72	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$56.28	\$ 675.36	6%	\$39.40	\$ 472.80	4%
100% FPL	\$ 21,720	\$56.28	\$ 675.36	3%	\$39.40	\$ 472.80	2%
150% FPL	\$ 32,580	\$56.28	\$ 675.36	2%	\$39.40	\$ 472.80	1%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$71.04	\$ 852.48	8%	\$49.73	\$ 596.76	5%
100% FPL	\$ 21,720	\$71.04	\$ 852.48	4%	\$49.73	\$ 596.76	3%
150% FPL	\$ 32,580	\$71.04	\$ 852.48	3%	\$49.73	\$ 596.76	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$85.80	\$ 1,029.60	9%	\$60.06	\$ 720.72	7%
100% FPL	\$ 21,720	\$85.80	\$ 1,029.60	5%	\$60.06	\$ 720.72	3%
150% FPL	\$ 32,580	\$85.80	\$ 1,029.60	3%	\$60.06	\$ 720.72	2%

<b>4 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$41.52	\$ 498.24	4%	\$29.06	\$ 348.72	3%
100% FPL	\$ 26,200	\$41.52	\$ 498.24	2%	\$29.06	\$ 348.72	1%
150% FPL	\$ 39,300	\$41.52	\$ 498.24	1%	\$29.06	\$ 348.72	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$56.28	\$ 675.36	5%	\$39.40	\$ 472.80	4%
100% FPL	\$ 26,200	\$56.28	\$ 675.36	3%	\$39.40	\$ 472.80	2%
150% FPL	\$ 39,300	\$56.28	\$ 675.36	2%	\$39.40	\$ 472.80	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$71.04	\$ 852.48	7%	\$49.73	\$ 596.76	5%
100% FPL	\$ 26,200	\$71.04	\$ 852.48	3%	\$49.73	\$ 596.76	2%
150% FPL	\$ 39,300	\$71.04	\$ 852.48	2%	\$49.73	\$ 596.76	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$85.80	\$ 1,029.60	8%	\$60.06	\$ 720.72	6%
100% FPL	\$ 26,200	\$85.80	\$ 1,029.60	4%	\$60.06	\$ 720.72	3%
150% FPL	\$ 39,300	\$85.80	\$ 1,029.60	3%	\$60.06	\$ 720.72	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$29.52 (\$1.4760*20)
<b>Total</b>	<b>\$41.52</b>
H2O WW	\$29.06 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$44.28 (\$1.4760*30)
<b>Total</b>	<b>\$56.28</b>
H2O WW	\$39.40 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$59.04 (\$1.4760*40)
<b>Total</b>	<b>\$71.04</b>
H2O WW	\$49.73 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$12.00
Usage Chg.	\$73.80 (\$1.4760*50)
<b>Total</b>	<b>\$85.80</b>
H2O WW	\$60.06 30% discount off the total



**CAUSE-PA EXHIBIT MM-5 (a)****Wastewater Burden Table - 2021 Rate Increase, ZONE 3**

Rate calculations based on proposed wastewater tariff rates for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$53.92	\$ 647.09	8%	\$37.74	\$452.88	5%
100% FPL	\$ 17,240	\$53.92	\$ 647.09	4%	\$37.74	\$452.88	3%
150% FPL	\$ 25,860	\$53.92	\$ 647.09	3%	\$37.74	\$452.88	2%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 71.14	\$ 853.63	10%	\$49.80	\$597.60	7%
100% FPL	\$ 17,240	\$ 71.14	\$ 853.63	5%	\$49.80	\$597.60	3%
150% FPL	\$ 25,860	\$ 71.14	\$ 853.63	3%	\$49.80	\$597.60	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 88.35	\$1,060.18	12%	\$61.84	\$742.08	9%
100% FPL	\$ 17,240	\$ 88.35	\$1,060.18	6%	\$61.84	\$742.08	4%
150% FPL	\$ 25,860	\$ 88.35	\$1,060.18	4%	\$61.84	\$742.08	3%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 105.56	\$1,266.72	15%	\$73.89	\$886.68	10%
100% FPL	\$ 17,240	\$ 105.56	\$1,266.72	7%	\$73.89	\$886.68	5%
150% FPL	\$ 25,860	\$ 105.56	\$1,266.72	5%	\$73.89	\$886.68	3%

<b>3 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$53.92	\$ 647.09	6%	\$37.74	\$452.88	4%
100% FPL	\$ 21,720	\$53.92	\$ 647.09	3%	\$37.74	\$452.88	2%
150% FPL	\$ 32,580	\$53.92	\$ 647.09	2%	\$37.74	\$452.88	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$71.14	\$ 853.63	8%	\$49.80	\$597.60	6%
100% FPL	\$ 21,720	\$71.14	\$ 853.63	4%	\$49.80	\$597.60	3%
150% FPL	\$ 32,580	\$71.14	\$ 853.63	3%	\$49.80	\$597.60	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$88.35	\$1,060.18	10%	\$61.84	\$742.08	7%
100% FPL	\$ 21,720	\$88.35	\$1,060.18	5%	\$61.84	\$742.08	3%
150% FPL	\$ 32,580	\$88.35	\$1,060.18	3%	\$61.84	\$742.08	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$105.56	\$1,266.72	12%	\$73.89	\$886.68	8%
100% FPL	\$ 21,720	\$105.56	\$1,266.72	6%	\$73.89	\$886.68	4%
150% FPL	\$ 32,580	\$105.56	\$1,266.72	4%	\$73.89	\$886.68	3%

<b>4 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$53.92	\$ 647.09	5%	\$37.74	\$452.88	3%
100% FPL	\$ 26,200	\$53.92	\$ 647.09	2%	\$37.74	\$452.88	2%
150% FPL	\$ 39,300	\$53.92	\$ 647.09	2%	\$37.74	\$452.88	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$71.14	\$ 853.63	7%	\$49.80	\$597.60	5%
100% FPL	\$ 26,200	\$71.14	\$ 853.63	3%	\$49.80	\$597.60	2%
150% FPL	\$ 39,300	\$71.14	\$ 853.63	2%	\$49.80	\$597.60	2%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$88.35	\$1,060.18	8%	\$61.84	\$742.08	6%
100% FPL	\$ 26,200	\$88.35	\$1,060.18	4%	\$61.84	\$742.08	3%
150% FPL	\$ 39,300	\$88.35	\$1,060.18	3%	\$61.84	\$742.08	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$105.56	\$1,266.72	10%	\$73.89	\$886.68	7%
100% FPL	\$ 26,200	\$105.56	\$1,266.72	5%	\$73.89	\$886.68	3%
150% FPL	\$ 39,300	\$105.56	\$1,266.72	3%	\$73.89	\$886.68	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$34.42 (\$1.7212*20)
<b>Total</b>	<b>\$53.92</b>
H2O WW	\$37.74 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$51.64 (\$1.7212*30)
<b>Total</b>	<b>\$71.14</b>
H2O WW	\$49.80 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$68.85 (\$1.7212*40)
<b>Total</b>	<b>\$88.35</b>
H2O WW	\$61.84 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$86.06 (\$1.7212*50)
<b>Total</b>	<b>\$105.56</b>
H2O WW	\$73.89 30% discount off the total

**CAUSE-PA EXHIBIT MM-5 (b)****Wastewater Burden Table - 2022 Rate Increase, ZONE 3**

Rate calculations based on proposed wastewater tariff for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$54.17	\$ 650.06	8%	\$37.92	\$ 455.04	5%
100% FPL	\$ 17,240	\$54.17	\$ 650.06	4%	\$37.92	\$ 455.04	3%
150% FPL	\$ 25,860	\$54.17	\$ 650.06	3%	\$37.92	\$ 455.04	2%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 71.51	\$ 858.10	10%	\$50.06	\$ 600.72	7%
100% FPL	\$ 17,240	\$ 71.51	\$ 858.10	5%	\$50.06	\$ 600.72	3%
150% FPL	\$ 25,860	\$ 71.51	\$ 858.10	3%	\$50.06	\$ 600.72	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 88.84	\$ 1,066.13	12%	\$62.19	\$ 746.28	9%
100% FPL	\$ 17,240	\$ 88.84	\$ 1,066.13	6%	\$62.19	\$ 746.28	4%
150% FPL	\$ 25,860	\$ 88.84	\$ 1,066.13	4%	\$62.19	\$ 746.28	3%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 106.18	\$ 1,274.16	15%	\$74.33	\$ 891.96	10%
100% FPL	\$ 17,240	\$ 106.18	\$ 1,274.16	7%	\$74.33	\$ 891.96	5%
150% FPL	\$ 25,860	\$ 106.18	\$ 1,274.16	5%	\$74.33	\$ 891.96	3%

<b>3 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$54.17	\$ 650.06	6%	\$37.92	\$ 455.04	4%
100% FPL	\$ 21,720	\$54.17	\$ 650.06	3%	\$37.92	\$ 455.04	2%
150% FPL	\$ 32,580	\$54.17	\$ 650.06	2%	\$37.92	\$ 455.04	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$71.51	\$ 858.10	8%	\$50.06	\$ 600.72	6%
100% FPL	\$ 21,720	\$71.51	\$ 858.10	4%	\$50.06	\$ 600.72	3%
150% FPL	\$ 32,580	\$71.51	\$ 858.10	3%	\$50.06	\$ 600.72	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$88.84	\$ 1,066.13	10%	\$62.19	\$ 746.28	7%
100% FPL	\$ 21,720	\$88.84	\$ 1,066.13	5%	\$62.19	\$ 746.28	3%
150% FPL	\$ 32,580	\$88.84	\$ 1,066.13	3%	\$62.19	\$ 746.28	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$106.18	\$ 1,274.16	12%	\$74.33	\$ 891.96	8%
100% FPL	\$ 21,720	\$106.18	\$ 1,274.16	6%	\$74.33	\$ 891.96	4%
150% FPL	\$ 32,580	\$106.18	\$ 1,274.16	4%	\$74.33	\$ 891.96	3%

<b>4 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$54.17	\$ 650.06	5%	\$37.92	\$ 455.04	3%
100% FPL	\$ 26,200	\$54.17	\$ 650.06	2%	\$37.92	\$ 455.04	2%
150% FPL	\$ 39,300	\$54.17	\$ 650.06	2%	\$37.92	\$ 455.04	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$71.51	\$ 858.10	7%	\$50.06	\$ 600.72	5%
100% FPL	\$ 26,200	\$71.51	\$ 858.10	3%	\$50.06	\$ 600.72	2%
150% FPL	\$ 39,300	\$71.51	\$ 858.10	2%	\$50.06	\$ 600.72	2%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$88.84	\$ 1,066.13	8%	\$62.19	\$ 746.28	6%
100% FPL	\$ 26,200	\$88.84	\$ 1,066.13	4%	\$62.19	\$ 746.28	3%
150% FPL	\$ 39,300	\$88.84	\$ 1,066.13	3%	\$62.19	\$ 746.28	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$106.18	\$ 1,274.16	10%	\$74.33	\$ 891.96	7%
100% FPL	\$ 26,200	\$106.18	\$ 1,274.16	5%	\$74.33	\$ 891.96	3%
150% FPL	\$ 39,300	\$106.18	\$ 1,274.16	3%	\$74.33	\$ 891.96	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$34.67 (\$1.7336*20)
<b>Total</b>	<b>\$54.17</b>
H2O WW	\$37.92 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$52.01 (\$1.7336*30)
<b>Total</b>	<b>\$71.51</b>
H2O WW	\$50.06 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$69.34 (\$1.7336*40)
<b>Total</b>	<b>\$88.84</b>
H2O WW	\$62.19 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$19.50
Usage Chg.	\$86.68 (\$1.7336*50)
<b>Total</b>	<b>\$106.18</b>
H2O WW	\$74.33 30% discount off the total

**CAUSE-PA EXHIBIT MM-6 (a)****Wastewater Burden Table - 2021 Rate Increase, KANE**

Rate calculations based on proposed wastewater tariff for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$50.15	\$ 601.80	7%	\$35.11	\$ 421.32	5%
100% FPL	\$ 17,240	\$50.15	\$ 601.80	3%	\$35.11	\$ 421.32	2%
150% FPL	\$ 25,860	\$50.15	\$ 601.80	2%	\$35.11	\$ 421.32	2%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 58.20	\$ 698.42	8%	\$40.74	\$ 488.88	6%
100% FPL	\$ 17,240	\$ 58.20	\$ 698.42	4%	\$40.74	\$ 488.88	3%
150% FPL	\$ 25,860	\$ 58.20	\$ 698.42	3%	\$40.74	\$ 488.88	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 66.25	\$ 795.05	9%	\$46.38	\$ 556.56	6%
100% FPL	\$ 17,240	\$ 66.25	\$ 795.05	5%	\$46.38	\$ 556.56	3%
150% FPL	\$ 25,860	\$ 66.25	\$ 795.05	3%	\$46.38	\$ 556.56	2%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 74.31	\$ 891.67	10%	\$52.02	\$ 624.24	7%
100% FPL	\$ 17,240	\$ 74.31	\$ 891.67	5%	\$52.02	\$ 624.24	4%
150% FPL	\$ 25,860	\$ 74.31	\$ 891.67	3%	\$52.02	\$ 624.24	2%

<b>3 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$50.15	\$ 601.80	6%	\$35.11	\$ 421.32	4%
100% FPL	\$ 21,720	\$50.15	\$ 601.80	3%	\$35.11	\$ 421.32	2%
150% FPL	\$ 32,580	\$50.15	\$ 601.80	2%	\$35.11	\$ 421.32	1%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$58.20	\$ 698.42	6%	\$40.74	\$ 488.88	5%
100% FPL	\$ 21,720	\$58.20	\$ 698.42	3%	\$40.74	\$ 488.88	2%
150% FPL	\$ 32,580	\$58.20	\$ 698.42	2%	\$40.74	\$ 488.88	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$66.25	\$ 795.05	7%	\$46.38	\$ 556.56	5%
100% FPL	\$ 21,720	\$66.25	\$ 795.05	4%	\$46.38	\$ 556.56	3%
150% FPL	\$ 32,580	\$66.25	\$ 795.05	2%	\$46.38	\$ 556.56	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$74.31	\$ 891.67	8%	\$52.02	\$ 624.24	6%
100% FPL	\$ 21,720	\$74.31	\$ 891.67	4%	\$52.02	\$ 624.24	3%
150% FPL	\$ 32,580	\$74.31	\$ 891.67	3%	\$52.02	\$ 624.24	2%

<b>4 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$50.15	\$ 601.80	5%	\$35.11	\$ 421.32	3%
100% FPL	\$ 26,200	\$50.15	\$ 601.80	2%	\$35.11	\$ 421.32	2%
150% FPL	\$ 39,300	\$50.15	\$ 601.80	2%	\$35.11	\$ 421.32	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$58.20	\$ 698.42	5%	\$40.74	\$ 488.88	4%
100% FPL	\$ 26,200	\$58.20	\$ 698.42	3%	\$40.74	\$ 488.88	2%
150% FPL	\$ 39,300	\$58.20	\$ 698.42	2%	\$40.74	\$ 488.88	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$66.25	\$ 795.05	6%	\$46.38	\$ 556.56	4%
100% FPL	\$ 26,200	\$66.25	\$ 795.05	3%	\$46.38	\$ 556.56	2%
150% FPL	\$ 39,300	\$66.25	\$ 795.05	2%	\$46.38	\$ 556.56	1%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$74.31	\$ 891.67	7%	\$52.02	\$ 624.24	5%
100% FPL	\$ 26,200	\$74.31	\$ 891.67	3%	\$52.02	\$ 624.24	2%
150% FPL	\$ 39,300	\$74.31	\$ 891.67	2%	\$52.02	\$ 624.24	2%

<b>RATE CALCULATIONS</b>	
<b>2000 G</b>	
Customer Chg.	\$50.15
Usage Chg.	\$0.00
<b>Total</b>	<b>\$50.15</b>
H2O WW	\$35.11 30% discount off the total
<b>3000 G</b>	
Customer Chg.	\$50.15
Usage Chg.	\$8.05 (\$ .8052*10)
<b>Total</b>	<b>\$58.20</b>
H2O WW	\$40.74 30% discount off the total
<b>4000 G</b>	
Customer Chg.	\$50.15
Usage Chg.	\$16.10 (\$ .8052*20)
<b>Total</b>	<b>\$66.25</b>
H2O WW	\$46.38 30% discount off the total
<b>5000 G</b>	
Customer Chg.	\$50.15
Usage Chg.	\$24.16 (\$ .8052*30)
<b>Total</b>	<b>\$74.31</b>
H2O WW	\$52.02 30% discount off the total

**CAUSE-PA EXHIBIT MM-6 (b)****Wastewater Burden Table - 2022 Rate Increase, KANE**

Rate calculations based on proposed wastewater tariff for metered service

<b>2 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 8,620	\$60.00	\$ 720.00	8%	\$42.00	\$ 504.00	6%
100% FPL	\$ 17,240	\$60.00	\$ 720.00	4%	\$42.00	\$ 504.00	3%
150% FPL	\$ 25,860	\$60.00	\$ 720.00	3%	\$42.00	\$ 504.00	2%
<b>3000 Gal</b>							
50% FPL	\$ 8,620	\$ 69.63	\$ 835.61	10%	\$48.74	\$ 584.88	7%
100% FPL	\$ 17,240	\$ 69.63	\$ 835.61	5%	\$48.74	\$ 584.88	3%
150% FPL	\$ 25,860	\$ 69.63	\$ 835.61	3%	\$48.74	\$ 584.88	2%
<b>4000 Gal</b>							
50% FPL	\$ 8,620	\$ 79.27	\$ 951.22	11%	\$55.49	\$ 665.88	8%
100% FPL	\$ 17,240	\$ 79.27	\$ 951.22	6%	\$55.49	\$ 665.88	4%
150% FPL	\$ 25,860	\$ 79.27	\$ 951.22	4%	\$55.49	\$ 665.88	3%
<b>5000 Gal</b>							
50% FPL	\$ 8,620	\$ 88.90	\$ 1,066.82	12%	\$62.23	\$ 746.76	9%
100% FPL	\$ 17,240	\$ 88.90	\$ 1,066.82	6%	\$62.23	\$ 746.76	4%
150% FPL	\$ 25,860	\$ 88.90	\$ 1,066.82	4%	\$62.23	\$ 746.76	3%

<b>3 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 10,860	\$60.00	\$ 720.00	7%	\$42.00	\$ 504.00	5%
100% FPL	\$ 21,720	\$60.00	\$ 720.00	3%	\$42.00	\$ 504.00	2%
150% FPL	\$ 32,580	\$60.00	\$ 720.00	2%	\$42.00	\$ 504.00	2%
<b>3000 Gal</b>							
50% FPL	\$ 10,860	\$69.63	\$ 835.61	8%	\$48.74	\$ 584.88	5%
100% FPL	\$ 21,720	\$69.63	\$ 835.61	4%	\$48.74	\$ 584.88	3%
150% FPL	\$ 32,580	\$69.63	\$ 835.61	3%	\$48.74	\$ 584.88	2%
<b>4000 Gal</b>							
50% FPL	\$ 10,860	\$79.27	\$ 951.22	9%	\$55.49	\$ 665.88	6%
100% FPL	\$ 21,720	\$79.27	\$ 951.22	4%	\$55.49	\$ 665.88	3%
150% FPL	\$ 32,580	\$79.27	\$ 951.22	3%	\$55.49	\$ 665.88	2%
<b>5000 Gal</b>							
50% FPL	\$ 10,860	\$88.90	\$ 1,066.82	10%	\$62.23	\$ 746.76	7%
100% FPL	\$ 21,720	\$88.90	\$ 1,066.82	5%	\$62.23	\$ 746.76	3%
150% FPL	\$ 32,580	\$88.90	\$ 1,066.82	3%	\$62.23	\$ 746.76	2%

<b>4 Person Household</b>							
	Income	Monthly Tariff Rate	Annual Tariff Rate	Burden - Full Tariff	Monthly H2O Rate	Annual H2O Rate	Burden - H2O
<b>2000 Gal.</b>							
50% FPL	\$ 13,100	\$60.00	\$ 720.00	5%	\$42.00	\$ 504.00	4%
100% FPL	\$ 26,200	\$60.00	\$ 720.00	3%	\$42.00	\$ 504.00	2%
150% FPL	\$ 39,300	\$60.00	\$ 720.00	2%	\$42.00	\$ 504.00	1%
<b>3000 Gal</b>							
50% FPL	\$ 13,100	\$69.63	\$ 835.61	6%	\$48.74	\$ 584.88	4%
100% FPL	\$ 26,200	\$69.63	\$ 835.61	3%	\$48.74	\$ 584.88	2%
150% FPL	\$ 39,300	\$69.63	\$ 835.61	2%	\$48.74	\$ 584.88	1%
<b>4000 Gal</b>							
50% FPL	\$ 13,100	\$79.27	\$ 951.22	7%	\$55.49	\$ 665.88	5%
100% FPL	\$ 26,200	\$79.27	\$ 951.22	4%	\$55.49	\$ 665.88	3%
150% FPL	\$ 39,300	\$79.27	\$ 951.22	2%	\$55.49	\$ 665.88	2%
<b>5000 Gal</b>							
50% FPL	\$ 13,100	\$88.90	\$ 1,066.82	8%	\$62.23	\$ 746.76	6%
100% FPL	\$ 26,200	\$88.90	\$ 1,066.82	4%	\$62.23	\$ 746.76	3%
150% FPL	\$ 39,300	\$88.90	\$ 1,066.82	3%	\$62.23	\$ 746.76	2%

<b>RATE CALCULATIONS</b>		
<b>2000 G</b>		
Customer Chg.	\$60.00	
Usage Chg.	\$0.00	
<b>Total</b>	<b>\$60.00</b>	
H2O WW	\$42.00	30% discount off the total
<b>3000 G</b>		
Customer Chg.	\$60.00	
Usage Chg.	\$9.63 (\$ .9634*10)	
<b>Total</b>	<b>\$69.63</b>	
H2O WW	\$48.74	30% discount off the total
<b>4000 G</b>		
Customer Chg.	\$60.00	
Usage Chg.	\$19.27 (\$ .9634*20)	
<b>Total</b>	<b>\$79.27</b>	
H2O WW	\$55.49	30% discount off the total
<b>5000 G</b>		
Customer Chg.	\$60.00	
Usage Chg.	\$28.90 (\$ .9634*30)	
<b>Total</b>	<b>\$88.90</b>	
H2O WW	\$62.23	30% discount off the total