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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSIONP.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE**Docket Nos.M-2018-2640802 (water)M-2018-2640803(wastewater)  |

**August 5, 2021**

**ASSIGNMENT OF THE PITTSBURGH WATER AND SEWER AUTHORITY**

**STAGE 2 COMPLIANCE PLAN TO**

**THE OFFICE OF ADMINISTRATIVE LAW JUDGE**

 This Secretarial Letter assigns Pittsburgh Water and Sewer Authority’s (PWSA) Stage 2 Compliance Plan at the above-referenced dockets from the Commission’s Bureau of Consumer Services (BCS) to its Office of Administrative Law Judge (OALJ). This assignment moves the Compliance Plan from initial staff review to an on-the-record contested proceeding whereby PWSA and interested persons may litigate and develop issues for Commission consideration in a final compliance plan.

**Background**

 On March 15, 2018, the PUC entered a Final Implementation Order laying out the process for implementing Act 65 of 2017, which created Chapter 32 of the Public Utility Code and provided for PUC oversight of PWSA as if it were a public utility, subject to certain Code exceptions. *See Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority,* Docket Nos. M-2018-2640802 and M‑2018-2640803(Final Implementation Order entered March 15, 2018).

 By Secretarial Letter dated September 26, 2018, at Docket Nos. M-2018-2640802 and M-2018-2640803, the PUC established a procedure to refer PWSA’s Compliance Plan to the OALJ. On September 28, 2018, PWSA filed its initial Compliance Plan with the PUC. By Corrected Secretarial Letter dated November 28, 2018 (November 2018 Secretarial Letter), the PUC established a two-stage review of PWSA’s Compliance Plan, with Stage 1 prioritizing health and safety issues related to the safe, adequate, reliable, and reasonable provision of water service and the revenues necessary to support adequate water quantity and quality, and Stage 2 focusing on billing and collection issues as well as the development of a stormwater tariff. The November 2018 Secretarial Letter formally referred PWSA’s initial Compliance Plan to the OALJ for Stage 1.

In addition, the November 2018 Secretarial Letter directed BCS to schedule quarterly workshops to discuss PWSA’s compliance with billing and collections requirements of Chapter 14 of the Code and the PUC’s regulations at Chapter 56. BCS held the workshops on February 21, 2019, April 23, 2019, July 25, 2019, and November 4, 2019. In accordance with the November 2018 Secretarial Letter, the focus of the workshops was the development of a report and directed questions regarding PWSA’s compliance with Chapter 14 of the Code and Chapter 56 of the PUC’s regulations for use in Stage 2 of the OALJ’s Compliance Plan review proceedings.

 On February 4, 2021, the PUC adopted an Opinion and Order on Stage 1 of PWSA’s Compliance Plan proceeding. *See Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1*, Docket Nos. M‑2018-2640802 and M-2018-2640803 (Order entered February 4, 2021). In that Order, the PUC provided further direction regarding the commencement of the Stage 2 Compliance Plan review process.

Pursuant to that direction, on April 9, 2021, PWSA filed its Stage 2 Compliance Plan addressing Chapter 14 of the Code, Chapter 56 of the PUC’s regulations, the DSLPA, and Collections with the PUC at Docket Nos. M-2018-2640802 and M-2018-2640803. On the same date, PWSA also filed a petition for amendment of the PUC’s February 4, 2021 Final Order regarding the procedural process for customer service and collections issues.

On May 20, 2021, the PUC issued an Order that granted, in part, and denied, in part, PWSA’s petition for amendment. *See Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1*, Docket Nos. M‑2018-2640802 and M-2018-2640803 (Order entered May 20, 2021). The Order amended the timeline for the assignment of the Stage 2 Compliance Plan to the OALJ, allowing time for additional informal workshops relating to PWSA’s compliance with Chapter 14 of the Code and Chapter 56 of the PUC’s regulations and issues deferred from the final Stage 1 Compliance Plan Order, but excluding stormwater issues. By Secretarial Letter issued on May 28, 2021, BCS announced two additional informal workshops, which were held on June 17, 2021, and June 25, 2021.

As directed by the PUC’s May 20, 2021 Order, BCS staff completed its review of PWSA’s Stage 2 Compliance Plan, as filed on April 9, 2021, and prepared a Report and Directed Questions, which is attached to this Secretarial Letter as “Pennsylvania Public Utility Commission Report and Directed Questions Stage 2.”

**Referral to Office of Administrative Law Judge**

 Consistent with this Secretarial Letter and the PUC’s May 20, 2021 Order, the OALJ is hereby directed to incorporate the Stage 2 Report and Directed Questions into its Prehearing Order and to conduct evidentiary hearings to address matters raised therein. Per the May 20, 2021 Order, the OALJ will issue a recommended decision on the matters raised in Stage 2 no later than May 25, 2022. Parties may submit exceptions within twenty (20) days of the recommended decision and reply exceptions no later than fifteen (15) days thereafter, or as otherwise directed by the Commission.

**** Sincerely,

#  Rosemary Chiavetta

 Secretary