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September 12, 2022

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Implementation of Chapter 32 of the Public Utility Code RE: Pittsburgh Water and
Sewer Authority; Docket Nos. M-2018-2640802 and M-2018-2640803
Updated Stage 2 Customer Service Compliance Plan (with Collections Plan)

Dear Secretary Chiavetta:

On behalf of The Pittsburgh Water and Sewer Authority ("PWSA") and pursuant to the final Order entered July 14, 2022 in the above-captioned matter, enclosed for electronic filing please find PWSA's Stage 2 Compliance Plan: Chapters 14 & 56, DSLPA and Collections (Revised).

PWSA's Collections Plan is included herein as Appendix E. Please note that PWSA will not be re-submitting Appendices A-D with this revised plan. Some of the notices included in these appendices will be evolving as a result of the settlement in this proceeding, and PWSA is still in the process of developing the final versions.

Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

Deanne M. O'Dell

DMO/lww

cc: Hon. Eranda Vero w/enc.
Hon. Gail Chiodo w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PWSA's Revised Compliance Plan upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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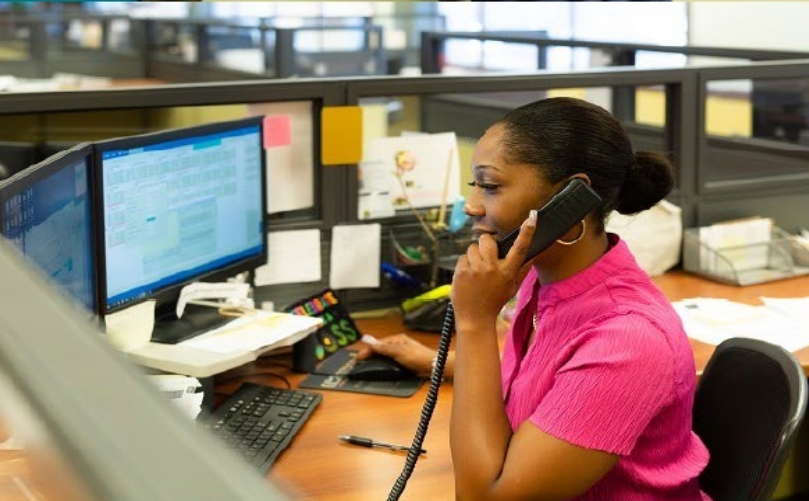
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Dated: September 12, 2022



Pennsylvania Public Utility Commission Stage 2 Compliance Plan: Chapters 14 & 56, DSLPA and Collections (Revised)

The Pittsburgh Water & Sewer Authority
September 12, 2022
Docket Number: M-2018-2640802 (water)
Docket Number: M-2018-2640803 (wastewater)



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PURPOSE OF THE DOCUMENT

The purpose of this Compliance Plan Stage 2 document is to assist the Pennsylvania Public Utility Commission (“Commission”) with its continuing review of the compliance plan of the Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”) as it transitions to regulation under the Public Utility Code pursuant to 66 Pa.C.S. § 2804(c). The revised version of this Compliance Plan is being provided in accordance with the Commission’s July 14, 2022 Order approving the Settlement of the Stage 2 Proceeding. This document specifically addresses the Public Utility Code at Chapter 14, the Commission’s Regulations at Chapter 56, the Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1521-1533; and, PWSA’s plan for collections. PWSA has filed a separate Compliance Plan Stage 2 document that focuses on Stormwater issues.

In addition, this document details the various other proceedings involving PWSA since it became subject to the Commission’s jurisdiction because these other proceedings have also involved and informed issues related to PWSA’s compliance plan.

PWSA AND CHAPTER 32

I. Background of PWSA

The Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”), a municipal authority, is a body politic and corporate, organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. §§ 5601, *et seq.* PWSA manages the water and sewer systems of the City of Pittsburgh pursuant to a Capital Lease Agreement dated July 15, 1995, which provides for PWSA’s purchase of the water supply, distribution and wastewater collection systems in 2025. Currently, PWSA is responsible for the day-to-day management, operation, maintenance and improvement of virtually the entire City water supply, distribution, and

wastewater collection systems pursuant a 2019 Cooperation Agreement which has “the force and effect of law” until January 1, 2025, unless PWSA and the City mutually agree to an earlier termination date.¹

The Authority provides water service to approximately 80,000 residential, commercial and industrial customers in portions of the City of Pittsburgh; the Borough of Millvale; and portions of Reserve, O’Hara, and Blawnox Townships, Allegheny County. The Authority also provides wastewater conveyance service to customers located in the City and conveys wastewater for portions of twenty-four neighboring communities. All wastewater is conveyed to the Allegheny County Sanitary Authority (“ALCOSAN”) for treatment. The wastewater conveyance system includes: (1) a combined system (approximately 75% of the system); and, (2) a separated sanitary and stormwater system (approximately 25% of the system). Stormwater is conveyed through the wastewater conveyance system and if it is conveyed through the separated storm water system (which is not connected to either the combined wastewater system or the sanitary sewer system), then PWSA may discharge stormwater directly to a nearby stream or river consistent with National Pollutant Discharge Elimination System (“NPDES”) permits issued by the Department of Environmental Protection.²

II. Requirements of Chapter 32

Effective April 1, 2018, PWSA became subject to the Public Utility Code with the exception of Chapters 11 (relating to certificates of public convenience) and 21 (relating to relations with affiliated interested). *See* 66 Pa.C.S. § 3201 *et seq.* (“Chapter 32”). The transition process established by Chapter 32 included:

- a) Continuation of PWSA’s then-effective Rules and Regulations (aka “Prior Tariff”) until the effective date a new Commission approved Tariff. 66 Pa.C.S. § 3203(a).

- b) A requirement that PWSA file financial information within 30 days to permit the Commission to calculate the assessment to be paid by PWSA pursuant to 66 Pa.C.S. § 510. 66 Pa.C.S. § 3207.
- c) A requirement that PWSA file a tariff and supporting data by July 1, 2018 for the purpose of initiating a base rate case to establish Commission approved rates and initial tariffs. 66 Pa.C.S. § 3204(a).
- d) A requirement that PWSA file: (1) a compliance plan to bring its existing information technology, accounting, billing, collection and other operating systems and procedures into compliance with Commission requirements; and, (2) a long-term infrastructure improvement plan (“LTIIP”) by September 28, 2018. 66 Pa.C.S. § 3204(b).

PWSA has complied with each of the requirements listed above:

- a) PWSA filed its “Rules and Regulations” on March 30, 2018 as its “Official Prior Tariffs.” Prior to their filing, PWSA revised applicable sections of the prior version of its Rules and Regulations to process customer disputes on and after April 1, 2018 in accordance with: (1) Pa Code Chapters 1, 3, and 5; (2) 52 Pa Code §§ 56.140-56.181; and, (3) the Commission’s termination rules set forth at 52 Pa. Code §§ 56.81-56.131 consistent with the Commission’s Final Implementation Order.³
- b) PWSA submitted its 2017 Assessment Report in May 2018 and paid the General Assessments Invoices that were received in September 2018 for Commission Fiscal Year of July 1, 2018 through June 30, 2019. PWSA has continued to submit its financial information to the Commission and pay its Commission assessments as invoiced.
- c) PWSA’s Initial Rate Case was approved pursuant to Commission Order entered February 27, 2019 (see Overview of Other Commission Proceedings below).
- d) PWSA filed its Compliance Plan and its LTIIP on September 28, 2018.

The focus of this proceeding is the Commission’s continued review of PWSA’s Compliance Plan pursuant to 66 Pa.C.S. § 3204(c).

III. Commission Implementation Orders

The Commission adopted a Tentative Implementation Order on January 18, 2018 for the purpose of proposing methods by which the Commission and affected entities may carry out the requirements of Chapter 32.⁴ The Tentative Implementation Order set forth the Commission’s tentative proposals and interpretations and invited interested stakeholders to provide comments.

Based on the comments submitted by fifteen parties, the Commission entered a Final Implementation Order on March 15, 2018⁵ which provided its final direction regarding the implementation of Chapter 32 and has largely informed PWSA's subsequent filings as discussed in the next sections.

COMPLIANCE PLAN PROCEEDINGS PURSUANT TO 66 PA.C.S. § 3204(C)

On September 26, 2018, the Commission issued a Secretarial Letter outlining the procedure for Commission review of PWSA's Compliance Plan and LTIIP which included: (1) publication of notice of PWSA's filing; (2) invitation for interested stakeholders to file comments no later than 20 days after publication of the notice; and (3) an assignment of the matter to the Office of Administrative Law Judge ("OALJ") within 45 days with an initial report from technical staff.⁶ The *September 26, 2018 Secretarial Letter* also provided that the OALJ was to prepare a recommended decision no later than eight months from the date on which the matter is assigned and the Commission would issue appropriate orders on the filings no later than November 30, 2019.

As directed by Chapter 32 and the Commission, PWSA filed its Compliance Plan (and its LITIIP) on September 28, 2018.⁷ On November 28, 2018, the Commission issued a Secretarial Letter which: (1) referred PWSA's September 28, 2018 Compliance Plan filing to the Office of Administrative Law Judge; and (2) established two stages of review for PWSA's Compliance Plan.⁸ Litigation related to Stage 2 was to begin after issuance of a final Commission Order in Stage 1, though Commission staff was directed to hold workshops related to Stage 2 issues in 2019.

I. Stage 1

The *November 28, 2018 Secretarial Letter* announced that the topics to be addressed in Stage 1 were “urgent infrastructure remediation and improvement and the revenue and financing requirements of maintaining service that supports public health and safety.”⁹ The *November 28, 2018 Secretarial Letter* included the Pennsylvania Public Utility Commission Technical Staff Initial Report and Directed Questions Stage 1 (“Stage 1 Staff Directed Questions”) and restated the Commission’s intention to issue appropriate orders on the filings no later than November 30, 2019.

The Commission provided further guidance in a Reconsideration Order entered on December 20, 2018.¹⁰ Ultimately the Commission rejected the request to reconsider its two stage process, explaining its view that the staging process would “address and resolve the most critical issues first” while creating the opportunity for all interested stakeholders to engage informally with Commission staff over the next year (outside of the formal process) to provide “concrete benefits in the implementation of Chapter 32.”¹¹ The Commission did determine that issues related to Chapter 15 of the Public Utility Code, including Subchapter B known as the Discontinuance of Service to Leased Premises Act (“DSLPA”),¹² were to be included in Stage 1.¹³

The litigation process for Stage 1 commenced in late 2018. A litigation schedule was memorialized in Prehearing Order dated December 27, 2018 which established the dates for PWSA to file a Compliance Plan Supplement¹⁴ and for the parties to submit direct, rebuttal and surrebuttal testimony. Hearings were scheduled for May 21-24, 2019 with briefing to close July 1, 2019.¹⁵ The schedule was designed to permit the ALJs to issue a recommended decision by July 29, 2019 as directed by the Commission.

By February 27, 2019, the parties had the benefit of the knowledge gained as a part of PWSA's Initial Rate Case¹⁶ and focused on further discovery and sharing of written direct and rebuttal testimony regarding Stage 1 issues. The parties also relied extensively on the Stage 1 Staff Directed Questions to guide the process. As a result of this process, the parties were able to identify what issues were still in dispute and what issues might be resolved through further negotiation. By May 2019, significant progress regarding settlement had been made but consensus was reached that there was insufficient time remaining in the litigation schedule for the parties to conclude their settlement discussions. Therefore, the parties agreed to jointly request a three month extension of the Commission-created deadlines while also setting forth agreed-to conditions to help ensure that health and safety issues were prioritized and would not be adversely impacted during the requested extension.¹⁷ By Secretarial Letter dated May 15, 2019, the Commission granted the joint request of the parties in the Stage 1 litigation to extend the litigation timelines and directed that the ALJ issue a recommended decision no later than October 29, 2019.¹⁸

By Secretarial Letter dated January 24, 2020, the Commission extended its initial commitment to issue an order regarding Stage 1 by February 28, 2020 to March 31, 2020.¹⁹ The *January 24, 2020 Stage 2 Timeline Secretarial Letter* also established a procedural process for its Stage 2 review.

A. Commission's Three Stage 1 Orders

Following the approval of the *Joint Motion for Extension Stage 1* and continuing through August 16, 2019 the parties embarked upon significant discussions aimed toward resolving the issues. A Checklist identifying a total of 186 discrete issues to be addressed in Stage 1 assisted the process.²⁰ The parties engaged in numerous settlement discussions (on a nearly weekly basis

for almost three months) during which PWSA explained its processes and/or reasons for each of its proposals for coming into compliance with the Commission's regulations and the particular concerns and/or questions from the other parties were discussed. PWSA also provided numerous documents and/or additional information in advance of each of the meetings and worked with the interested parties after each meeting to craft proposals that could satisfactorily resolve the concerns and/or create a path forward toward reaching a resolution. As a result of these efforts, on September 13, 2019, a Joint Petition for Partial Settlement of the Stage 1 proceeding was filed. As explained in the *Stage 1 Partial Settlement*, of the 186 identified issues, agreement was reached regarding 139 issues (nearly 75% of all identified issues).²¹ Regarding the remaining issues: (1) the parties sought Commission resolution regarding five specific topics;²² (2) many were deferred to future proceedings (including those previously moved into Stage 2); and (3) some were no longer open due to the passage of time and/or the resolution of other related matters.²³

On March 26, 2020, the Commission entered the first of three orders regarding the Compliance Plan Stage 1 proceeding which: (1) approved the *Stage 1 Partial Settlement*; (2) made two modifications related to PWSA's lead service line replacement policy related to partial lead service line replacements; and (3) adjudicated the issues that were reserved for litigation.²⁴

In its second Stage 1 order entered June 18, 2020, the Commission addressed two Petitions for Reconsideration and/or Clarification that were filed and a Petition to Intervene filed by City of Pittsburgh.²⁵ While the *June 2020 Stage 1 Order on Reconsideration* largely denied most of the requests for reconsideration, it did hold in abeyance its modification to PWSA's lead service line replacement policy and directed the parties engage in a collaborative process to further address the issues raised by the Commission.²⁶ These issues included: (i) pre-termination

notice requirements; (ii) tenant-occupied properties and unresponsive landlords; (iii) tangled titles and other technical property issues; (iv) independent legal restrictions that bar service terminations due to non-payment of utility bills; (v) emergency repairs; (vi) properties with high restoration costs; and (vii) partial replacements of lead service lines due to circumstances described in the Initial Rate Case Settlement at ¶ III.VV.1.b.i.²⁷ An appeal of these two orders is currently pending.²⁸ PWSA filed its Compliance Proposal regarding lead service line remediation issues on September 30, 2020.²⁹

The third Commission order regarding the Compliance Plan Stage 1 proceeding was entered on February 4, 2021.³⁰ The *Stage 1 February 4, 2021 Order*: (1) adjudicated PWSA's Compliance Proposal regarding lead line remediation issues; and (2) provided direction regarding the commencement of Stage 2.

B. PWSA Compliance Status With Stage 1 Orders

Consistent with the directives of the *March 2020 Stage 1 Order*, PWSA filed the following on April 27, 2020:

- A Revised Compliance Plan which: (i) incorporated the February 1, 2019 Compliance Plan Supplement; (ii) incorporated the *Stage 1 Partial Settlement*; (iii) incorporated directives from the *March 2020 Stage 1 Order* not subject to reconsideration; (iv) presented then most current update on items that are reported in the Quarterly Compliance Plan Progress Report; (v) removed stormwater and customer service issues to be addressed in Stage 2; and (vi) updated the background information.³¹
- An Amended LTIP which included as Appendix C PWSA's Comprehensive Lead Infrastructure Plan³²; and
- Supplement No. 3 to Tariff Water – Pa. P.U.C. No. 1 and Supplement No. 3 to Tariff Wastewater – Pa. P.U. C. No. 1 which addressed private fire protection, conversion of party water service lines, and termination of services to multiple premises.³³

Also consistent with the directives of the *March 2020 Stage 1 Order*, PWSA served Supplemental Direct Testimony in its then pending Second Rate Case³⁴ to set forth PWSA's

proposals to: (1) incorporate the Commission's direction regarding City of Pittsburgh billing issues; and (2) the proposed tariff modifications to clarify PWSA's responsibility to replace a qualifying residential customer-owned lead service line in accordance with PWSA's Lead Infrastructure Plan. Ultimately, the City of Pittsburgh billing issues became moot as a result of 71 P.S. §§ 720.211 – 720.213 so the Supplemental Direct Testimony related to those matters was voluntarily stricken from the record. However, the proposed lead service line replacement tariff modifications were approved as part of Supplement No. 5 to Tariff Water – Pa. P.U.C. No. 1 effective January 14, 2021.³⁵

Regarding line extensions, the *March 2020 Stage 1 Order* granted PWSA a temporary waiver of the requirement to follow Commission line extension processes permitting PWSA to maintain the status quo but gave PWSA one year from the date of the final to either: (1) petition for a permanent waiver of the PUC's line extension regulations; or (2) submit a supplemental compliance plan detailing how PWSA will revise its processes to be compliance with Commission regulations.³⁶ Consistent with this directive, PWSA filed is Supplemental Compliance Plan Regarding Line Extensions on March 26, 2021. The Supplemental Compliance Plan described PWSA's plan to transition to the Commission's line extension regulations, which involves submitting tariff revisions in PWSA's next rate case to be filed on or about April 13, 2021 at Docket No. R-2021-3024773 to achieve ultimate compliance with 52 Pa. Code §§ 65.1, 65.21-65.23 upon final approval of PWSA's water tariff in the rate case.

PWSA reports on the status of all the issues identified in the *Stage 1 Partial Settlement* in its Quarterly Compliance Plan Progress reports which are filed on or before January 30, April 30, July 30 and October 31 each year. The Quarterly Compliance Plan Progress report was first introduced as PWSA Exhibit RAW/C-28 during the Stage 1 proceeding with its contents updated

and modified as set forth in the *Stage 1 Partial Settlement*. PWSA reports on Operations, Billing and Customer Service, Lead, Infrastructure/Engineering, Finance and Accounting, and Contractual/Other Issues. Each section addresses requirements associated with the *Stage 1 Partial Settlement* and PWSA's Revised Compliance Plan as filed April 27, 2020. PWSA's most recent Quarterly Compliance Plan Progress report covering the second quarter of 2022 was filed on July 29, 2022.

II. Stage 2

The *November 28, 2018 Secretarial Letter* identified the following issues which were to be reserved for Stage 2: (1) PWSA's compliance with Chapter 14 of the Public Utility Code and Chapter 56 of the Commissions regulations; and (2) the development of a PWSA stormwater tariff.³⁷ Regarding Stage 2 issues, the *November 28, 2018 Secretarial Letter* directed its Bureau of Consumer Services ("BCS") to conduct quarterly workshops in 2019 to focus on the development of an initial report and directed questions regarding PWSA compliance with Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations for use in Stage 2.³⁸ Likewise, the Commission directed the Bureau of Technical Utility Services ("TUS") to conduct a stormwater tariff workshop in 2019 to assist in development of an initial report and directed questions regarding a PWSA proposed stormwater tariff for use in Stage 2.³⁹

A. Scope of Stage 2 Customer Service Issues and Staff Workshops

The Commission issued a Secretarial Letter dated January 31, 2019 announcing its intention to conduct a workshop on February 21, 2019 for the purpose of discussing "PWSA's compliance with billing and collections requirements of Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations." According to the Secretarial Letter, the input provided during the workshop will be used to develop the Commission's Stage 2 review of PWSA's Compliance Plan. The Commission also stated that this will be the first of four

workshops that will be scheduled in 2019 to obtain stakeholder input. Further workshops were held on April 23, 2019, July 25, 2019 and November 4, 2019.

With the Commission's approval of the *Joint Motion for Extension Stage 1*, further clarification regarding customer service issues were to be addressed in Stage 2 was provided.⁴⁰ More specifically, the inclusion of questions regarding residential service termination and collections issues in the Stage 1 Staff Directed Questions inhibited a full and open discussion about interrelated Stage 2 customer service issues during the Stage 2 workshops due to the fact that some of the issues appeared to be part of the on-going on-the-record proceeding.⁴¹ The granting of the *Joint Motion for Extension Stage 1* removed this obstacle to the Stage 2 workshop discussions by making directing that the following be addressed as part of the Stage 2 process:

- a) The language, format and method of providing suspension and termination notice pursuant to Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations;
- b) PWSA's compliance with the Discontinuance of Service to Leased Premises Act ("DSLPA"), 66 Pa.C.S. §§ 1521-1533; and
- c) PWSA's plan for collections (to include strategies to reduce overall uncollectibles to ensure collections practices for residential customers are consistent with legal requirements).

B. Scope of Stage 2 Stormwater Issues and Staff Workshop

A workshop regarding stormwater was held on November 7, 2019 and a staff proposed stormwater model tariff was provided to PWSA. Because the Commission's *Final Implementation Order* directed PWSA to file a stormwater tariff and a compliance plan no later than the next wastewater base rate filing after its *Initial Rate Case*,⁴² PWSA included a pro forma stormwater tariff as PWSA Exh. BD-3 with its *Second Rate Case* filed on March 6, 2020.⁴³ The pro forma tariff did not include proposed rates. On December 3, 2020, the Commission approved a full settlement of the *Second Rate Case* which included the agreement

of the parties to defer development of PWSA's stormwater tariff to its anticipated 2021 rate case and to request that the Commission consolidate the Compliance Plan Stage 2 stormwater issues with that rate case.⁴⁴ Further clarification regarding the Commission's expectations regarding Stage 2 stormwater issues was provided in its *Stage 1 February 4, 2021 Order* wherein the Commission clarified that its orders were not intended to obviate PWSA's responsibility to file a compliance plan for stormwater service and that the Commission would entertain any future motion or petition to address conflicts between a rate proceeding and the staged litigation of the Compliance Plan.⁴⁵

On April 9, 2021, PWSA submitted a separate Compliance Plan Stage 2 document regarding stormwater issues. On April 13, 2021, PWSA filed a combined water, wastewater, and stormwater base rate case.⁴⁶ As part of the *PWSA 2021 Rate Case*, PWSA submitted a proposed stormwater tariff and proposed to implement stormwater rates for the first time.

Also on April 13, 2021, PWSA filed a Motion to Hold in Abeyance the Stage 2 Stormwater Compliance Plan. Through the Motion, PWSA requested that the Stormwater Compliance Plan be held in abeyance pending resolution of the *PWSA 2021 Rate Case* in order to allow the full range of stormwater issues to be addressed part of the rate case, and then to proceed with any remaining issues regarding the Stormwater Compliance Plan after the base rate case was concluded.

On May 20, 2021, the Commission issued an Order suspending PWSA's stormwater tariff until January 12, 2022. The suspension order also included the Technical Staff Report and Directed Questions on Stage 2 stormwater issues as Attachment B.⁴⁷ In the separate *May 2021 CP Stage 2 Scheduling Order* entered on the same date, the Commission granted PWSA's Motion to hold the Stormwater Compliance Plan in abeyance and directed PWSA to file a

revised Stormwater Compliance Plan after the entry of a final Commission Order resolving the *PWSA 2021 Rate Case*, but no later than January 31, 2022, incorporating any changes or requirements resulting from the *PWSA 2021 Rate Case*. The Commission also directed that, to the extent any issues remain pending in the Stormwater Compliance Plan, Technical Utility Services (“TUS”) staff will issue a second set of directed questions identifying the remaining issues within thirty (30) days of PWSA filing the revised Stormwater Compliance Plan.

A Joint Petition for Settlement of the *PWSA 2021 Rate Case* was filed on September 7, 2021. On October 6, 2021, a Recommended Decision was entered recommending approval of the Joint Petition for Settlement. A final order adopting the Recommended Decision was entered by the Commission on November 18, 2021.

In compliance with the *May 2021 CP Stage 2 Scheduling Order*, PWSA filed its revised Stormwater Compliance Plan on January 20, 2022. The revised Stormwater Compliance Plan reflects stormwater-related issues that were resolved through the *PWSA 2021 Rate Case* and provides updated information. The filing also includes an appendix with PWSA’s responses to each of the TUS Directed Questions that were included as Attachment B with the May 20, 2021 Order suspending PWSA’s stormwater tariff until January 12, 2022.⁴⁸

On February 3, 2022, PWSA filed an Unopposed Petition to Separate Stormwater Issues from Other Stage 2 Compliance Plan Issues requesting that the Commission separate any remaining stormwater issues from the customer service and collections issues that have been separately addressed, as described in the Joint Petition for Settlement on customer service issues that was filed at this docket on March 14, 2022.

On February 22, 2022, a Secretarial Letter was entered assigning the Stage 2 Compliance Plan – Stormwater to the OALJ. The Secretarial Letter included a Technical Staff Report and

Directed Questions, Stage 2, Set 2. The Secretarial Letter directed the OALJ to “incorporate the Stage 2, Set 2 Report into its Prehearing Order and to conduct evidentiary hearings to address matters raised therein.” The Secretarial Letter also stated that, as directed in the *May 2021 CP Stage 2 Scheduling Order*, the OALJ shall issue a Recommended Decision by May 25, 2022.

On March 7, 2022, the Commission entered an Opinion and Order granting in part and denying in part PWSA’s Unopposed Petition to Separate Stormwater Issues from Other Stage 2 Compliance Plan Issues. Through this Order, the Commission modified its *May 2021 CP Stage 2 Scheduling Order* to extend the previous deadline by 60 days and directed that the Recommended Decision on stormwater be issued no later than July 25, 2022. This modification only relates to PWSA’s Stormwater Compliance Plan and any remaining stormwater issues associated with that plan.

On June 9, 2022, the parties submitted a Joint Petition for Settlement Regarding PWSA’s January 20, 2022 Stage 2 Compliance Plan: Stormwater (Revised). On July 19, 2022, the ALJs issued a Recommended Decision recommending approval of the settlement without modification. On August 25, 2022, the Commission issued an Order adopting the Recommended Decision and approving the settlement without modification. In compliance with the Order, PWSA will separately be submitting a further revised Stage 2 Compliance Plan on stormwater issues reflecting the terms of that settlement.

C. Scope of Stage 2 Lead Service Line Remediation Issues

The Commission instructed PWSA in its *June 2020 Stage 1 Order on Reconsideration* to confer with the parties regarding various Commission directives and issues related to lead service line remediation and to submit a compliance proposal to address those issues.⁴⁹ PWSA filed its compliance proposal regarding lead service line remediation issues on September 30,

2020. The *Stage 1 February 4, 2021 Order* approved PWSA's compliance proposal as modified by the order.⁵⁰ In the *June 2020 Stage 1 Order on Reconsideration*, the Commission encouraged the parties to address in Stage 2 compliance plan proceedings whether the rights of tenants pursuant to Chapter 15, subchapter B apply to a lead service line related termination of service to a tenant-occupied property.⁵¹ The *Stage 1 February 4, 2021 Order* encouraged PWSA to explore options in its Stage 2 compliance plan proceeding to prevent termination of service to tenants where the landlord refuses or neglects to respond to PWSA's offer to replace the private-side lead service line at no direct cost to the landlord.⁵²

OVERVIEW OTHER COMMISSION PROCEEDINGS

I. Initial Rate Case, Compliance Plan Stage 1 and LTIP Proceedings

Pursuant to Chapter 32 and the *Final Chapter 32 Implementation Order*,⁵³ PWSA filed its Initial Rate Case on July 2, 2018.⁵⁴ Also in accordance with Chapter 32 and the *Final Chapter 32 Implementation Order*,⁵⁵ on September 18, 2018, PWSA filed its Compliance Plan and its Long- Term Infrastructure Improvement Plan (“LTIP”).⁵⁶

A. Initial Rate Case

A prehearing conference was held on July 19, 2018 regarding PWSA’s Initial Rate Case, a litigation schedule was established, public input hearings were held, pre-served written testimony was submitted by the parties and they engaged in extensive discovery. On November 29, 2018, a Joint Petition for Settlement of the Initial Rate Case was filed.⁵⁷ The Initial Rate Case Settlement established rates, required PWSA to immediately address issues specifically identified in the settlement and recognized that other issues identified in the settlement would need to be addressed in this Compliance Plan proceeding. On February 7, 2019, the Commission approved the Initial Rate Case Settlement without modification or correction and directed that certain identified water and wastewater tariff modifications and corrections be addressed in PWSA’s Compliance Plan Proceeding.⁵⁸

B. Compliance Plan Supplement dated February 1, 2019

On November 28, 2018, the Commission issued a Secretarial Letter (“November 28, 2018 Secretarial Letter”) which: (1) referred PWSA’s September 28, 2018 Compliance Plan filing to the Office of Administrative Law Judge; and, (2) established two stages of review for PWSA’s Compliance Plan. More specifically, the Commission announced that litigation of “Stage 1” was to commence on November 27, 2018 and the topics to be addressed are “urgent

infrastructure remediation and improvement and the revenue and financing requirements of maintaining service that supports public health and safety.”⁵⁹

In accordance with Section III(H)(4)(a)-(f) of the Initial Rate Case Settlement, PWSA filed a Compliance Plan Supplement on February 1, 2019. Supplemental information regarding the customer service issues identified in these sections of the Initial Rate Case Settlement was provided on pages 15-18, and supplemental information regarding low-income customer issues was provided on pages 19-22. The Appendices submitted with the Compliance Plan Supplement provide additional information related to customer service issues including:

- d) Appendix SA: PWSA Collections Life Cycle 2018,
- e) Appendix SB: Termination of Service by Location Class,
- f) Appendix SC: Presentation titled “Protection from Abuse Orders” Dated November 27, 2018,
- g) Appendix SD: PWSA Customer Assistance Program Flyer 2018, and
- h) Appendix SE: Customer Service Monthly PWSA Board Reports November and December 2018.

C. Long-Term Infrastructure Improvement Plan and Stage 1 Lead Service Line Remediation Issues

Consistent with agreement reached in the *Initial Rate Case Settlement*,⁶⁰ PWSA filed a Motion to Consolidate its LTTIP and the Compliance Plan Stage 1 proceeding on December 14, 2018 which was granted by the Administrative Law Judge on February 21, 2019.⁶¹ During the proceeding, PWSA responded to Staff data requests through written testimony and the parties negotiated revised language for the LTIIP which was entered into the record as PWSA Hearing Exhibit No. 3 on August 21, 2019. Pursuant to direction in the *March 2020 Stage 1 Order*,⁶² PWSA filed the as amended LTIIP on April 27, 2020. Final Orders approving PWSA’s LTIIP for both water and wastewater were entered on August 27, 2020.⁶³ Attached as Amended Appendix C is PWSA’s Service Plan to Remove Lead Service Lines Exhibit in and Connected to

its Water Distribution System consistent with the *Stage 1 Partial Settlement* and the *March 2020 Stage 1 Order*. PWSA's Commission approved Water Tariff also sets forth PWSA's Lead Service Line Remediation program.⁶⁴

Consistent with the Commission's direction in the *Stage 1 February 4, 2021 Order*, PWSA filed on April 1, 2021:

- Compliance Plan (revised page 125)
- Water Tariff Supplement No. 6
- Minor Modifications to PWSA's LTIIP pursuant to 52 Pa. Code § 121.5.

II. Cooperation Agreement and Act 70

Pursuant to 66 Pa.C.S. § 507 and the *Stage 1 Partial Settlement*,⁶⁵ PWSA filed the 2019 Cooperation Agreement between the City of Pittsburgh and PWSA.⁶⁶ PWSA's petition to Consolidate this proceeding with the *Second Rate Case* was denied by the ALJ on April 27, 2020.⁶⁷ On March 26, 2020, the Commission issued an Opinion and Order on the Compliance Plan and referred the 2019 Cooperation Agreement to the OALJ for further proceedings. A litigation schedule was developed and an evidentiary hearing was scheduled for September 22, 2020. The parties engaged in discovery. As noted previously, the Commission's resolutions of issues related to City billing and payment issues as set forth in the *March 2020 Stage 1 Order* were addressed as via Supplemental Direct Testimony served in PWSA's then-pending *Second Rate Case*.

On July 23, 2020, Governor Wolf signed Act 70, which, among other things, provides that the 2019 Cooperation Agreement has "the force and effect of law" until January 1, 2025, unless PWSA and the City mutually agree to an earlier termination date.⁶⁸ Also, Act 70 provides that the 2019 Cooperation Agreement shall "supersede, during the term of the cooperation agreement, any provision of 66 Pa.C.S. Pt. I, a commission regulation, policy statement, order

and regulatory proceeding as they pertain to issues covered by the cooperation agreement, including the authority's rates, terms and conditions of service rendered to the city and the respective rights and duties between the authority and the city.”⁶⁹

As a result of Act 70, the litigation schedule was suspended and PWSA filed an Unopposed Petition for Leave to Withdraw on August 7, 2020. PWSA’s Petition was granted by Final Order entered October 14, 2020. As a result, PWSA withdrew its Supplemental Direct Testimony incorporating issues related to the *March 2020 Stage 1 Order*.

III. Second Rate Case Proceeding Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater)

On March 6, 2020, PWSA filed its *Second Rate Case* which was suspended and referred to the Office of Administrative Law Judge on April 16, 2020.⁷⁰ As discussed previously, PWSA’s *Second Rate Case* included a proposed stormwater tariff as PWSA Exhibit No. BD-4. The litigation of PWSA’s *Second Rate Case* included extensive discovery, several rounds of testimony and a voluntary suspension of the rate effective date as a result of the COVID-19 pandemic.⁷¹ Ultimately, the parties reached a full settlement of PWSA’s *Second Rate Case* which was filed on September 30, 2020 and approved without modification by Commission order entered December 3, 2020.⁷²

IV. PWSA 2021 Rate Case Proceeding, Docket Nos. R-2021-3024773 (water), R-2021-3024774 (wastewater), and R-2021-3024779 (stormwater)

On April 13, 2021, the Authority filed its *PWSA 2021 Rate Case* which was suspended and referred to the Office of Administrative Law Judge on May 20, 2021. As part of this filing, PWSA proposed its first stormwater fee and tariff to fund its stormwater management program and provide a more equitable rate structure to recover costs associated with stormwater service. The litigation of the *PWSA 2021 Rate Case* included extensive discovery, several rounds of

testimony and numerous settlement discussions. The parties ultimately reached a full settlement of the *PWSA 2021 Rate Case* which was filed on September 7, 2021 and approved without modification by Commission order entered November 18, 2021.

COMPLIANCE PLAN – CUSTOMER SERVICE ISSUES

I. Overview of PWSA’s Transition to Commission Customer Service Requirements

While this filing marks the conclusion of the Compliance Plan Stage 2 proceeding to review customer service issues, PWSA has been addressing its customer service processes and compliance with the Commission’s customer service processes on a continuous and on-going basis since prior to April 1, 2018. As noted above, PWSA voluntarily agreed to use the Commission’s procedures to process customer disputes on and after April 1, 2018 in accordance with: (1) Pa Code Chapters 1, 3, and 5; and (2) 52 Pa. Code §§ 56.140-56.181. PWSA also agreed to use the Commission’s termination rules set forth at 52 Pa. Code §§ 56.81-56.131. To effectuate this, PWSA revised the applicable sections of its previously existing written “Rules and Regulations” which were filed on March 30, 2018 with the Commission as part of the documents constituting PWSA’s Official Prior Tariff.

A. Evolution of Customer Service Processes

1. Commission Staff Training and Feedback

PWSA has received significant guidance and assistance from staff of the Bureau of Consumer Services (“BCS”). BCS conducted several on-site trainings in Pittsburgh beginning in December 2017 to instruct PWSA staff on Commission regulations and policies. BCS staff also worked closely with PWSA management to review its practices and procedures to ensure compliance with Commission laws and regulations. During the transition period, all informal PWSA cases are reviewed by seasoned managers who communicate directly with PWSA

management to explain BCS decisions and to address compliance concerns. More recently, PWSA is contacted directly when there are complex cases for which investigators seek additional information, for purposes of facilitating discussions with the consumer, or if a case raises compliance concerns that need to be brought to PWSA's attention. PWSA has appreciated the input and assistance from BCS staff and has worked to update and revise its systems as appropriate to satisfy Commission expectations and requirements based on this BCS staff feedback.

2. Customer Service Changes Resulting From Initial and Second Rate Case Proceedings

In addition to this support from BCS staff and all the resulting changes to PWSA's processes and procedures, PWSA's customer service processes and other customer service topics were reviewed as part of PWSA's Initial Rate Case including all aspects of PWSA's processes for handling customer issues including: initiating new service, handling complaints, terminating and restoring service and seeking collection on unpaid amounts for services rendered. A substantial amount of the discovery submitted to PWSA during the Initial Rate Case, as well as the testimony of two witnesses on behalf of the Office of Consumer Advocate ("OCA") and two witnesses on behalf of Pittsburgh UNITED ("UNITED"), focused extensively on customer service issues. The parties engaged in significant discussions about customer service issues during their settlement discussions. The result of this extensive review by the parties in the Initial Rate Case litigation are reflected in the below Initial Rate Case Settlement commitments:

- i) identification of several concrete immediate actions that PWSA agreed to take to satisfy some concerns identified by the parties;
- ii) development of a process for PWSA to work cooperatively with the parties going-forward regarding specific issues (i.e. creation of PWSA's Low Income Assistance Advisory Committee);
- iii) deferring resolution of some of the more complex issues to the Compliance Plan Proceeding; and

- iv) PWSA agreed to provide more specific and detailed information about various customer service policies and procedures as discussed during the rate case proceeding.

The Initial Rate Case Settlement commitments were accomplished by: (1) filing supplemental information about its internal policies, procedures and processes related to six specific customer service issues as part of the Supplemental Compliance Plan dated February 1, 2019;⁷³ and (2) including an explanation of PWSA's current policies and practices related to seven specific customer service issues in direct testimony filed in the Compliance Plan Stage 1 proceeding.⁷⁴

As part of its testimony submitted with PWSA's *Second Rate Case*, PWSA provided substantial detail about the effort that has been expended to bring its systems into compliance with Commission requirements and improve overall customer experience since coming under the jurisdiction of the Commission.⁷⁵ These efforts have included implementing better data tracking and information reporting,⁷⁶ undertaking a complete redesign of customer bills, revising nearly every aspect of PWSA's service termination processes and updating its customer service infrastructure including a newly redesigned website.⁷⁷

The Commission approved *Second Rate Case Settlement* included the following commitments from PWSA pertaining to customer service:⁷⁸

- PWSA will develop a program of customer service satisfaction surveys and implement the program within one year of the Commission's final order;
- Within 30 days of the final order, PWSA will eliminate the additional fees for residential customers to make Interactive Voice Response and on-line payments;
- PWSA will make reasonable efforts to meet or exceed its call center performance standards and to take steps to correct non-compliance where it occurs;
- PWSA will adopt a performance standard that measures PWSA's response time to leak reports within one year of the final order. Within six months of a

final order, PWSA will adopt a performance standard that measures whether appointments are kept by PWSA;

- As part of its continued improvement of field operations, PWSA's data enables all field work orders to identify water, sanitary sewer and stormwater;
- As part of its continued improvement regarding complaint tracking, PWSA maintains detailed information about consumer complaints that can be sorted by date, address, reason for the complaint, a designation of the PWSA system to which the complaint relates and the final disposition of the complaint; and
- PWSA will also provide specific customer service information in its Quarterly Compliance Plan Progress Reports filed at Docket No. M-2018-2640802.

Additionally, the Commission approved settlement in the *PWSA 2021 Rate Case* included the following additional commitments related to customer service:

- PWSA will commit to meeting its internal goals for its calls center of an average answer speed of ≤ 1 minute and an abandonment rate of $\leq 3\%$.
- PWSA will commit to meeting its internal goal of restoring service for outages that impact more than 2,000 customers within 6 hours.
- PWSA will ensure that complaints received about pressure, no water, faulty meters, non-registering meters, high consumption and previously unbilled consumption will be recorded and included in its internal log. PWSA will use best efforts to record and log complaints about high bills as well.
- PWSA agrees to identify complaints under the category "Investigate lit" and correctly classify them as being related to water, wastewater or stormwater.
- PWSA will undertake a root cause analysis of informal and formal complaints and identify and adopt reforms to reduce formal complaints, verified complaints and justified complaints.
- PWSA will evaluate its collection policies about seeking payment of back bills for meters that were not working properly or regularly read for an actual reading. Based on the results of this analysis, PWSA will identify and adopt reforms in an effort to reduce complaints regarding these issues, and will provide the results of its analysis, detail the reforms adopted and the results of such changes as part of its next base rate filing.
- PWSA will expand its customer education and notice about its use of liens to include adding language about its use of liens to customer notices, PWSA's website and PWSA's tariff.
- If PWSA elects to issue a Request for Proposal ("RFP") to engage with a third-party debt collection agency, PWSA agrees to provide notice to the parties in this proceeding and to consider comments and feedback regarding the proposal. PWSA will also provide notice and an opportunity for comment to LIAAC members.

3. COVID-19 Pandemic Related Customer Service Issues

On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency (“*Emergency Proclamation*”) that identified the COVID-19 pandemic as a disaster emergency affecting the entire Commonwealth. The Emergency Proclamation was subsequently renewed and extended five times with the final renewal signed on May 20, 2021, and was subsequently terminated by concurrent resolution of the General Assembly on June 19, 2021.⁷⁹ In response to the Emergency Proclamation, the Commission issued an *Moratorium on Terminations Emergency Order* on March 13, 2020 which established a prohibition on the termination of public utility service and directed the reconnection of service to customers previously terminated, to the extent it could be done safely, for the duration of the Emergency Proclamation, or until such time otherwise established by the Commission.⁸⁰ Consistent with the directive of the *Moratorium on Terminations Emergency Order*, PWSA ceased all collection activity that threatened termination of water service. Instead, PWSA Customer Service personnel transitioned to addressing accounts at risk of termination through Friendly Reminder letters via first class mail, payment counseling telephone calls and Notice of Intent to Lien letters. PWSA also actively promoted its customer assistance programs via virtual group events, inclusion of program flyers in food distribution boxes and monthly bill messaging. Additionally, PWSA and the Dollar Energy Fund provided payment counseling during every customer interaction.

Given the timing of the Emergency Proclamation and the filing of the *Second Rate Case* (both occurred on the same day), the *Second Rate Case Settlement* included the following programs in response to the pandemic: a waiver of reconnection fees, targeted outreach, expanded payment arrangements and waiver of the sincere payment requirement of its existing Hardship Grant Program.⁸¹ In recognition of the fact that expanded programs such as these will

incur costs in addition to other costs PWSA is experiencing due to the COVID-19 pandemic, the *Second Rate Case Settlement* permits PWSA to track and record all COVID-19 Pandemic Costs so that it can make a claim for them in a future rate proceeding.⁸² Since the start of the COVID-19 pandemic, PWSA has taken thoughtful steps to protect customers and make it easier for customers to access and enroll in its Customer Assistance Programs.

On October 8, 2020, the Commission entered its *First Order Modifying Moratorium on Terminations* which moved from the absolute moratorium on terminations to a less restrictive phase permitting disconnections to commence effective November 9, 2020 subject to various conditions.⁸³ The *First Order Modifying Moratorium on Terminations* continued the termination moratorium for customers at or below 300% of the federal poverty income guidelines, under certain conditions, and established protections for certain residential and small business customers. The protections established in the *First Order Modifying Moratorium on Terminations* were set to expire on March 31, 2021. In response, PWSA elected to continue the suspension of terminations for all residential customers through March 31, 2021 consistent with the Chapter 14's statutory timeline for the Winter Shutoff Moratorium and its continuing commitment to recognize the impacts of the pandemic on its customers.⁸⁴ PWSA has continued to pursue all the activities described previously that were initiated following the March 13, 2020 *Moratorium on Terminations Emergency Order*.

On March 18, 2021, the Commission issued an *Order Recommencing Terminations* "to return to the regular collections process as set forth in the Public Utility Code and the Commission's Regulations, with some additional protections" effective April 1, 2021.⁸⁵ PWSA has implemented procedures to be consistent with the *Order Recommencing Terminations* with respect to non-residential accounts. Regarding collection of unpaid charges from residential

customers, PWSA has launched a campaign to enroll customers in its assistance programs and payment plans in an effort to attract hard to reach delinquent customers and avoid shut off of their water service. A copy of the notice sent to customers is included in the Appendices

4. Customer Financial Assistance Programs

Although PWSA had not historically offered customer financial assistance programs and there are no specific Commission regulatory obligations to do so, in the fall of 2017 (prior to being regulated by the Commission) PWSA began to implement the various customer assistance programs. Below is a description of various programs as they exist today recognizing the modifications of the programs as a result of the various Commission proceedings since 2018:

- **Bill Discount Program (“BDP”)** – 100% reduction of fixed monthly water and wastewater conveyance charges for customers \leq 150% of the Federal Poverty Level. BDP participants with household income between 0-50% of the Federal Poverty Level receive a 50% discount on volumetric charges. Additionally, all BDP participants receive an 85% discount on stormwater charges.
- **Hardship Program** – Grants up to \$300 per year for customers \leq 150% of the Federal Poverty Level; 126 customers have applied for grants via the 2020-2021 Hardship Program grant season, which began October 1, 2020, and 119 applicants were eligible and received grants totaling \$29,502.
- **Winter Shut Off Moratorium** – December 1st through March 31st for customers \leq 300% of the Federal Poverty Level. This program is currently in effect for *all* Residential customers, regardless of income.
- **Replacement of Private-Side Lead Service Line** - PWSA’s Lead Infrastructure Plan⁸⁶ includes an income-based reimbursement program that assists eligible customers with the cost of replacing a private-side lead service line if the customer hires a contractor to replace the line. The income-based reimbursement program is available to eligible customers who replaced their private-side lead service line on or after January 1, 2019.
- **Arrearage Forgiveness Program (“AFP”)** – Customer who enroll in BDP with a pre-existing arrearage and negotiate a payment

arrangement are automatically enrolled in AFP. PWSA offers 60-month payment arrangements to all BDP participants.

Also relevant regarding customer financial assistance programs and customer service issues is the creation of PWSA's Low Income Assistance Advisory Committee ("LIAAC") on March 2019 pursuant to the Initial Rate Case Settlement.⁸⁷ Since that time, PWSA has continued to hold regular LIAAC meetings. Current member organizations of LIAAC include PWSA, PUC Bureau of Consumer Services, PUC Bureau of Investigation and Enforcement, PUC Office of Communications, Office of Consumer Advocate, Neighborhood Legal Services, Pittsburgh UNITED, Dollar Energy Fund, Common-Unity PGH, Pittsburgh Hispanic Chamber of Commerce, Neighborhood Allies, Jewish Family Community Services, Vision Towards Peace and Braddock Carnegie Library Board of Trustees. PWSA staff formulate a presentation for each meeting, which covers enhancements to the assistance programs, extensive outreach efforts and progress on commitments to explore affordability for vulnerable customers. While largely focused on better assisting low income customers in need of financial assistance, the LIAAC meetings have been instructive from a broader customer service perspective as a way for PWSA to receive insights and perspectives from the committee members. The LIAAC meetings have also served as a forum for organizations to inform the committee about their offerings and research regarding customer issues.

B. Summary of PWSA Internal Reorganization and Other Actions

Below are some of the initial internal reorganization and other actions that PWSA has taken to accommodate compliance with Commission regulations and requirements:

- PWSA created a new Compliance group in Customer Service, which involved the drafting of new job descriptions, interviewing and training;
- PWSA also held multiple training sessions with PWSA's Customer Service, Field Operations and Engineering departments to ensure that they understood the Commission's expectations and the changes needed to achieve compliance;

- PWSA has ensured that all Customer Service Representatives have been trained on the new processes and management staff is regularly monitoring and providing additional training;
- PWSA has revised all collection notices for common language and new notices, such as the 3-day termination of service and shut off posting, were created and put into use; and
- The Water Exoneration Hearing Board and associated appeal process were disbanded, as they were replaced by the Commission Complaint process.

As noted earlier, PWSA has continued to receive input from BCS staff as they review and process informal customer complaints. Since 2018, PWSA has made the following changes to its processes and procedures in response to BCS staff informally verified infractions:

- Utility Reports and BCS Informal Complaint responses now include more detail and information regarding PWSA's investigation, based upon BCS review and feedback;
- PWSA began addressing properties with six or more months of zero consumption and/or actual meter readings, including 1) soliciting customers for access to the property to replace the water meter, 2) employing the non-access process when customers fail to allow access, 3) watching post-meter replacement usage, 4) calculating back-billing of consumption in accordance with 52 Pa. Code § 56.14 and § 65.9 (c), and 5) issuing a cover letter of explanation to the customer directing them to contact Customer Service for payment plan options;
- PWSA updated its 10-Day Shut Off Notice to be modeled after the Commission's additional ten-day communication to be provided to customers whose unpaid balances put them at risk of termination after the lifting of the pandemic related moratorium on terminations;⁸⁸
- PWSA designed a new pop-up alert message to ensure that Customer Service Representatives are placing locks on accounts when an Inquiry or Dispute is identified;
- PUC Compliance at PWSA held after-incident meetings with PWSA Field Operations management personnel to address isolated incidences of inconsistent notification to customer for planned outages; and
- PUC Compliance at PWSA continues to enlist the assistance of the Senior Customer Service Training Coordinator when BCS issues infractions related to staff errors.

More recently, PWSA has expanded its customer service operations as follows:

- Customer Service at PWSA has expanded to include a Quality Control Manager, whose primary responsibilities are 1) to evaluate the performance of employees working to record corrective and preventative maintenance on horizontal and

vertical assets of the Authority in the SpryMobile Work Orders and Asset Management application, 2) provide training and follow-up monitoring to ensure improved consistency and accuracy in data entries, and 3) continue to build out the app with updates to work orders, workflows, and additional assets such as those at the Water Treatment Plant. The Manager will recognize employee development needs, provide coaching and arrange on the job site training to promote quality control measures. Further, the Manager will be working with Field Operations management personnel to produce Standard Operating procedures to document all field processes. To support the Manager in this new role, PWSA has created the SpryMobile Change Control Board, the purpose of which is to review and approve planned changes in the app. The Control Board will work to ensure that they consider whether there are any unintended consequences to suggesting changes, ensure the data being collected can be used effectively by other teams such as GIS and to think through the training and communication needed for field staff to ensure consistency.

- Another area of expansion in Customer Service is within the PUC Compliance team. Compliance has grown to include a Paralegal Supervisor and the launch of the PGH2O Cares Team. Having the Paralegal Supervisor report to the Senior PUC Compliance Manager will facilitate the accurate preparation and timely filing of legal documents in response to Commission deadlines, streamline the Formal Complaint response process at PWSA including the tracking of reports to Mediators, guarantee timely filing of monthly and annual Commission reporting requirements, and oversee the filing of municipal liens to allow PWSA to collect unpaid water and wastewater charges.
- PWSA has created the PGH2O Cares Team comprised of a PGH2O Cares Coordinator and two Analysts effective February 15, 2021. PWSA was able to promote from within to fill the roles of PGH2O Cares Coordinator and two PGH2O Cares Analysts. These promotions allow the Cares team to build on their already extensive knowledge of PWSA's Water and Wastewater Tariffs, processes, and procedures. The primary responsibility of the team is to increase enrolment in PWSA's customer assistance programs. The team will also track assistance program enrolment numbers, including confirmed low income, work with PWSA's administrator Dollar Energy Fund to enable the Cares team to enroll customers directly and develop productive relationships with community based organizations to engage low-income customers who have yet to enroll.
- PWSA's in-house Legal department has recently been placed under the guidance of Customer Service. Overseeing the processing of Right to Know requests, Claims for Damages, agreement review, contract review, easements, lien filing and responses to requests for in-house counsel legal opinion and review will allow PWSA to apply its highest quality service to the Legal department's internal and external customers. As part of the on-boarding of the Risk Coordinator and the Corporate Counsel, PWSA is identifying where 1) communication touchpoints with internal/external customers should be inserted, 2) workflows should be developed for immediate refining and inclusion in the 2022 SAP implementation, and 3) support by existing Customer Service personnel can be provided. At the

same time, PWSA is formulating legal metrics that will be tracked and reported on monthly for inclusion into Headwaters.⁸⁹

Below is a list of Customer service accomplishments for the year 2020:

Advanced Metering Infrastructure (AMI)	<ul style="list-style-type: none"> ✓ Processed 5,550 meter changes on customer accounts ✓ Achieved an actual read rate of 95%, up from 91% in the prior year ✓ Increased the number of non-residential customers reporting annual backflow test results in SpryBackflow to 3,243
Billing	<ul style="list-style-type: none"> ✓ Billed 110,588 water/wastewater accounts monthly ✓ Maintained zero unbilled accounts each month ✓ Enabled a webform for the collection of Self-Reported Meter Readings ✓ Launched a redesigned PGH2o bill format in June 2020 per the PA PUC Compliance Plan ✓ Created two new promotional positions to build redundancy in the customer billing process ✓ Contributed to weekly project meetings over 5 months to prepare for the KUBRA (bill print/mail/EBPP) go-live in January 2021
Collections	<ul style="list-style-type: none"> ✓ Issued 59,904 Friendly Reminders to customers with past due water/wastewater conveyance charges ✓ Contacted 9,433 delinquent customers via personal telephone calls to offer payment arrangements and the customer assistance programs ✓ Issued 4,253 notices of intent to lien and collected \$1.5M in aged debt ✓ Created a Personal Contact Services RFP in preparation for PUC Compliance Plan Stage 2
Contact Center	<ul style="list-style-type: none"> ✓ Hired and trained 4 Customer Service Representatives <i>remotely</i> ✓ Handled 130,050 customer calls in 2020 ✓ Secured an average call abandonment rate of 1.1% and an average speed of answer of 23 seconds ✓ Standardized the training documents in the CS Training Binder ✓ Enabled After Call Surveys for all queues to meet a PUC rate case settlement requirement
Emergency Dispatch	<ul style="list-style-type: none"> ✓ Hired and trained 1 Dispatcher <i>remotely</i> ✓ Responded to 1,478 interruptions of service ✓ Designed and created additional work order types in SpryMobile
Permits	<ul style="list-style-type: none"> ✓ Responded to 5,068 dye testing certification requests in 10 days or less ✓ Collected \$5.9M in permitting fees
PUC Compliance	<ul style="list-style-type: none"> ✓ Hired and trained 1 Compliance Analyst <i>remotely</i> ✓ Responded to 1,490 dissatisfied customers (1.4% of our customer base) ✓ Identified and billed previously unbilled service charges totaling \$912K

II. Other Information As Agreed To In Prior Settlements For Stage 2 Customer Service Issues

PWSA committed to providing information regarding customer service issues in both the *Stage 1 Partial Settlement* and the *Initial Rate Case Settlement*. More specifically, in the *Stage 1*

Partial Settlement, PWSA agreed to provide the following in advance of the Stage 1 litigation:

(1) a chronological description of PWSA's current termination procedure; (b) an update regarding the status of its collection plan; and (3) an update regarding PWSA's policies for tenants to establish and maintain service pursuant to DSLPA.⁹⁰ All of this information is discussed further below in the applicable Chapter 56 and DSLPA sections. Chronological descriptions of PWSA's termination procedures are included in the Appendices.

In its *Initial Rate Case Settlement*, PWSA agreed to provide information regarding: (1) development of call center metrics; (2) plan for improving call center performance; (3) policies and procedures for consumers with a Protection from Abuse Order; (4) policies and procedures regarding initiation of new service or transferring service to new customers; (5) data regarding payment processing fees assessed by its existing third party processor; and (6) policies and procedures regarding personal contact with an adult occupant at a residential property immediately prior to termination.⁹¹ With the exception of information regarding PWSA's call center performance, all of the other issues are addressed below in the applicable Chapter 56 sections.

Regarding customer service, PWSA includes call center metrics with its Quarterly Compliance Plan Progress reports. Consistent with its *Second Rate Case Settlement* commitment, PWSA enabled After Call Surveys for all queues. PWSA worked with its telephone system and Automated Call Distribution (ACD) vendor, Mitel, on a project lasting two months to program survey functionality linked to the ACD queues of AMI, Billing and Metering, Collections, Emergency Dispatch, Escalation, General, Lead Help and Permits. After each call, the Customer Service Representatives (CSR's) have been trained to offer the option of the customer remaining on the line to take a brief survey. Once the CSR ends the call, the customer

is routed directly to the survey, and the prompts are recorded in the same voice talent as the outgoing messaging when the customer calls PWSA at 412-255-2423 to achieve familiarity within the customer experience. Customers taking the survey questions are asked to rate the following:

Your call is now being routed to take a short survey on the quality of PWSA's service. Press 1 to continue, or press 2 to disconnect and end your call.	
1	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your satisfaction with the Customer Service Representative who assisted you today.
2	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your satisfaction with the resolution of your most recent inquiry to PWSA.
3	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your overall satisfaction with PWSA's responsiveness to your questions concerning your water and/or wastewater services.
4	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your overall satisfaction with the quality of the water and/or wastewater services provided to you by PWSA.
5	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate PWSA's overall performance as a water and wastewater utility.

Following these five questions, the customer is presented with the option to leave a voicemail message with their feedback. These survey voicemails are reviewed by members of the Customer Service management team as they are received. The Customer Service management personnel take one of the following actions:

- If the customer states in their survey voicemail that there is an unresolved matter, the voicemail is routed to the responsible party with a copy to the Director of Customer Service for follow-up. The responsible party is encouraged to communicate with the customer to resolve the matter on that same day.
- If the customer speaks well of the service provided by a specific CSR with more than one comment in their survey voicemail, a "Survey Accolade" email is issued to the employees answering all queues with a congratulatory message and details of the customer's comments.
- If the customer speaks well of the service provided by a specific CSR with only one comment (e.g., "John was pleasant") in their survey voicemail, or the customer does not identify the CSR by name, the voicemail is archived.

At the end of each month, the survey data is analyzed by the PWSA Management Information Systems (MIS) department, and that analysis is shared with the Customer Service management team to identify trends such as:

- Employees with ample survey responses and high scores in questions #1 and #2
- Employees with ample survey responses and low scores in questions #1 and #2
- Employees lacking in ample survey response data
- High scores in questions #3, #4, and #5
- Low scores in questions #3, #4, and #5

The Customer Service Manager encourages employees with inadequate survey data to route every caller to the survey at the end of each call. The Senior Customer Service Training Coordinator schedules live call monitoring and coaching of employees with low scores on average, giving them tips to improve their call resolution skills in real time.

III. Chapter 56 and Discontinuance of Service to Leased Premises Act, 66 Pa.C.S. §§ 1521-1533 Compliance

Chapter 56 of the Commission's regulations, 52 Pa. Code § 56.1 *et seq.*, was created to establish and enforce "uniform, fair, and equitable residential public utility service standards." Specifically, Chapter 56 deals with eligibility criteria; credit and deposit practices; and account billing, termination, and customer complaint procedures, thereby ensuring adequate provision of service, restricting unreasonable termination of or refusal to provide that service, and eliminating opportunities for customers capable of paying for service to avoid doing so. The Discontinuance of Service to Leased Premises Act ("DSLPA"), 66 Pa.C.S. §§ 1521-1533, details processes that utilities must provide when providing notice of pending termination to landlord accounts, where a tenant occupies the premises but is not a customer listed on the account.

PWSA believes that it is currently in compliance with most of Chapter 56 and DSLPA, partly as a result of changes to its billing practices made through its 2018 base rate proceeding,⁹² Stage 1 of the Compliance Plan proceeding,⁹³ and stakeholder workshops convened by the Commission's Bureau of Consumer Services ("BCS"), and the commitments approved in the settlement of the Stage 2 Compliance Plan proceeding. As will be discussed further below, during the four BCS stakeholder workshops, PWSA prepared and presented written documentation regarding agenda items in advance of each meeting, responded to specific questions and discussed processes and procedures during each meeting, and provided follow-up information and documents subsequent to each meeting.

A. Subchapter A. Section 56.1: Preliminary Provisions for Utilities and Customers Subject to Chapter 14 of the Public Utility Code

Section 56.1 establishes the purpose and policy for Chapter 56 and specifies that Subchapters A-K of Chapter 56 apply to electric distribution utilities, natural gas distribution utilities, wastewater utilities, steam heat utilities, small natural gas utilities and water distribution utilities, and that subchapters L-V to all customers who have been granted protection from abuse orders as provided by 23 Pa.C.S. Chapter 61 or a court order issued by a court of competent jurisdiction in this Commonwealth which provides clear evidence of domestic violence against the applicant or customer. As a water and wastewater utility, PWSA is subject to subchapters A-V, and is currently in compliance with the preliminary provisions for utility customers under Chapter 14 of the Public Utility Code. Subchapters L-V are applied only to customers who are domestic violence victims consistent with the requirements of 66 Pa.C.S. § 1417 and the Commission's regulations. To be clear, whether PWSA provides water, wastewater conveyance, stormwater or some combination to a customer, PWSA is applying the requirements of

Subchapter L-V to domestic violence victims consistent with statutory and regulatory requirements.

1. BCS Workshop Discussion - Definitions

Section 56.2 sets forth definitions for various terms used in the Chapter 56 regulations. During the February 21, 2019 BCS Workshop, questions were raised about various definitions in PWSA's tariffs. PWSA's current compliance status regarding each of the definitional issues raised is set forth below.

2. PWSA Compliance Status - Definitions

Applicant, Customer, Occupant and Person

PWSA's existing Tariff definitions are different from those in Chapter 14 and 56. The differences, however, are not intended to deny any applicant, customer, occupant or person any rights provided to them pursuant to Chapters 14 and 56 nor any applicable rights provided pursuant to DSLPA. Rather, the differences are intended to clarify responsibility for the debt that is incurred at the property to preserve PWSA's right to pursue a lien for payment. Notwithstanding the difference, PWSA believes it is in compliance with these sections.

PWSA is a municipal authority and pursues municipal liens pursuant to the Municipal Claims and Tax Liens statute ("Municipal Lien Law") on property where water and/or wastewater charges remain unpaid.⁹⁴ According to the Municipal Lien Law, the real estate is subject to a municipal lien⁹⁵ and PWSA may impose liability on the owner of the property for the failure of the owner's tenant to satisfy the payment obligations.⁹⁶ The Commission has recognized the ability of PWSA to apply a lien to property for the purpose of collecting unpaid debt associated with properties that it services.⁹⁷ The definitions in PWSA's Tariff as well as the operating procedures set forth in the Tariff are designed to ensure that the owner of a property remains liable for the ultimate payment of PWSA's utility service through the lien process.

Thus, property owners remain responsible for paying for water service until the issuance of a Notice of Intent to Disconnect or replacement by a new property owner.⁹⁸ “Owner” is defined by PWSA’s tariff as “the person having an interest as owner. . . in any Premises that are about to be supplied with water or provided with sewer service by the Authority.”⁹⁹ PWSA always maintains the debt with the property – regardless of whether the property is tenant-occupied or whether a new owner takes over the property. Because PWSA has the power to lien the property for unpaid debt pursuant to the Municipal Claims and Tax Liens Law, PWSA maintains the debt at the property and – if so required – preserves the right to pursue collection of any unpaid debt through the appropriate lien processes pursuant to the Municipal Claims and Tax Liens Law.¹⁰⁰

As part of the Stage 2 Compliance Plan Settlement, PWSA has agreed to modify the definitions of “Customer” and “Applicant” as set forth in 66 Pa. C.S. § 1403, as well as the definitions of “Occupant” and “Person” as set forth in 52 Pa. Code § 56.2.¹⁰¹ As will be discussed in more detail below, these modified definitions will reflect new processes that allow a tenant to become a customer of PWSA. However, the property owner still remains ultimately responsible for any unpaid charges associated with the property, and PWSA maintains its right to pursue collection of any unpaid debt through appropriate lien processes.

PWSA’s Tariff includes definitions for “Tenant” and “Protected-Tenant” for the purpose of clarifying when and what type of notice requirements pursuant DSLPA are applicable as set forth in Part III, Section C.j regarding Notice of Termination Form.

Treatment of Persons Receiving and/or Seeking Service

In the Stage 2 Compliance Plan Settlement, PWSA agreed to modify its processes to allow a tenant to become a PWSA customer. The Settlement includes detailed terms regarding how tenants may apply to become a customer.

In order to become a PWSA customer, Tenant Applicants will be required to submit **either** a Revised Owner/Tenant Form **or** provide other proof of tenancy. The Revised Owner/Tenant Form will be changed to: make clear tenant is the customer; state the responsibilities of both owner and tenant; and include additional disclosure regarding liens. PWSA will prepare a draft of the Revised Owner/Tenant Form and will share the draft with the parties to this proceeding.¹⁰²

Tenant Applicant may provide other proof of tenancy that may be provided to establish service as a customer, which includes: a copy of the lease, or, in lieu of a written lease, a written or oral attestation of the property owner; a driver's license, photo identification, medical assistance, or food stamp identification or any similar document issued by any public agency which contains the name and address of the tenant; or other utility bill or bank statement with the customer's name and address.¹⁰³

PWSA will notify the Tenant Applicant that the property owner will receive copies of bills and notices related to the account, including high consumption notices and any termination notices. This notice will be provided consistent with method of application, including oral disclosure by a customer service representative, language included on the Owner/Tenant form, and information on PWSA's website, the Customer Usage Portal and the Tenant Welcome Letter. Depending on the method of application, PWSA will provide a method for the Tenant Applicant to acknowledge that he or she has been informed about what information will be provided to the property owner. Such method may include oral acknowledgment or written confirmation on the Owner/Tenant Form.¹⁰⁴

No later than six months after successful implementation of its new SAP billing system, at the time and using the method that PWSA provides the notice in B.1.b.i, PWSA will also

notify Tenant Applicants of the option to opt-out of PWSA sending the property owner copies of the bills and other notices related to the account.¹⁰⁵

For any Tenant Applicants and Tenant Customers expressing an affirmative desire to opt-out, PWSA will limit the notices to be provided to the property owner (in addition to the customer) to the following:

- A new account past due notice identifying only the amount overdue will be developed and sent to the property owner 30 days after the date the unpaid charges were issued;
- If charges continue to remain unpaid, PWSA will send a copy of the 10-day notice and all subsequent non-payment notices to the property owner in accordance with current processes;
- A copy of any high consumption notice that is warranted based on PWSA's standard pre-bill review for accounts with usage that is at or greater than 200% of the previously recorded monthly usage and over 9,000 gallons;
- A copy of any other notices, such as Waste of Water, Lead Service Line Replacement or any other notice related to public safety, that require action by the property owner as a condition of PWSA continuing to provide water.

Upon being offered the option to opt-out, Tenants will be informed that even if they opt-out, their landlord will still be provided with the notices listed above.¹⁰⁶

Regarding property owners of properties where the tenant applies to become customer, the Stage 2 Compliance Plan Settlement provides the following terms. PWSA will not require property owner approval to allow a tenant to apply for service and/or become a customer. PWSA will develop new Property Owner Letter to be sent at the time a tenant becomes a customer informing the Property Owner of the addition of the tenant and the information that will be shared with the Property Owner. If a tenant customer chooses to opt-out of the normal property owner notice process, the new Property Owner Letter will inform the property owner of that selection.¹⁰⁷

PWSA will develop a Tenant Welcome Letter to be sent to a new tenant customer. This Tenant Welcome Letter will include: a notice of move-in date; an explanation of the responsibility of the tenant to pay for charges incurred at the property until PWSA is notified that the tenant is no longer at the property or a new Tenant Applicant is accepted as a customer for the account; notice that the property owner will continue to receive a copy of the bill and all other notices related to the property; once implemented, information on the tenant's option to limit the disclosure of account information to the property owner; information about PWSA's Customer Usage Portal; information about PWSA's customer assistance programs; and, information about domestic violence protections and medical certificates. A draft of the new Tenant Welcome Letter will be shared with the parties to this proceeding.¹⁰⁸

Once a tenant becomes a customer, PWSA will provide the tenant customer all applicable rights of residential utility customers pursuant to the Public Utility Code, Commission regulations, and Commission policies and orders. Tenant Customers will also be eligible to apply for PWSA's customer assistance programs.¹⁰⁹

Automatic Meter Reading

Section 56.2 includes a definition for Remote Reading Device as a device which by electric impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside of a residence. There is also a definition for Automatic Meter Reading ("AMR"), which includes metering technologies that read and collect data from metering devices and transfer that data to a central database for billing and other related purposes. Part II, No. 37 (page 24) of PWSA's current tariff includes a definition of Remote Reading Device as a device that is generally affixed to the outside of a Premises or a meter installation and remotely collects and transmits Meter data. PWSA's tariff does not include a definition for AMR.

Since the 1980's, PWSA has progressed from manual water meter reading, to reading of remote reading devices via handheld equipment, to the installation of a fixed base Advanced Metering Infrastructure ("AMI") network. The AMI network is an integrated system of smart meters, communication networks and data management systems that enables two-way communication between utilities and customers. The Meter Transceiver Unit ("MXU") of PWSA's AMI network is a radio signal device which permits off-site meter reading via radio signals to a collector that gathers hourly water meter readings from tens of thousands of water meters and stores them in an accessible database. PWSA's transition to the AMI network has allowed PWSA to increase its actual meter reading rate from 89% to 94% since coming under regulation by the Commission.

Given PWSA's reliance on AMI as its network to collect data and transfer it to a central database, PWSA will include the definition for AMI in its tariff. With this change, PWSA believes it is in compliance regarding this definition.

Billing Month and Billing Period

BCS Staff asked whether PWSA's billing month is consistent with the Chapter 56 definition of "a period of not less than 26 days and not more than 35 days" with exceptions for initial and final bills, rebillings and bills affected by meter route changes. PWSA's Tariff does not include definitions for these terms; however, PWSA confirmed during the discussion that it has processes in place to comply with the Chapter 56 requirements and PWSA believes its processes are in compliance with the regulations. The number of days in a billing month is maintained through the pre-billing edit process. PWSA Billing personnel run a report for each billing cycle that indicates how many days there are in the service period. If a service period falls outside of the range of 26 to 35 days, PWSA personnel will add a new "to" reading date that

is within range. On average, PWSA maintains service period of 30 days. PWSA believe it is in compliance with the regulatory requirements.

Nonresidential Service Definition

BCS Staff asked about PWSA's Tariff definition for "Nonresidential Service" stating that master-metered mobile homes or multi-tenant apartment buildings providing service to residential occupants would fall under the jurisdiction DSPLA and Chapters 14 and 56.

PWSA uses the classification for purposes of billing. If there is a residential component for any of these properties, PWSA codes it to ensure that all required Chapter 56/DSPLA notices are provided. As such, PWSA believes it is in compliance with this definition.

Unauthorized Use of Utility Service and User Without Contract Definitions

As part of the Stage 2 Compliance Plan settlement, PWSA agreed to adopt the definition of "Unauthorized Use of Utility Service" set forth in 52 Pa. Code § 56.2. Going forward, PWSA will use this definition to describe "theft of service" in its tariffs. PWSA also agreed to adopt the definition of "User Without Contract" as stated in 52 Pa. Code § 56.2, noting that this would only apply if PWSA is not billing the property or the property owner.

B. Subchapter B. Sections 56.11 – 56.25: Billing and Payment Standards

Sections 56.11 through 56.17 relate to billing frequency; meter reading, estimated billing, and customer readings; billings for merchandise; previously unbilled service; billing information; transfer of accounts; and advance payments. Sections 56.21 through 56.25 concern payment; accrual of overdue payment charges; application of partial payments between public utility and other services; application of partial payments among several bills for public utility service; and electronic bill payment.

1. BCS Workshop Discussion

During the February 21, 2019 BCS Workshop, discussions including billing frequency, electronic billing, bill estimates, PWSA's Non-Access program, PWSA's read rate, itemization of nonbasic charges, catch-up bills, and partial payment.

2. PWSA Compliance Status

PWSA believes that it is currently in compliance with all standards included in these sections. In addition to PWSA's charges for wastewater conveyance and – for some customers – water service, PWSA's bills also include stormwater charges. In addition to PWSA's basic service charges for its utility services, PWSA's bills include the charges of the Allegheny County Sanitary Authority ("ALCOSAN"). ALCOSAN treats the wastewater that is conveyed by PWSA to ALCOSAN. PWSA does not have any control or authority over the rates that ALCOSAN charges. Through various long-standing contractual arrangements, ALCOSAN charges are passed through on PWSA's bills. PWSA is required to pursue all collections related to these ALCOSAN charges; however, PWSA is required to pay ALCOSAN for 100% of the charges that are billed to customers.

Billing Frequency, Bill Content and Electronic Billing

PWSA's current bill is in compliance with Commission regulations. PWSA has previously agreed to modify its customer bill as part of its *Initial Rate Case Settlement* to comply with Section 56.15.¹¹⁰ PWSA completed this task as of June 3, 2020. The redesigned monthly PWSA bill was issued to all customers throughout the month of June 2020, including an infographic bill insert explaining the enhancements. On October 14, 2020, BCS emailed additional requirements that PWSA worked with the new bill print/mail/EBPP vendor to implement as of January 5, 2021. The new requirements that were successfully implemented in January 2021 are 1) customers receiving the Bill Discount rate now see the message "Residential

Discount Program” printed in the My Billing Details on the back of the bill, and 2) more descriptive messaging for ALCOSAN wastewater treatment charges appears on the back of the bill as well. The bill design changes that cannot be implemented at this time due to existing restraints in the current Customer Information System (“CIS”) include the display of the meter size and other water company usage in 100’s of gallons. PWSA is working to include these two bill display items with implementation of its Enterprise Resource Planning system that went live in August 2022. PWSA’s bill was redesigned to satisfy Commission requirements including Section 56.13 (billings for non-basic service) and 56.15 (billing information).

PWSA offers electronic billing consistent with the requirements of Section 56.11(b). The electronic billing option provides a .pdf of the actual bill and all inserts. Regarding Section 56.11(b)(5) requiring the inclusion of an option to contribute to the public utility’s hardship fund if the public utility is able to accept hardship fund contribution by this method, PWSA has only recently developed processes to enable customers to contribute to its Hardship Grant Program. In January 2021, PWSA initiated a campaign that included a letter explaining the fundraising effort that was mailed separately from the bill with both online donation instructions and a tear off section that could be mailed directly to PWSA’s fund administrator, Dollar Energy Fund, with the donation. PWSA is in the process of adding the ability for customers to include additional payment with their monthly bills to be designated for the Hardship Grant Program. This functionality is expected to be available in August 2022. When it is available on the monthly bill, it will also be available electronically as PWSA’s electronic billing will include a pdf of the paper bill.

Bill Estimates, PWSA Non-Access Program

Generally, Section 56.12 requires PWSA to obtain an actual or customer read every 6-months and an actual meter read once every 12 months. PWSA believes its processes in place

achieve compliance with these requirements. PWSA's goal is to get an actual reading every month, though the ability of PWSA to obtain actual meter readings or customer supplied readings at least every 6 months pursuant to Section 56.12(4)(ii) has been a challenge due to customers' anxiety pertaining to in-home appointments during the COVID-19 pandemic.

PWSA has implemented a number of procedures to address this issue. For properties with six or more months of zero consumption and/or actual meter readings, PWSA will solicit the customer for access to the property to replace the water meter. If the customer contacted PWSA and an appointment was made but PWSA is still unable to complete the work, it will notify customer in writing. A Customer Access Necessary letter is utilized when items need to be moved by the customer to provide access to the water meter. A Customer Repairs Necessary letter addresses when the plumbing adjacent to the meter requires repair by the customer before the meter can be changed. Copies of these letters are included in the Appendices.

If access continues to not be granted, PWSA employs the process of its Non-Access Program implemented in 2019 for the purpose of encouraging customers to enable PWSA to enter their properties to reach meters. Until a customer contacts PWSA to schedule an appointment for a repair/replacement of their water meter, PWSA embarks upon the below process:.

- Non-Access Process – Owner Occupied
 - Mail 5 day courtesy letter.
 - If customer makes appointment but PWSA unable to gain access, mail either Customer Repairs Necessary or Customer Access Necessary letters providing 30 days to reschedule
 - If customer does not make an appointment, mail a 10 day letter.
 - If customer still does not make an appointment, post a 3 day notice.
 - If customer still does not make an appointment, shut at curb and post a shut off posting notice.
- Non-Access Process – Tenant Occupied

- Mail 5 day courtesy letter.
- If customer makes appointment but PWSA unable to gain access, mail either Customer Repairs Necessary or Customer Access Necessary letters providing 30 days to reschedule.
- If customer does not make an appointment, mail a 37 day letter to the owner.
- If customer still does not make an appointment, post a 30 day notice on the property.
- If customer still does not make an appointment, post a 3 day notice.
- If customer does not make an appointment, mail a 10 day letter.
- If customer still does not make an appointment, shut at curb and post a shut off posting notice.

Prior to the pandemic and restrictions on the ability of PWSA to enter into customer homes, the PWSA's Non-Access Program was achieving significant success. As of February 2019, PWSA's meter read rate was up to 94% (in contrast with 89% in October 2017). Between May 2018 and December 1, 2019, PWSA had repaired or replaced 13,032.¹¹¹ In 2020, the number repaired or replaced was 5,550. PWSA anticipates that as the pandemic restrictions ease, it will be able to ramp up this program and continue its forward progression to upgrade meters as needed.

PWSA can provide estimates to customers who contact PWSA for the information. Consistent with Section 56.12(2), PWSA has implemented processes to give customers the opportunity to read the meter and report the quantity of usage in lieu of the estimated bill. Currently, customers may utilize a link on PWSA's website¹¹² to enter their water meter readings or call AMI directly to either speak with a representative or leave a voice mail message to self-report their water meter readings.

PWSA also utilizes information gathered from other processes to address a lack of actual meter readings. For example, PWSA uses a "drive by device" which can pick up signals. This process will not, however, successfully pick up signals for tampered meters or those wired

improperly. PWSA also provides customers access to a usage portal which is a free tool that helps customers track their real-time water usage and receive alerts when there is a spike in water usage.¹¹³ Setting usage alerts can help customers detect water leaks and encourage conservation in the home or business. Customers with estimated meter readings on their monthly bills are encouraged with bill messaging to call PWSA Customer Service. PWSA also has dispatchers available 24 hours and plumbers on shift who can address meter repair issues.

Finally, if PWSA is unable to get an actual read within six months, it will begin the termination process. The notices pursuant to PWSA's termination process can also lead to the customer contacting PWSA to address issues with actual meter reads. If the customer's service is terminated and the customer contacts PWSA, PWSA will repair or replace meter as may needed as part of its restoration of service process.

Previously Unbilled Service

Section 56.14 sets forth requirements a utility must follow when it renders a make-up bill for previously unbilled service which accrued within the past four years resulting from public utility billing error, meter failure, leakage that could not have been reasonably detected or loss of service. PWSA is in compliance with these requirements.

PWSA identifies these situations during the pre-bill editing process. At that time a report is run in the billing system to identify all meter readings that result in consumption that is 200% greater than the previous month's consumption and is over 9,000 gallons. Each identified account is reviewed to determine if it is reflective of catch-up consumption based on an actual meter reading following consecutively estimated meter readings. Credit for minimum consumption is given for each month that the account was estimated for less than the allowable monthly usage by meter size. The posting of this credit adjustment includes noting the service period and the gallons credited. If the water service was coded as shut at the curb during the

months that the estimated meter readings occurred, a credit for minimum monthly consumption will not be given. A Previously Unbilled Service Notification is mailed to the customer and comments documenting same are added to the account. A sample of PWSA's customer notice is included in the Appendices.

Customers are advised in writing that they may contact Customer Service for payment plan options. Pursuant to Section 56.14(1), PWSA will amortize the bill and extend at least as long as the period during which the excess amount accrued or necessary so that the quantity of service billed in any one billing period is not greater than normal estimated quantity for the period plus 50%.

Customer Request to Discontinue Service

Section 56.16 requires a customer to give a utility and a noncustomer occupant at least seven days' notice specifying the date on which it is desired that service be discontinued. PWSA is in compliance with this requirement as Part III, Section C.2 of both PWSA's Water and Wastewater Tariffs require a customer who wishes to have service discontinued to give at least seven days' notice to PWSA.¹¹⁴

Section 56.16(b) permits a utility to transfer the unpaid balance to a new residential service account of the same customer. As discussed in above on page 36, PWSA does not transfer unpaid debt to persons who no longer own a property because of its ability to pursue a lien as such PWSA believes it is in compliance with this requirement. Unlike traditional public utilities, PWSA is a municipal authority organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. §§ 5601, *et seq.* which explains PWSA's existing processes regarding unpaid balances. Most significantly, the debt incurred at the property remains with the property and a new owner to the property would be responsible for the outstanding debt via the lien process. If the owner of a property that had an existing debt were

to establish service at a new property, PWSA would not assess that owner the debt of the sold property because it would be recovered as part of the lien process. Likewise, PWSA does not assess a tenant of a new property for a debt incurred at a prior location because the debt for the property of the prior location remains with the property and the responsibility of the owner of the property.¹¹⁵ Issues between the landlord and the tenant about responsibility for payment of outstanding utility bills need to be addressed between the landlord and the tenant.

PWSA's processes regarding voluntary discontinuance of service are further discussed as part of Subchapter D and the Discontinuance of Service to Leased Premises Act sections that follow.

Advance Payments

Section 56.17 permits a utility to require advance payments for the furnishing of any of the following services: (1) seasonal service; (2) construction of facilities and furnishing of special equipment; and (3) temporary service for short-term use.

Currently, PWSA may require advance payment when it is required to extend its main to accommodate a request for new service. As part of the Compliance Plan Stage 1 process, however, PWSA submitted a Supplemental Compliance Plan Regarding Line Extensions on March 26, 2021 proposing to align its current line extension rules with the Commission's regulations at 52 Pa. Code §§ 65.1 – 65.23. In the *PWSA 2021 Rate Case*, PWSA proposed tariff revisions to conform with the Commission's line extension requirements. These tariff provisions were approved and became effective on January 12, 2022. With these changes, PWSA is in compliance with the customer advance rules set forth in the line extension regulations in Section 56.17.

Payment Options, Third Party Fees, Payment Due Date

Section 56.21 addresses methods by which the utility may accept payment, the effective date to be used for determining receipt of the payment, and, the requirement to disclose any fees for utilizing a payment option. PWSA is in compliance with these requirements and offers the following payment options for customers:

- **EZ-PAY Portal.** Effective January 1, 2021, PWSA implemented its new EZ-PAY portal to help residential and commercial customers make quick, one-time payments online using their credit card, debit card, or bank account information. Customers do not need to log in or enroll in the paperless billing and payment portal to make an online, one-time payment. A third party service fee is assessed only to non-residential customers. A video explaining how to make a one time payment is available at: https://www.youtube.com/watch?v=cfpS_BxTeEI
- **Retail Cash Payment.** Customers may make payments at various retail locations. Effective January 1, 2021, PWSA expanded its network of available locations to include 7-Eleven, Family Dollar, Dollar General, CVS Pharmacy, and Walgreens. To pay at retail locations, an EZ-Payslip barcode is included on the back of a bill or can be generated through the EZ-Pay portal. With the barcode and cash, a payment may be made at the retail location. A \$1.49 process fee is added by the retail location for use of their service.
- **Pay By Phone System.** Effective January 1, 2021, customers may use PWSA's new automated pay by phone system to make one-time payments using their credit card, debit card, or bank account information. Customers can fast track future payments by saving a call-in phone number associated with their account and payment method. A third-party service fee will apply to non-residential customers.
- **Paperless Billing and Payment Portal.** Effective January 5, 2021, PWSA's new electronic billing and payment portal became available to allow customers to use credit cards, debit cards, and bank accounts to make online payments in the new paperless portal, while commercial customers will be able to use bank accounts. Customers enrolling in paperless billing portal, will receive monthly bills via email instead of by mail.
- **Zipcheck.** Customers are able to make automated payments from their bank account with Zipcheck. PWSA does not charge any additional fees for use of Zipcheck but advises customers that their bank may charge fees in order to participate in the Zipcheck program.
- **Payment by Mail.** Customers can make payments by mail directly to PWSA.
- **Walk-In Payments.** Currently PWSA's billing counter is closed as a result of the COVID-19 pandemic restrictions. Once restrictions are removed, PWSA anticipates making that option available again to customers.

Since January 1, 2021 and consistent with Section 56.21(5), PWSA has eliminated payment fees for Residential customers paying via telephone and online. The only third party fees assessed to residential customers are for Retail Cash Payments.

For purposes of calculating the date payment is received, payments received are deemed to have been made on the date of the postmark pursuant to Section 56.21(2)(i). Payments made through any of the other means are deemed received on the date the payment is electronically transmitted to PWSA pursuant to Section 56.21(4). PWSA assigns only one due date to its monthly bills and no other fees are referenced in any other materials. Thus Section 56.21(6) is not applicable.

Accrual of Late Payment Charges

Section 56.22 prohibits utilities from levying or assessing a late charge or penalty on overdue public utility in an amount which exceed 1.5% interest per month on the overdue balance of the bill. Late payment charges are to be calculated on the overdue portions of the bill only and not: (1) to recover the cost of a subsequent rebilling; and, (2) on disputed estimated bills unless utility willfully denied access to premises. A utility may waive late payment charges on any customer accounts.

PWSA is in compliance with these requirements as Tariffs Part III, E.3 address PWSA's assessment of a late payment charge which accrues at the rate of 0.83 percent per billing period, not to exceed ten percent per year when not paid.

Payment Allocation Rules

Section 56.23 requires application of payments received by public utilities without written instructions to be applied to basic charges for residential utility service. Section 56.24 requires application of insufficient payments received by public utilities without written

instructions, a disputed bill or payment agreement to first be applied to the balance due for prior service. PWSA believes it is in compliance with this section.

According to the payment allocation rules in PWSA's billing system, payments are applied to customers' accounts in the following order:

1. Outstanding installments due under a Special Payment Arrangement (payment plan).
2. Oldest outstanding debt with like due dates in the following order of Bill, Miscellaneous Charges, and Late Charges.
3. Bill payment priority is as follows:
 - i. Water
 - ii. Wastewater Conveyance
 - iii. Stormwater
 - iv. Sewage Treatment (ALCOSAN)

PWSA Tariffs Part III, Section E.5 make clear that any payment to PWSA for any non-utility services will first be applied to all outstanding regulated utility charges.

C. Subchapter C. Sections 56.31 – 56.58: Credit and Deposit Standards Policy

Sections 56.31 through 56.38 apply to credit and deposit standards for applicants and highlight the need for credit and deposit policies to be equitable and nondiscriminatory, with policies related to security and cash deposits; third-party guarantors; deposits for temporary service; payments of outstanding balances; written procedures; general rules; and payment periods for deposits by applicants. Sections 56.41 and 56.42 relate to procedures for existing customers, including the payment periods for deposits by customers. Finally, Sections 56.51 through 56.58 reference policies for cash deposits, including the amount of the cash deposit; the

deposit hold period and refund; the refund statement; the interest rate; and the application of interest.

1. BCS Workshop Discussion

During the February 21, 2019 Workshop, security deposits, accrual of late payment charges, denial of credit, and application for final bill.

2. PWSA Compliance Status

Security Deposits and Credit Scoring

PWSA does not require applicants for residential service to make a cash deposit as contemplated in Section 56.32, 56.34, 56.38, and 56.42(a). PWSA does not rely on credit checks when establishing a new residential customer. As such PWSA is in compliance with this section.

Unpaid Balances as a Prerequisite to Service and to Reestablish Service

Section 56.35 permits a utility to require an applicant to pay any outstanding bill which accrued within the past four years for which an applicant is legally responsible and for which the applicant was billed properly. Section 56.36(b) requires the utility to establish written procedures for determining responsibility for unpaid balances. Section 56.41 permits PWSA to require the posting of a deposit for a previously terminated customer to reestablish service.

PWSA does not require customers to pay debt for previous service rendered at another property in order to initiate new service at a new location and is, therefore, in compliance with this section. As explained previously, PWSA maintains the debt incurred at a property with the property and the property owner so that it may pursue a lien to recover the debt.

Under the Stage 2 Compliance Plan Settlement, PWSA agreed that it will not request or require the payment of an outstanding balance as a condition of furnishing new service, unless the applicant is legally responsible for the outstanding balance pursuant to the Public Utility Code and Commission regulations.

Additionally, for tenants seeking to become a customer at a property with an outstanding balance, PWSA will isolate the existing debt and pursue payment through its lien process and/or the property owner or any prior tenant who incurred the outstanding charges. PWSA will no longer request or require completion of the Assumption Form to add tenant as a customer. PWSA will not under any circumstances request or require a Tenant Applicant seeking to become a customer at a property with an outstanding balance to pay the outstanding balance as a condition of establishing service unless the applicant is legally responsible for the debts accrued pursuant to the Public Utility Code and Commission regulations.

Third-Party Requests for Service

When a utility receives a request from third parties to establish service on behalf of an applicant, Section 56.36(b)(3) requires utilities to have processes in place to verify the legitimacy of the request. PWSA does not permit third parties to establish service on behalf of another person and, therefore, is in compliance with this section. In the context of landlords and tenants, the owner of record always receives the service and ultimate responsibility for the charges but the tenants do have the option to receive a copy of the monthly bills.

Timeframe for Providing Service

Section 56.37 requires a public utility to make a bona fide attempt to provide residential service within three business days, provided that the applicant has met all regulatory requirements. A bona fide attempt to provide service within seven business days is permissible

if street or sidewalk digging is a requirement. A longer time frame is permissible with the consent of the applicant. PWSA is in compliance with these requirements.

When a property is sold, PWSA does not interrupt service. Rather, each party is billed for the length of time that he or she is a customer during the transfer of the property.

Applications for Final Bill are completed within 7 to 10 days of a request date. In the case of new construction, service line tap-ins and meter installations are scheduled with the developer/contractor based on their readiness.

D. Subchapter D. Section 56.71: Interruption and Discontinuance of Service

Section 56.71 relates to the interruption of service, which can occur when it is necessary for a utility to effect repairs or maintenance; eliminate an imminent threat to life, health, safety, or substantial property damage; or for reasons of local, State, or National emergency. This section describes the requirements for notice of interruption to customers and the permissible duration of such interruptions. Section 56.72 sets forth the circumstances under which a utility may discontinue service without prior written notice depending on whether the utility has received a written request to discontinue service or not.

1. BCS Workshop Discussion

The April 23, 2019 BCS Workshop addressed issues related to interruptions of service. During the July 25, 2019 BCS Workshop addressed issues related to voluntary discontinuance of service including the various types of residences, customer responsibilities for discontinuance, forms required by PWSA for discontinuance, meter access for discontinuance, final billing procedures and turn-on service.

2. PWSA Compliance Status

Interruption of Service

Section 56.71(1) requires prior notice of service interruption when public utility knows in advance of the circumstances requiring the interruption. Notice as soon as possible is required when service is interrupted due to unforeseen circumstances pursuant to Section 56.71(2). Sections 56.71(3) and 56.71(4) address the notification procedures and permissible duration for service interruptions.

PWSA is in compliance with the required notification procedures for interruption of service and takes reasonable steps to notify affected customers and occupants of the cause and expected duration of the interruption. Regarding planned maintenance that will result in service interruption, PWSA typically notifies customers at least one business day in advance by outbound call and/or in-person notification. If less customers are affected, then PWSA Field Operations personnel can personally notify affected customers and leave a posting at the property.

For unexpected service interruptions, PWSA's process to notify affected customers and occupants includes outbound calling and/or in-person notification as soon as possible.

In addition, PWSA's Public Affairs department posts service outage details on PWSA's website at this link: <https://www.pgh20.com/projects-maintenance/service-outages>

Voluntary Discontinuance of Service

Regarding written requests, PWSA is in compliance with these requirements and requires completion of either a "Residential Owner Water Service Shut-Off Request" or a "Residential Rental Water Service Shut-Off Request." Copies of these forms are included in the Appendices. If the request is from an Owner of a rental property, then the Owner (Landlord) is required to have the request notarized and to affirm that all affected dwelling units in the building are

unoccupied or that all affected tenants have consented in writing to the proposed discontinuance of service. The Owner of a rental property is also required to recognize that any tenants of the residential building retain all the rights provided by the Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1527-1531. As will be discussed in more detail in below sections, PWSA follows all DSLPA required notices to tenant and protections afforded to tenants including posting the notice consistent with the requirements of Section 56.72(2)(ii)(A). Upon receipt of a voluntary request to discontinue service, PWSA will research the status of the property and not discontinue service if there is evidence that the property is occupied.

When PWSA receives a request to voluntarily discontinue service, it cross checks PWSA records and Allegheny County records to identify the building type. Pursuant to PWSA Tariffs, Part I, Section E, a \$50.00 fee is charged for turn-on of service at the curb stop and a \$100.00 fee is charged for same day turn-on at the curb stop.¹¹⁶

Once Residential water service is shut at the curb, PWSA ceases to assess its water/wastewater conveyance charges. However, PWSA may continue to issue bill solely for ALCOSAN wastewater treatment charges. Billing for ALCOSAN wastewater treatment charges is only discontinued with a property is demolished or when the customer’s sewer line is disconnected from the PWSA sewer main.

Property owners wishing to sell a property with a billing account must submit a final bill application within seven to ten working days prior to the closing date upon the sale of a property.¹¹⁷ This application is only necessary when there is a sale of property or when there is a change of deed/ownership. Pursuant to PWSA Tariffs, Part I, Section H, a \$20.00 service fee is assessed to each final bill. Even though PWSA will no longer assess its charges, PWSA may continue to issue bills solely for ALCOSAN charges.

Inoperable or Missing Valves

The Stage 2 Compliance Plan provides additional terms related to voluntary discontinuance requests. The Settlement provides that, for voluntary discontinuance requests pursuant to 52 Pa Code § 56.72, any usage occurring seven days after the customer requested discontinuance at the property regardless of the cause for the delay will either not be invoiced or will be credited to the account. PWSA will also work with its contractor to proactively identify, repair and replace curb boxes and curb stop valves as can be completed within the budget available for this project.¹¹⁸

Regarding willful customer interference with access to the curb box and stop valves, PWSA will develop guidelines to determine when the delay in processing a shut off is the fault of the customer. PWSA will develop a definition of tampering that requires willful action or intent for inclusion in its tariff, and will develop warning notices to inform customers of the issues. Drafts of the revised guidelines and customer notices will be shared with the parties to this proceeding.¹¹⁹

Once these tasks have been completed, PWSA will pursue cost recovery from the customer or property owner who has been found to have willfully interfered with access to the curb box and stop valves for the costs to uncovering, repairing, or replacing the Curb Stop and/or Curb Box, and for the cost of restoring adjacent landscaping, sidewalks, or other property affected by the work.¹²⁰

E. Discontinuance of Service to Leased Premises Act, 66 Pa.C.S. §§ 1521-1533

The Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1521-1533, details processes that utilities must provide when providing notice of pending termination

to landlord accounts, where a tenant occupies the premises but is not a customer listed on the account.

1. BCS Workshop discussion

DSLPA issues were discussed during the July 25, 2019 BCS Workshop addressed in connection with issues related to voluntary discontinuance of service.

2. PWSA Compliance Status

PWSA believes that it currently complies with this the DSLPA requirements and in one consumer complaint case involving a landlord's disagreement with PWSA's efforts to work out payment arrangements with a tenant but to ultimately hold the landlord responsible for the debt, the Commission agreed that PWSA's processes are reasonably consistent with the landlord/tenant discontinuance of service requirements of Sections 1521-1533 of the Code.¹²¹ PWSA's Landlord/Tenant accounts are categorized in its system through use of a designated Location Class, and PWSA works to update this information for customers when available. PWSA may identify rental properties where the mailing address and service address are different, through customer/tenant interactions, information obtained through field visits and information obtained during the Final bill Process.

As discussed above, tenants are now able to become PWSA customers as provided in the settlement of the Stage 2 Compliance Plan. However, the property owner ultimately remains liable for utility service as PWSA maintains the ability to seek recovery of outstanding utility charges for the property as part of its non-PUC jurisdictional lien process. Tenants who do not become customers will still be afforded all rights provided by the DSLPA.¹²²

PWSA follows the DSLPA processes for landlords and tenants to avert termination. PWSA's customer notices are included in the Appendices. PWSA provides the required 37 Day

Shut Off Notice to Landlords and the 30 Day Shut Off Notice to Tenants as required by the DSLPA. PWSA's notices include required information reflecting the jurisdiction of the Commission, as well as specific language required. The 37 Day Shut Off Notice is sent certified mail to the landlord's specified location.

If the landlord does not comply with the requirements listed on the 37 Day Shut Off Notice by the 7th day, affected tenants are notified of the proposed termination through a 30 Day Tenant Termination Notice to Tenants posted twice on the property at different times of the day for tenants to see. If PWSA successfully obtained the tenants' names and addresses, a 30 Day Shut Notice to Tenants is sent by first class mail directly to the tenant. Both 30 Day notices to the tenant include the information required by DSPLA.

Additionally, for tenants wishing to exercise their right to continued service pursuant to DSLPA, PWSA accepts as proof of identification any document issued by a public agency or public utility which contains the name and address of the tenant. PWSA will not terminate or will promptly restore water service if the tenant pays the landlord's prior month's bill. Once a tenant payment is received, PWSA will send a Tenant Payment Notice to Tenants each month advising the tenant what amount is due for the 30-day payment amount to continue service in the landlord's name. If no payment is received, PWSA will terminate service in accordance with the scheduled termination as provided in the notice. If PWSA is notified that a premise is occupied by a tenant after the water service was terminated and tenant did not receive proper 30-day notification prior, PWSA will promptly restore the water service and reissue the termination with the proper 37-day and 30-day notifications.

PWSA accepts medical certificates and protection from abuse orders or court orders issued by a court of competent jurisdiction in the Commonwealth which provide clear evidence

of domestic abuse from tenants. As stated in the Stage 2 Compliance Plan Settlement, PWSA will accept all applicable legal protections to cease a termination in lieu of payment including, but not limited to the presentation of a valid medical certificate or Protection from Abuse order or other court order containing clear evidence of domestic violence from anyone at the property.¹²³ PWSA will not terminate a Landlord/Tenant account during the months of December through March.

Additionally, under the Stage 2 Compliance Plan Settlement, PWSA will develop a flyer explaining the rights of tenants in multi-unit residential dwellings to submit partial payments to maintain service pursuant to the DSLPA. The flyer will be included with the 30-day termination of service posting for non-payment, as well as being provided to customers during personal contact at the time of service termination. This information will also be included on PWSA's website.¹²⁴

F. Subchapter E. Sections 56.81 – 56.118: Termination of Service

According to Section 56.81, authorized termination of service may occur after notice has been provided in the following circumstances: nonpayment of an undisputed delinquent account; failure to complete payment of a deposit or provide a guarantee of payment or establish credit; failure to permit access to meters, service connections, or other property of the public utility for purposes of replacement, maintenance, repair, or meter reading; or failure to comply with the material terms of a payment agreement. PWSA complies with this section as it currently uses these circumstances as grounds for authorized service termination.

Sections 56.91 through 56.100 lay out the notice procedures required prior to termination, including general notice provisions and what information must be included in a termination notice, procedures to follow immediately prior to termination, immediate termination policies,

and winter termination procedures. Additionally, Sections 56.111 through 56.118 highlight the emergency provisions for terminating, postponing termination, and restoring service to customers, with which PWSA currently complies. Finally, Section 56.131 provides for third-party notification allowing customers to designate a third-party to receive notices from the utility.

1. BCS Workshop Discussion

Termination of service issues were discussed during the July 25, 2019 BCS Workshop.

2. PWSA Compliance Status

Language, Format and Method of Providing Suspension and Termination Notice

PWSA's current customer notices regarding service terminations for non-access or outstanding balances are included in the Appendices. The current version of these documents are the product of various revisions since 2018 when PWSA first became subject to the Commission's jurisdiction. The initial versions of these notices utilized by PWSA in the spring of 2018 were further updated as a part of the *Initial Rate Case Settlement*.¹²⁵ Additional edits to these documents were provided by interested stakeholders in the fall of 2019 which PWSA accepted. PWSA has also received feedback from BCS regarding these notices which has been incorporated into the current documents. Given the revisions necessitated by the Commission's more recent direction in the *Order Recommencing Terminations*, BCS requested to review all PWSA's non-payment and non-access notices in March 2021. PWSA will work with BCS regarding any proposed revisions.

The timing of PWSA's termination notices is displayed on the Life Cycle Collections documents included in the Appendices and is consistent with Commission regulations.

Grounds for Termination

Section 56.81 sets forth four actions by the customer for which a utility may notify the customer and terminate service once proper notice has been provided. PWSA's Tariffs include consistent provisions and, therefore, PWSA is in compliance with these requirements.

Termination for nonpayment is addressed in Part III, Section C.3.e of PWSA's tariffs.

Termination for failure to permit access to the meters is addressed in Part III, Section C.3.f of PWSA's tariffs. Section 56.98 presents additional actions of the customers that permit a utility to immediately terminate services. The additional grounds for termination are also set forth in PWSA's Tariffs and involve malicious and/or willful conduct on the part of the customer as well as receipt notice from other specified health agencies to terminate service due to violations of any law or ordinance.

PWSA's Tariffs also make clear that it will send a notice of termination to commonly supplied premises but will not terminate service to such premises. As addressed during the Compliance Plan Stage 1 proceeding, PWSA often does not know at the time it undertakes its residential customer service termination processes that a particular account is part of a shared service line.¹²⁶ PWSA's prior rules and regulations as encompassed in its Official Prior Tariff permitted PWSA to terminate service to multiple premises on a shared service line connection if one customer became delinquent, and PWSA continued this prior procedure in its Initial Commission-approved Tariff effective March 1, 2019. This provision was changed, however, following the *March 2020 Stage 1 Order* and approved as part of PWSA's Tariff Supplement No. 3 which became effective on June 27, 2020. Consistent with its commitments in the course of the Stage 1 Compliance Plan proceeding, PWSA recently assigned its staff the task of developing a separate notice of nonpayment that would be sent to residential shared service lines to the extent PWSA is aware such line exists at the time of the termination process. Due to the

pandemic and the moratorium on terminations, this was not a priority project for PWSA. Once PWSA develops a proposed form it will be shared with the parties of the Stage 1 Compliance Plan proceeding and BCS for approval prior to use.

Willful or Negligent Waste of Water

As part of the Stage 2 Compliance Plan Settlement, in situations involving the willful or negligent waste of water, PWSA agreed to revise current processes to mail 10-day notice to the property address in addition to the property owner. PWSA will add language to the 10-day notice to inform tenants to contact PWSA if they are working with the property owner to address the issue. The Settlement also notes that PWSA's proposals to address the financial ability of low income customers to make needed repairs are set forth in its Petition for Low Income Line Leak Repair and Conservation Program and Authorization to Track Costs as a Regulatory Asset for Future Base Rate Recovery filed on January 3, 2022 and pending at Docket No. P-2022-3030253.¹²⁷

Winter Moratorium, Designation of Third Parties

Section 56.100(f) provides that water utilities may not terminate service to a premises when the account is in the name of a landlord ratepayer with limited exceptions. PWSA does not terminate service to rental customers between December 1st and March 31st and is, therefore, in compliance with this section. PWSA offers additional protections for customers based on income as part of its Winter Moratorium program.

Where termination is permitted during this time period, Section 56.95 requires that a 48 hour notice be posted at the customer's residence unless personal contact has been made. PWSA's 48 hour notice has been provided in the Appendices and is used consistent with the regulation.

Section 56.131 requires utilities to permit customers to designate a consenting individual or agency which is to be sent a duplicate copy of reminder notices, past due notices, delinquent account notices or termination notices. PWSA complies with this by requiring such requests be made in writing to PWSA, either by letter or email, and adding the third party to the account. PWSA also permits customers to complete a Data Protection Release Form to give authorization to a third party to view the customer's account history.

Medical Certificates

Sections 56.111-118 govern the processes for medical certifications. PWSA's processes are in compliance with these requirements and were updated as part of the *Initial Rate Case Settlement*.¹²⁸ PWSA will not terminate service to a premises when a customer has submitted a valid medical certificate as set forth in Part III, C.3.k of its Tariffs and consistent with Section 56.112. PWSA accepts medical certificates that provide the information as required by Section 56.113. All of PWSA's termination of service notices contain a Medical Emergency Notice which provides customers information about how to exercise his or her right to submit a medical certificate to forestall a service termination.

If a customer reports that he or she or a member of the household is seriously ill or service to treat a medical condition, in keeping with the *Moratorium on Terminations Emergency Order*, PWSA places a 7-day hold on the pending termination of service for the medical professional to submit a written medical certificate. If the medical certificate is not received within the seven-day period, then collections will resume. If a medical certificate is received within the time period, then the termination is canceled.

Upon receipt of a medical certificate, PWSA notifies the customer that he or she is required to pay all current undisputed bills while the medical certificate is active but not any

outstanding balances. PWSA will work with the customer to establish an equitable payment arrangement to address the outstanding balances and resolve the grounds for termination.

PWSA also informs the customer of his or obligations to renew the medical certificate at the time the initial one is received. If the customer fails to pay the current bills while the medical certificate is active, the customer is limited to five medical certificate renewals. If a customer who has already exhausted their five medical certificate renewals pays the existing overdue balance in full, the customer is eligible to file new medical certificates.

PWSA will not terminate service for the time period specified in a medical certificate for a maximum length of time of 30 days. As long as the customer pays current bills while the medical certificate is active, there is no limitation on the number of times a customer can renew a medical certificate. If a medical certificate renewal is denied due to the customer failing to pay the customer bills, the customer may initiate a dispute, and PWSA will process it in accordance with its normal dispute processes.

When a medical certificate expires and it is within 60 days of the delivery date of the termination of service notice, the termination process will resume from the point it was suspended. No additional notice will be provided prior to termination. If the medical certificate expires after the 60-day period, the termination process will be restarted from the beginning.

Personal Contact Immediately Prior to Termination

Section 56.94 provides that immediately preceding the termination of service, the utility shall attempt to make personal contact with a responsible adult occupant at the residence of the customer. During the Compliance Plan Stage 1 proceeding, PWSA explained its interpretation of Section 56.94 as not requiring knocking on the door, fully set forth its concerns about how implementing such a new policy for PWSA would place PWSA's employees into hostile working conditions, and noted that such a change would have to be carefully considered in light

of labor law requirements given PWSA's existing labor contracts.¹²⁹ Notwithstanding PWSA's concerns, PWSA did agree as part of the Compliance Plan Stage 1 proceeding to implement the following procedures on an interim basis:¹³⁰

On an interim basis, PWSA will place a phone call the day prior to immediately prior to residential customer service terminations. Calls will be made by the service technician performing the termination or by a live customer service representative who is able to communicate directly with the service technician to stop a termination from occurring if warranted by the circumstances. Under no circumstances will these calls be made by an automated system or by a call center representative who does not have the ability to intervene to stop an active termination. As part of the calls,

- PWSA will provide the consumer with a timeframe for the actual termination (such as morning/afternoon);
- PWSA will provide specific information to the consumer during the call to ask about extenuating circumstances, such as a Protection from Abuse Order or medical condition and to offer a payment arrangement (if applicable); and
- PWSA will leave a voicemail (if available) if unable to reach the customer providing the same information as noted in prior two point.

PWSA has implemented these interim procedures and is reporting on these items in the Quarterly Compliance Plan Progress Reports. In the last three quarters of 2019 (prior to the March 13, 2020 *Moratorium on Terminations Emergency Order*), PWSA was achieving a reported average call completion rate of 55.44%.

Further discussions with interested stakeholders regarding this issue were held on December 3, 2019 and January 16, 2020. As a result of those further discussions, PWSA agreed to include as part of a then-upcoming Request for Proposals ("RFP") process for a vendor to post termination notices that the vendor also agree to perform the requirements of Section 56.94. At that time, PWSA anticipated issuing the RFP in February 2020 with implementation in May or June 2020. However, with the onset of the COVID-19 pandemic and the Commission's

Moratorium on Terminations Emergency Order entered March 13, 2020 the RFP was delayed. PWSA later issued the RFP on August 5, 2021 and worked with a vendor to begin providing these services in November 2021. PWSA is now in compliance with Section 56.94.

Additionally, as part of the Stage 2 Compliance Plan Settlement, PWSA agreed to establish a 14-day timeframe for persons to follow-up with customer service where a termination has been ceased because the customer has advised that: payment has been made; a serious illness or medical condition exists regarding anyone in the property that would be aggravated due to termination of water service; a dispute or complaint is properly pending; or the customer has indicated that he or she will contact customer service to make payment.¹³¹

PWSA also agreed that, if at the time of service termination, personnel determine that the property is a previously unknown tenant-occupied premises, the attempted termination shall cease and PWSA will pursue its collection processes for tenant occupied properties which begins with its 37-day notices.¹³² Additionally, PWSA will internally track the number of personal contact attempts at the time of termination and the results of that contact attempt and the data will be made available upon request.¹³³

G. Subchapter F. Sections 56.140 – 56.181: Disputes; Termination Disputes; Informal and Formal Complaints

Sections 56.140 through 56.143 detail the general provisions associated with disputes and complaints, including follow-up responses, dispute procedures, timeline for filing an informal complaint, and the effect of failure to file a timely informal complaint. Sections 56.151 and 56.152 summarize the Public Utility Company Dispute Procedures. Sections 56.161 through 56.166 and Sections 56.171 through 56.174 include the informal and formal complaint procedures, respectively. For informal complaints, the procedures include filing, the Commission's procedures, termination of service pending the resolution of the dispute,

conference procedures and informal complaints. For formal complaints, the procedures include general rules, filing, review from the formal complaint decisions of the Bureau of Consumer Services, and the ability to pay proceedings. Finally, Section 56.181 highlights the duties of parties, the disputing party's duty to pay undisputed portions of bills, and the utility's duty to pay interest in cases of overpayment.

1. BCS Workshop Discussion

Subchapter F was discussed during the November 4, 2019 Workshop.

2. PWSA Compliance Status

PWSA believes that it complies with these procedures to manage the informal and formal complaint processes. Customers interacting with PWSA are asked if they are satisfied. If the customer responds no, the customer is escalated to a supervisor or Coordinator, and an Inquiry lock is placed on the account. The initial Inquiry lock stops the Collections process, including termination, on the account.

A daily report of the locks is generated and reviewed. Generally, PWSA will contact the customer either that day or the next day. Representatives are trained about how to handle these contacts. If the customer is still unsatisfied, the account is coded with a Dispute lock and is assigned to a PUC Compliance Analyst who creates a Utility Report and contacts the customer. The customer will receive a copy of the Utility Report.

PWSA takes infractions seriously, and if the statistics identify a negative trend, PWSA will follow up internally and identify process changes or procedures to be implemented. Listed above on page 27 are actions taken by PWSA based on information gleaned through this process.

H. Subchapter G. Sections 56.191 and 56.192: Restoration of Service

Section 56.191 provides an overview of the requirements for payment and timing necessary for utilities to restore service, and Section 56.192 details the utility's requirements to have adequate personnel available to restore service between 9 a.m. and 5 p.m. during each working day, or for a commensurate period of eight consecutive hours to restore service when required.

1. BCS Workshop Discussion

Subchapter G was discussed during the November 4, 2019 Workshop.

2. PWSA Compliance Status

PWSA is in compliance with these requirements. When a customer's water service is terminated and he or she either 1) pays in full, 2) enters into an income-based payment arrangement with the first installment paid, 3) files a medical certificate, or 4) file a PFA, he or she is asked to pay \$100.00 for a same day restoration and \$50.00 for a next day restoration. If a PFA is filed, the customer may either enter into a payment arrangement or bring the payment arrangement current plus pay the restoration fee to have service restored within 24 hours. If customer cannot pay the restoration fee, PWSA will restore service and add the fee to the next bill. Same day restorations are performed by 8 PM. Next day restorations are performed by 8 PM the following day. If a medical certificate is filed, the service is restored within 24 hours of receipt of the medical certificate. If water service is terminated by PAWC or WPJWA at the request of PWSA (due to unpaid wastewater conveyance charges), the restoration may take up to 48 hours. PWSA has adequate Field Operations staffing to regularly accomplish restorations within established regulations. While Field Technicians are primarily responsible for this work,

Plumbers and Foremen can also perform a restoration, and there is always a Foreman on duty 24/7.

I. Subchapter H. Sections 56.201 and 56.202: Public Information Procedures and Record Maintenance

Sections 56.201 and 56.202 pertain to public information procedures and records maintenance procedures, respectively. Public utilities are required to summarize the rights and responsibilities of the utility and its customers, and display this information prominently, both online and in hard copy, with which PWSA currently complies. Public utilities that serve a substantial number of Spanish-speaking customers are also required provide billing information in English and Spanish.

Under Section 56.202, public utilities are also required to preserve a minimum of four years' written or recorded disputes or complaints. Additional information that must be maintained includes customer payment performance; the number of payment agreements made, as well as the terms of the agreements; the number of service terminations and reconnections; and communications to or from individual customers regarding interruptions, discontinuances, terminations, and reconnections of service.

1. BCS Workshop Discussion

Subchapter G was discussed during the November 4, 2019 Workshop.

2. PWSA Compliance Status

PWSA believes that it currently complies with these record maintenance policies. PWSA's makes available a document titled "Your Rights and Responsibilities as a Utility Customer" on its website at: https://www.pgh2o.com/sites/default/files/2019-10/2045_RevisedRightsandResponsibilitiesJune8.pdf. Additionally, PWSA has begun offering translation services through its call center which can provide a translator in approximately 300

languages, including Spanish. PWSA also has an Electronic Data Retention Policy in place that was approved on July 26, 2019 which ensures compliance with all laws, legal requirements, agreements, contracts, best practices, and adopted policies related to electronic data retention and disposition.

J. Subchapter J. General Provisions

Section 56.222 permits a public utility to seek modification of a regulation and or temporary exemption. Section 56.223 provides that a tariff provision inconsistent with Chapter 56 is deemed nonoperative and superseded by Chapter 56.

PWSA understands these provisions.

K. Subchapter K. Public Utility Reporting Requirements

Section 56.231 sets forth monthly reporting requirements for residential accounts. PWSA is reporting to BCS all required information on a monthly basis and is, therefore, in compliance with these requirements.

L. Subchapters L-V. Provisions for Victims of Domestic Violence with a Protection from Abuse Order or a Court Order Issued by a Court of Competent Jurisdiction in this Commonwealth which Provides Clear Evidence of Domestic Violence

Sections 56.251 and 56.252 state the purpose, policy, and definitions of Subchapters L-V, which apply to victims of domestic violence with a protection from abuse order or court order issued by a court of competent jurisdiction in Pennsylvania which provides clear evidence of domestic violence.

1. BCS Workshop Discussion

Subchapters L-V were discussed during the November 4, 2019 BCS Workshop.

2. PWSA Compliance Status

PWSA believes it is currently in compliance with the provisions for victims of domestic violence with a Protection from Abuse (“PFA”) order or other qualifying court orders providing clear evidence of domestic violence. PWSA has implemented processes to recognize the differences in protections to be applied to domestic violence victims regarding payment arrangements, responsibility for debt, termination notices and process, medical certificates and restoration of service. PWSA has also installed a pop-up message in its Customer Information System to alert Customer Service Representatives of a previously provided PFA when they access a customer’s account. PWSA also received on-site training from representatives of domestic violence support organizations to better understand issues related to domestic violence victims and the Commission’s requirements.

Tenants Applying to Become Customers

In the Stage 2 Compliance Plan Settlement, PWSA agreed to specific terms regarding tenants who apply to become customers, who are also victims of domestic violence. If an applicant or customer provides PWSA with copy of a Protection from Abuse order or a court order issued by a court of competent jurisdiction in the Commonwealth which contains clear evidence of domestic violence:

- PWSA will not send a copy of the bill or any other account notices to the property owner or landlord;
- The domestic violence victim will be subscribed to PWSA service as a customer and will receive all rights as required by the Public Utility Code and Commission regulations, policies, and orders; and
- The domestic violence victim will be eligible to apply for PWSA’s customer assistance programs.¹³⁴

PWSA will develop customer facing educational materials in the form of bill inserts and website content to inform customers about the availability of this process and will include this information in the Tenant Welcome Letter.¹³⁵

PWSA will also implement processes to identify domestic violence victims at the time an applicant is seeking service. Such screening will include: an electronic checkbox during the self-service account initiation process on the Customer Advantage Portal (going live with SAP implementation), updated checklist in training materials for customer service representatives, and a checkbox included on the Owner/Tenant Form.¹³⁶

Payment Agreements

Section 56.252 defines a Payment Agreement as a mutually satisfactory written agreement whereby applicant who admits liability is permitted to amortize or pay the unpaid balance in one or more payments over a reasonable period of time. Consistent with this definition, PWSA negotiates Payment Agreements with victims of domestic violence without regard to customer's income and based on the facts of the specific situation. For all customers, PWSA also provide written confirmation of the agreed-to payment arrangement. A sample of this confirmation letter is included in the Appendices.

Responsibility for Debt

Section 56.285 states that the 4-year limit on debt accrual that utility may require to be paid as a condition of furnishing residential service does not apply to charges that accumulated under another person's name unless a court, district magistrate or administrative agency finds the applicant responsible for the balance. For domestic violence victims, PWSA takes this into consideration. PWSA may also waive late payment charges. Therefore, PWSA is in compliance with this requirement.

Termination Notices and Process

The following differences to PWSA's termination notices and processes are applied for domestic violence victims consistent with the requirements of Sections 56.331-56.340:

- A termination notice is only valid for 30 days.
- In addition to the 3-day telephone call or posting, the customer may designate a third-party to receive the termination notice. If no designation is provided, PWSA may contact community interest group which previously agreed to receive the notification.
- If PWSA does not successfully complete the telephone call, posting or the domestic violence victim has not designated a third-party to receive notice, PWSA provides the notice to the PUC in writing.
- If the 3-day personal contact is not successful, PWSA will post a 48-hour termination notice prior to a scheduled termination (This is not limited to the timeframe between December 1st and March 31st).
- The posted termination notice will be delivered to a responsible adult occupant or conspicuously posted at the residence.
- If a domestic violence victim has submitted a dishonored payment during the termination process, PWSA will not resume the termination process but will begin the process from the beginning with a new 10-day notice.
- PWSA will not terminate domestic violence victims between December 1st and March 31st (regardless of income).

Medical Certificates

PWSA accepts written or oral medical certificates and confirms that it includes all of the information required by Section 56.353. PWSA may verify the certification by contacting the physician or nurse practitioner or require written verification within 7 days.

Restoration of Service

If a domestic violence victim's service is terminated while on a payment arrangement, he or she may pay the amount currently due plus a reconnection fee; however, all reconnection fees are waived in 2021 consistent with Commission directives. If a payment arrangement is requested to restore water service, the terms of the payment arrangement will be based on the size of the unpaid balance, the ability of the customer to pay, the payment history of the

customer, and the length of time over which the bill accumulated. The payment arrangement does not follow the 24-month, 12-month, or 3-month restrictions for restoration. PWSA restores water service within 24 hours of the customer satisfying the grounds to restore the service.

COMPLIANCE PLAN – LEAD SERVICE LINE REPLACEMENTS

The Commission instructed PWSA in its *June 2020 Stage 1 Order on Reconsideration* to confer with the parties regarding various Commission directives and issues related to lead service line remediation and to submit a compliance proposal to address those issues. Those issues included: (1) pre-termination notice requirements; (2) tenant-occupied properties and unresponsive landlords; (3) tangled titles and other technical property issues; (4) independent legal restrictions that bar service terminations due to non-payment of utility bills; (5) emergency repairs; (6) properties with high restoration costs; and (7) partial replacement of lead service lines due to certain circumstances. PWSA filed its compliance proposal regarding lead service line remediation issues on September 30, 2020. The *Stage 1 February 4, 2021 Order* approved PWSA's compliance proposal as modified by the Order. PWSA's Lead Infrastructure Plan (Amended Appendix C to its LTIIP) filed on April 1, 2021 and Water Tariff Supplement No. 6 (both effective April 5, 2021) comprehensively address PWSA's commitments regarding lead service line replacements and PWSA believes the aforementioned issues have been fully vetted.

I. Discontinuance of Service to Leased Premises Act

In the *June 2020 Stage 1 Order on Reconsideration*, the Commission encouraged the parties to address in Stage 2 compliance plan proceedings whether the rights of tenants pursuant to Chapter 15, subchapter B apply to a lead service line related termination of service to a tenant-occupied property. PWSA does not believe that the rights of tenants under Chapter 15, subchapter B of the Public Utility Code apply in the context of the replacement of a lead service

line.¹³⁷ Chapter 15, subchapter B does not appear to be applicable as a tenant may exercise the right to maintain service by paying the service bill directly to the utility.¹³⁸

II. Options to Prevent Termination Where Landlord Refuses or Neglects to Respond to Lead Service Line Replacement

The *Stage 1 February 4, 2021 Order* encouraged PWSA to explore options in its Stage 2 compliance plan proceeding to prevent termination of service to tenants where the landlord refuses or neglects to respond to PWSA's offer to replace the private-side lead service line at no direct cost to the landlord.¹³⁹ The Commission also requested that PWSA develop and submit appropriate Tariff language that would provide PWSA with step-in rights to make the necessary replacement of a private lead service line where a landlord is nonresponsive to the pre-termination notice procedures.¹⁴⁰ To satisfy the aforementioned requests, PWSA included language in Water Tariff Supplement No. 6 that provides PWSA with step-in rights to prevent termination of service to tenants where the landlord neglects to respond to PWSA's offer to replace the private lead service line at no direct cost to the landlord.¹⁴¹

Under the Stage 2 Compliance Plan Settlement, PWSA agreed that it will use all reasonable efforts to avoid termination of service based on property owner refusal to cooperate and will open up a discussion with the Community Lead Response Advisory Committee ("CLRAC") about other possible actions that PWSA could undertake to incent property owners to provide consent to permit PWSA to replace their private side lead service line.¹⁴²

COMPLIANCE PLAN - COLLECTIONS

I. Collections Plan

A. Legal Framework

The Commission lacks jurisdiction to prohibit a utility from pursuing its legal right to collect a debt.¹⁴³ The Commission also lacks jurisdiction over issues related to municipal liens

themselves; such as the imposition of the lien, the validity of the lien, and the enforcement or removal of the lien. The Pennsylvania Municipal Claim and Tax Lien Law, 53 P.S. §§ 7101, et seq. (“MCTLL”), provides the exclusive procedure that must be followed to challenge or collect on a lien.¹⁴⁴ PWSA is a municipal authority created by the City of Pittsburgh pursuant to the Municipal Authorities Act.¹⁴⁵ Although PWSA became subject to the jurisdiction of the Commission effective April 1, 2018, PWSA continues to have the ability to issue municipal liens and the Commission lacks jurisdiction over this process. Because liens are an important part of PWSA’s overall collections strategy and, in fact, have served a significant role in aiding the ability of PWSA to receive revenue at a time when revenue became less collectible as a result of the March 13, 2020 *Moratorium on Terminations Emergency Order*, PWSA has elected to present a comprehensive description of its Collections Plan.

B. PWSA’s Existing Collections Plan

PWSA’s Collections section of Customer Service had to adapt to the COVID-19 pandemic and the resulting restrictions on past collection activities. In 2020, the past practice of issuing termination notices was replaced by 59,904 Friendly Reminder letters in the mail and 9,433 personalized payment counseling telephone conversations.

In 2021, Sharon Gottschalk transitioned from Senior Customer Service Manager to Senior Collections Manager. This role change allows Mrs. Gottschalk to concentrate on oversight of the two sections within Customer Service that contribute directly to the Authority’s revenue: Collections and Permits. Mrs. Gottschalk’s initiatives include the following:

1. Assigning collection calls to a) eBill customers who have not enrolled in the new platform, b) landlords of rental properties, c) accounts with high dollar past due balances and monitoring the calls being made and reviewing the results;
2. Tracking and sending letters on unpaid final bills;

3. Conducting collection training with staff regarding liens, bankruptcies, sheriff sales and treasurer sales;
4. Ensuring that Permits staff is assessing and collecting fees accurately and timely;
5. Designing Friendly Reminder outbound collection calls;
6. Managing Notice of Intent to Lien letters and resulting payments;
7. Partnering with legal counsel on the creation of a “soft” collection letter;
8. Launching Collections and Permits staff appreciation meetings to boost morale and to promote team building;
9. Working with the Finance department to identify and collect/adjust aged debt; and
10. Performing account lock maintenance to ensure accounts move through the collection process in the CIS.

The following are the collection activities that PWSA is currently engaged in to attempt to collect unpaid PWSA water and wastewater conveyance charges as well as ALCOSAN sewage treatment charges:

1. Identifying accounts more than 60 days past due.
2. Proceeding to post termination notices on any past due Non-Residential accounts.
3. Sending Friendly Reminder letters to any past due Residential accounts.
4. Collection calling any past due customers who carry large balances or are Residential. Collection calls are made to all customers, not just those carrying large delinquent account balances.
5. Mailing Notice of Intent to Lien letters once an account is shut at the curb or a portion of the charges cannot be collected via termination. Notice of Intent to Lien letters are also being mailed to any delinquent customers to secure the Authority’s ability to collect aged debt. Aged debt may be the result of unpaid final bills, balances over \$1K that have not paid in a year, and Non-Residential accounts that cannot be shut at the curb stop/gate valve.
6. Moving to lien any unpaid charges.

1. Overview of Bad Debt

PWSA has made progress in reducing bad debt. Following up on the terminated contract with Jordan Tax Service, Inc. (JTS), which was effective June 30, 2019, PWSA has debited 6,031 accounts in the amount of \$4,673,176.29 for unpaid water/wastewater charges under four years where the customer who incurred the debt is still the owner of record. PWSA continues to

send Notices of Intent to Lien to any owners of property not already lienied by JTS among the 8,529 accounts with debt totaling \$16,541,053.62 for any unpaid water/wastewater charges older than four years.

PWSA plans to evaluate the need for an external collection agency partnership following the implementation of its Enterprise Resource Planning system and the automation of its Collections process, currently scheduled for go-live in August 2022. If PWSA elects to contract with an external collection agency in the future, a requirement of any such contract would be to ensure that all residential customer protections as set forth in Chapter 14, Chapter 56 and DSPLA would be followed.

Beginning in mid-2020, PWSA mailed 5,321 Notices of Intent to Lien to owners of record with qualifying debt as listed in PWSA's Standard Operating Procedure – Lien Process document. To date, 1,464 customers have responded with payment to PWSA totaling \$2,487,018.60. The breakdown of those payments is as follows:

- 1,346 Residential customers paid a total of \$1,281,391.25 in delinquent water/wastewater charges
- 118 Commercial customers paid a total of \$1,205,627.35 in delinquent water/wastewater charges

In 2020, PWSA filed 118 liens, and 506 liens have been filed thus far in 2021.

2. Accounts with Balances Over \$10K

As part of its annual reporting requirement to the Commission PWSA identifies accounts with outstanding balances in excess of \$10K. As part of PWSA's standard operating procedures, each account is reviewed to ensure that all available collection actions have been taken by the Authority, up to and including termination, the water service is shut at the curb, and the debt is lienied to protect PWSA's ability to collect the charges should the property be sold.

C. How Residential Customers' Rights Pursuant to Chapter 56 and DSPLA are Safeguarded

As PWSA's collections process has evolved since coming under the jurisdiction of the Commission, PWSA has necessarily had to ensure that residential customers' rights pursuant to Chapter 56 and DSPLA are safeguarded. PWSA's processes to do this are detailed through the prior sections of this document and nothing in PWSA's Collections Plan is intended to diminish or otherwise deprive residential customers of the customer protection afforded to them by Chapter 14, Chapter 56 and/or DSPLA.

D. Stage 2 Compliance Plan Settlement Terms

1. Collections Plan

In the Stage 2 Compliance Plan Settlement, PWSA agreed to a number of terms regarding its collections process. First, PWSA agreed to develop a written Collections Plan containing at least the following elements:

- Results of the discussion with other utilities regarding their best collections processes during which PWSA will seek:
 - Information about the utility's experience with credit scoring and security deposit mechanisms to include the cost of implementation, benefits of exercising the right to collect security deposits, steps taken to ensure income eligible customers are not assessed security deposits and how they return deposits that were inadvertently collected after learning a customer is low income, and steps taken to comply with the Fair Credit Reporting Act and the Equal Credit Opportunity Act.
 - Any publicly available analysis of the utility's collections practices to include lessons learned and best practices.
 - To the extent utilities are willing to share analytical information on a confidential basis, PWSA will work with the utilities to ensure any such information is appropriately anonymized and/or otherwise masked in PWSA's prepared Collections Plan.¹⁴⁶
- PWSA's analysis based on its evaluation of other utility practices and other research about what actions can be taken to improve PWSA's collections and, to the extent credit scoring and security deposits requirements are not recommended courses of action, PWSA's analysis will explain its supporting reasons.
 - The Collections Plan will identify specific collections goals that PWSA proposes to work toward achieving based on its analysis
 - The Collections Plan will identify specific metrics that can be used to measure PWSA's progress toward the specific collections goals identified in the Collections Plan
 - The Collections Plan will include a proposed reporting obligation to track PWSA's progress and provide such information to interested parties as part of PWSA Quarterly Compliance Plan Progress Reports

- To the extent that the Collections Plan includes a recommendation to pursue credit checks and/or security deposits, PWSA agrees implementation of any such recommendation would occur only after Commission approval of proposed tariff revisions to be addressed in a future proceeding. PWSA agrees to serve the parties in this case any such future request filed with the Commission and all parties reserve their rights to challenge the filing at that time.¹⁴⁷
- A description of the automation of the collections process which has or will be implemented with SAP, including a timeline for implementation.¹⁴⁸
- Evaluation of engaging a third party collections agency to assist with PWSA's collections activities. Consistent with Section E.9.b of the Commission approved settlement at Docket No. R-2021-3024773, PWSA will provide notice to the parties of this proceeding and LIAAC if it elects to issue a Request for Proposal and consider comments and feedback regarding the proposal.¹⁴⁹
- Recognizing that while PWSA intends to pursue collection of unpaid charges via a lien pursuant to the Municipal Claims and Tax Liens law, 52 P.S. §§ 7101-7455, and that the use of liens as a collections tools is not pursuant to the credit and collection regulations of the Commission, the Collections Plan may include evaluation of expanded processes to pursue collection of a lien.¹⁵⁰

In accordance with the Stage 2 Compliance Plan Settlement, PWSA shared a draft of the Collections Plan with the Parties within 30 days after entry of a final order in this proceeding, on August 15, 2022. PWSA also held a collaborative to discuss the draft on August 30, 2022. PWSA has considered the feedback received during this collaborative, and the final Collections Plan is attached to this Revised Compliance Plan.¹⁵¹

PWSA has also agreed to a variety of reporting requirements related to collections:

- Beginning with the first Compliance Plan Quarterly Update Report that is due after a Final Order is entered in this proceeding, PWSA will provide the following information:
 - Number of accounts entering the Collections Life Cycle (60+ days past due);
 - Dollar amounts of accounts entering the Collections Life Cycle (60+ days past due);
 - Number of accounts that are between 180 and 9999 days overdue;

- Dollar amounts of accounts that are between 180 and 9999 days overdue;
 - Number of accounts receiving 10-day and 37-day notices;
 - Number of scheduled terminations canceled during personal contact;
 - Number of Notices of Intent to Lien issued; and,
 - Number of liens filed.¹⁵²
- The data to be reported in the Compliance Plan Quarterly Update Report will encompass the below time periods:
 - For the April 30th Quarterly Update Report, the data will be through March 31st;
 - For the July 31st Quarterly Update Report, the data will be through June 30th;
 - For the October 31st Quarterly Update Report, the data will be through September 30th; and,
 - For the January 31st Quarterly Update Report, the data will be through December 31st.¹⁵³

2. Pursuit of Payment Through Lien Process

The Stage 2 Compliance Plan Settlement also addressed certain aspects of PWSA's use of liens as a collections tool. Although PWSA's use of liens is not subject to the Commission's credit and collections regulations, PWSA intends to continue to pursue collection of liens pursuant to the Municipal Claims and Tax Liens law, 52 P.S. §§ 7101-7455. The Settlement is clear that it is not intended to interfere with PWSA's ability to use liens as a collections tool nor to confer jurisdiction to the Commission beyond its current scope under the Public Utility Code. Likewise, the parties reserved their right under the Settlement to challenge, in the appropriate forum, PWSA's pursuit of collections via liens.¹⁵⁴

For informational purposes, a description of PWSA's current Lien Process is as follows. PWSA's pursuit of collection on a lien involves sending two written Notices of Intent to Lien (30 days and 10 days in advance of filing date)¹ to the property owner which notifies the property owner that PWSA plans to file the lien unless payment is made. If no payment is made of the outstanding charges, PWSA retains all rights to file the lien, reduce the lien to judgment and execute on the lien at a sheriff's sale.¹⁵⁵

To ensure that residential customers continue to have all Commission jurisdictional rights and protections available notwithstanding the availability of the lien process, PWSA agreed in the Settlement that it will only initiate its collections via the Lien Process for residential properties with a Notice of Intent to Lien in the following situations:

- When service has been terminated after all Chapter 56 processes have been exhausted (i.e. Shut accounts);
- When a tenant exercises rights under DSPLA to make a tenant payment because the property owner not paying the bill, PWSA will pursue a lien against the property owner for unpaid charges;
- Unpaid final bills;
- Inactive account balances;
- Wastewater Conveyance Only Accounts;
- Stormwater Only Accounts;
- Flat/unmetered party service line accounts; or
- If a termination cannot occur because of a sustained issue with the curb box due to access to the curb box being repeatedly blocked by the customer despite multiple attempts by PWSA, the curb box is inoperable due to being shifted, or the curb box is buried and cannot be located.¹⁵⁶

¹ See PWSA Exhibits JAQ-3 and JAQ-4 for Intent to Lien Notices.

As part of the Settlement, PWSA also agreed to include the following language on its bills and all customer collection notices for the purpose of disclosing to customers its ability to pursue liens: *“PWSA may record a lien on the property if you or, if applicable, your tenant fails to respond to our normal collection process.”*¹⁵⁷

COMPLIANCE PLAN – CUSTOMER NOTICES AND TRAINING MATERIALS

I. Revised Customer Notices

In the Stage 2 Compliance Plan Settlement, all parties recognized that PWSA’s revisions of customer notices will be an on-going process that will be occurring simultaneously with the implementation of SAP and direction as received through this proceeding. The Settlement summarized the notices to be revised and/or newly created consistent with the Settlement include:

Settlement Section Reference	Form	Purpose
B.1.a.ii	Owner/Tenant Form	Optional form for use by Tenant Applicants for Service
B.1.b.ii	New Landlord Notices in Lieu Bill	For tenant customers opting out of current bill and notice processes
B.1.c	New Property Owner letter when tenant accepted as a customer	To inform property owners of information about account that will be shared in future depending on whether or not tenant opts out of existing notice process
B.1.d	New Tenant Welcome Letter	To be issued when Tenant successfully applies for service as a customer
B.3.c	New Flyer Regarding Tenant Rights in Multi-Unit Residential Dwellings to Submit Partial Payment	To be included with 30-day termination notice posting
B.4.c	Customer Facing Educational Materials Regarding Domestic Violence Rights	Disclosure of right not to have account notices sent to any other person

E.2.d	Warning Notices to Customers Regarding Willful Interference with Curb Box and Stop Valves	To address willful interference with curb box and valves
F.2	Waste of Water 10-day Notice	Add language to inform tenant to contact PWSA if working with property owner to address issue
I.4	Bills and all other customer collection notices	Disclosure of PWSA ability to pursue liens

PWSA agreed to share drafts with the parties and the Bureau of Consumer Services Staff of its proposed revisions to its customer notices consistent with this settlement and direction from the Commission when such notices have been drafted but no later than within 30 days of approval of PWSA's Compliance Tariffs. PWSA will consider any feedback or suggestions offered and will explain why any recommendations were rejected.¹⁵⁸

II. Training Materials

In the Stage 2 Compliance Plan Settlement, the parties recognized that PWSA's revisions of its training materials will be an on-going process that will be occurring simultaneously with the implementation of SAP and direction as received through this proceeding. PWSA agreed to update its internal training materials to incorporate all approved Commission processes within 30 days after the Commission approves PWSA's Compliance Tariffs in the Stage 2 proceeding. PWSA will provide drafts of its updated training materials to the parties, and will consider any feedback or suggestions offered and will explain why any recommendations were rejected.¹⁵⁹

In addition to all process changes identified in the Stage 2 Compliance Plan Settlement, PWSA agreed to specifically address certain issues as part of its updated training materials, including: making clear that medically vulnerable tenants will be protected from termination if they submit a medical certificate; and making clear that a customer may continue to renew a medical certificate beyond the first three certificates if that customer continues to pay any new monthly charges, and ensuring that consumers who submit a medical certificate are adequately informed of the medical certificate renewal requirements.¹⁶⁰

CONCLUSION

PWSA appreciates the opportunity to present this information. PWSA submits that the information provided in this Revised Compliance Plan, which reflects years of efforts on behalf of PWSA and the parties, including the detailed Stage 2 Compliance Plan Settlement, fully addresses PWSA's compliance with Chapters 14 and 56, DSLPA and Collections.

¹ See 71 P.S. § 720.212. PWSA’s management of the City’s assets and other details of their relationship have historically been governed by a 1995 Cooperation Agreement, which was amended on March 21, 2011 and officially expired on October 9, 2019. A revised Cooperation Agreement was negotiated by the City and PWSA to provide for the rights and *obligations* of each party with respect to the other, and for payments and capital cooperation between the parties effective October 3, 2019 (“*2019 Cooperation Agreement*”). The 2019 Cooperation Agreement was filed with the Commission on December 20, 2019 pursuant to Section 507 of the Public Utility Code, 66 Pa.C.S. § 507, at Docket No. U-2020-3015258. According to the statute, the 2019 Cooperation Agreement shall “supersede, during the term of the cooperation agreement, any provision of 66 Pa.C.S. Pt. I, a commission regulation, policy statement, order and regulatory proceeding as they pertain to issues covered by the cooperation agreement, including the authority’s rates, terms and conditions of service rendered to the city and the respective rights and duties between the authority and the city.” 71 P.S. § 720.213(a). Accordingly, PWSA’s unopposed Petition for Leave to Withdraw the 2019 Cooperation Agreement was granted by order entered October 14, 2020. *Cooperation Agreement Between the City of Pittsburgh and the Pittsburgh Water and Sewer Authority*, Docket No. U-2020-3015258, Final Order entered October 14, 2020.

² The Municipal Separate Storm Sewer System is referred to as MS4. See 25 Pa. Code § 92a.2. NPDES permits are issued pursuant to the Storm Water Management Act, 32 P.S. §§ 680.1, et seq. See also 40 C.F.R. § 122.26(b) (relating to definition).

³ *Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Final Implementation Order entered March 15, 2018, Ordering Paragraph 2 at 44 (“*Final Chapter 32 Implementation Order*”).

⁴ *Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Tentative Implementation Order entered January 18, 2018.

⁵ *Final Chapter 32 Implementation Order*.

⁶ *Procedure for Commission Review of the September 28, 2018 Compliance Plan and LTIIP Filings of The Pittsburgh Water and Sewer Authority*, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), dated September 26, 2018 (“*September 26, 2018 Secretarial Letter*”).

⁷ Notice of PWSA’s was published on October 13, 2018. 48 Pa.B. 6635.

⁸ *Assignment of the Pittsburgh Water and Sewer Authority Compliance Plan to the Office of Administrative Law Judge*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater), dated November 28, 2018 Corrected (“*November 28, 2018 Secretarial Letter*”).

⁹ *Id.* at 3.

¹⁰ *Assignment of the Pittsburgh Water and Sewer Authority Compliance Plan to the Office of Administrative Law Judge*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater). Reconsideration Order entered December 20, 2018 (“*Compliance Plan Staging Reconsideration Order*”).

¹¹ *Id.* at 8.

¹² 66 P.S. §§ 1521-1533.

¹³ *Compliance Plan Staging Reconsideration Order* at 4.

¹⁴ As discussed further below in Section I, PWSA committed to supplementing its Compliance Plan as part of the Commission approved settlement of its Initial Rate Case. *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2018-3002645 (water) and R-2018-3002647 (wastewater) Final Order entered February 27, 2020 at 10, n. 9 (referring to the Recommended Decision entered January 17, 2019 at 31 which restates Section III.H.4 of the *Initial Rate Case Settlement*).

¹⁵ *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1*, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Prehearing Order dated December 27, 2018.

¹⁶ *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2018-3002645 (water) and R-2018-3002647 (wastewater) Final Order entered February 27, 2020 (“*Initial Rate Case Order*”).

17 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Expedited Motion
for Extension of Commission-Created Deadlines filed May 13, 2019 (“*Joint Motion for Extension Stage*
1”).

18 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), *Secretarial Letter*
dated May 15, 2019 at 3.

19 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 2 (Timeline), Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion
and Order entered June 18, 2020 (“*January 24, 2020 Stage 2 Timeline Secretarial Letter*”).

20 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Joint Petition for
Partial Settlement, filed September 13, 2019 (“*Stage 1 Partial Settlement*”) at Exhibit 1.

21 *Stage 1 Partial Settlement* ¶ 47 at 16.

22 These issues included the 1995 Cooperation Agreement, billing issues related to property of the City of
Pittsburgh, applicability of Commission’s regulations to line extensions, PWSA’s residency requirement
and two issues regarding PWSA’s lead service line remediation policy. *Id.* at ¶ IV.51 at 57.

23 *Id.* at ¶ IV.51 at 57-58.

24 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order
entered March 26, 2020 (“*March 2020 Stage 1 Order*”).

25 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order
entered June 18, 2020 (“*June 2020 Stage 1 Order on Reconsideration*”).

26 *Id.* at Ordering Paragraph 4 at 157-158.

27 *Id.* at Ordering Paragraph 4(b) at 158.

28 *Pittsburgh Water and Sewer Authority v. Pennsylvania Public Utility Commission*, Docket No. 689 CD
2020. PWSA’s Docketing Statement was filed on March 3, 2021. An appeal of the Commission’s Stage 1
orders was also filed by the City of Pittsburgh but that case has since been withdrawn. *See City of*
Pittsburgh v. Pennsylvania Public Utility Commission, Docket No. 680 CD 2020, Praecipe for
Discontinuance filed February 24, 2021.

29 By Secretarial Letter dated September 10, 2020, the Commission granted PWSA’s request for a 14-day
extension to submit its Proposal to enable it to explore the resolution of several outstanding issues.

30 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order
entered February 4, 2021 (“*Stage 1 February 4, 2021 Order*”).

31 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), PWSA Compliance
Plan Revised as of April 27, 2020 at Cover Letter.

32 A complete Amended LTIIP was filed on July 7, 2020 in response to Data Request I from Technical Utility
Service Staff and upon discovery that the initial filing inadvertently failed to include an Amended Table 26
or any of the unchanged Appendices that were submitted with PWSA’s initial LTIIP filing on September
28, 2018. PWSA’s LTIIPs were approved by Commission Orders entered August 27, 2020. *Petition of*
Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure Improvement
Plan for its Water Operations, Docket No. P-2018-3005037, Opinion and Order entered August 27, 2020.
Petition of Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure
Improvement Plan for its Wastewater Operations, Docket No. P-2018-3005039, Opinion and Order entered
August 27, 2020 (“*Final LTIIP Orders*”).

33 By Secretarial Letter entered July 13, 2020 at Docket Numbers M-2018-264082 and M-2018-2640803,
PWSA’s Tariff Supplements were permitted to become effective on June 27, 2020.

34 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2020-
3017951 (water) and R-2020-3017970 (wastewater) Final Order entered December 3, 2020 (“*Second Rate*
35 *Case Order*”).
36 See PWSA Tariff Water – Pa. P.U.C. No. 1 at pages 66-69.
37 *March 2020 Stage 1 Order* at 74.
38 *November 28, 2018 Secretarial Letter* at 4.
39 *Id.*
40 *Id.*
41 *Joint Motion for Extension Stage 1* at 8-11.
Id. at 10. For example, PWSA’s customer service termination process includes not only the notices that are
given to customers but when such notices are given, how they are provided, what avenues are available for
specific customers to pursue depending on their factual circumstance and what actions are appropriate for
PWSA to aggressively pursue collections of delinquent accounts. Therefore, the inclusion of the format
and process for PWSA’s service termination process in Stage 1 resulted in parties and Commission staff
not feeling comfortable addressing any topic touching on those areas during the Stage 2 workshops. As
this hampered the Stage 2 workshop discussions, the parties concluded that continuing those issues in the
Stage 1 litigation could be an obstacle in the way of making forward progress.
42 *Final Chapter 32 Implementation Order.*
43 *Second Rate Case Order.*
44 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2020-
3017951 (water) and R-2020-3017970 (wastewater), Joint Petition for Settlement dated September 20,
2020, Section III.B at 7 (“*Second Rate Case Settlement*”).
45 *Stage 1 February 4, 2021 Order* at 65.
46 Docket Nos. R-2021-3024773 (water); R-2021-3024774 (wastewater); and R-2021-3024779 (stormwater)
47 (“*PWSA 2021 Rate Case*”).
Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority – Stormwater, Docket
Nos. R-2021-3024779 Order entered May 20, 2021.
48 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority – Stormwater*, Docket
Nos. R-2021-3024779 Order entered May 20, 2021, Attachment B.
49 *June 2020 Stage 1 Order on Reconsideration* at Ordering Paragraph 4.
50 *Stage 1 February 4, 2021 Order* at Ordering Paragraph 1.
51 *June 2020 Stage 1 Order on Reconsideration* at 116, n. 23.
52 *Stage 1 February 4, 2021 Order* at 30.
53 *Final Implementation Order* at Ordering Paragraph 3 at 44; 66 Pa.C.S. § 3204(a).
54 *Initial Rate Case Order.*
55 *Final Chapter 32 Implementation Order*, Ordering Paragraph 3 at 44; 66 Pa.C.S. § 3204(b).
56 See *Final LTIIP Orders.*
57 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2018-
3002645 (water) and R-2018-3002647 (wastewater), Joint Petition for Settlement dated November 29,
2018 (“*Initial Rate Case Settlement*”).
58 *Initial Rate Case Order.*
59 *November 28, 2018 Secretarial Letter* at 3.
60 *Initial Rate Case Settlement* at Section III.H at 24.
61 *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority*
– *Stage 1*, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), First Interim Order
Granting Motion for Consolidation of Proceedings dated February 21, 2019.
62 *March 2020 Stage 1 Order* at Ordering Paragraph 13 at 181.

63 *Final LTIIP Orders.*

64 PWSA Tariff Water – Pa. P.U.C. No. 1, Tariff Supplement No. 5 effective January 14, 2021 at 63-69.

65 *Stage 1 Partial Settlement* at Section III.F at 30.

66 Cooperation Agreement Between the City of Pittsburgh and the Pittsburgh Water and Sewer Authority, Docket No. U-2020-3015258.

67 Cooperation Agreement Between the City of Pittsburgh and the Pittsburgh Water and Sewer Authority, Docket No. U-2020-3015258, Interim Order on Motion to Consolidate dated April 27, 2020.

68 71 P.S. § 720.212.

69 71 P.S. § 720.213(a).

70 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater), Order entered April 16, 2020.

71 See Supplement No. 4 to PWSA Tariff Water – Pa. P.U.C. No. 1 and PWSA Wastewater Tariff – Pa. P.U.C. No. 1 filed April 27, 2020.

72 *Second Rate Case Order.*

73 *Initial Rate Case Settlement* at Section III, H, 4, a-f.

74 *Initial Rate Case Settlement* at Section III, H, 8; See PWSA St. No. C-4, Direct Testimony of Julie Quigley dated February 14, 2019 admitted for the record on August 21, 2019. See *March 26, 2020 Order* at 8.

75 *Second Rate Case*, PWSA St. No. 9 at 2.

76 Mr. Weimar also provided details about how PWSA is working to achieve its goal of becoming a more professional and customer centric public utility that delivers “best in class” service and how its publicly available “Headwaters” initiative measures PWSA’s performance regarding five specific goals and provides a public report on PWSA’s progress. PWSA St. No. 1 at 19-20.

77 PWSA St. No. 8 at 3. Mr. Weimar provided additional testimony about the goals in redesigning its website and the information that is currently available to customers as a result of the new design. PWSA St. No. 1 at 24-25.

78 *Second Rate Case Settlement* at 14-16, ¶¶ III.G and III.H

79 The original Emergency Proclamation and subsequent extensions are available at:

<https://www.pema.pa.gov/Governor-Proclamations/Pages/default.aspx>

80 *Public Utility Service Termination Moratorium Proclamation of Disaster Emergency – COVID-19*, Docket No. M-2020-3019244, Emergency Order dated March 13, 2020. (“*Moratorium on Terminations Emergency Order*”).

81 *Second Rate Case Settlement* at 8-9, ¶ III.D.

82 *Second Rate Case Settlement* at 9, ¶ III.E.

83 *Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order*, Docket No. M-2020-3019244, Order adopted October 8, 2020.

84 66 Pa.C.S. § 1405(e).

85 *Public Utility Service Termination Moratorium*, Docket No. M-2020-3019244, Order entered March 18, 2021 (“*Order Recommencing Terminations*”).

86 PWSA’s Lead Infrastructure Plan is included as part of its Commission-approved Long-Term Infrastructure Improvement Plan. See *Petition of Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure Improvement Plan for its Water Operations*, Docket No. P-2018-3005037, Opinion and Order entered August 27, 2020.

87 *Initial Rate Case Settlement Petition* at Section III, F, 3.

88 *Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order*, Docket No. M-2020-3019244, Order entered October 13, 2020 at 4-5.

89 Headwaters was launched in January 2020 to measure PWSA’s performance regarding five specific goals
set forth in PWSA’s 2017 “Focusing on the Future” Report including protecting public health and the
environment, maintaining a high performing workforce, ensuring customer and stakeholder satisfaction,
improving infrastructure reliability, and being an efficient and effective organization. See
<https://headwaters.pgh2o.com/#Goals>

90 *Stage 1 Partial Settlement* at Section III.MM3 at 42.

91 *Initial Rate Case Settlement* at Section III.8 at 28.

92 *Initial Rate Case Order*.

93 *Id.*

94 53 P.S. § 7107.

95 53 P.S. § 7108.

96 53 P.S. § 7251. See, e.g., *Sledge v. Borough of Homestead*, 677 A.2d 1327 (Pa.Cmwlt. 1996); *Skupien v.*
Gallitzin, 578 A.2d 577 (Pa. Commw. Ct. 1990).

97 *Michael Hatfield v. Pittsburgh Water and Sewer Authority*, Docket No. C-2018-3006129, Opinion and
Order entered October 29, 2020 at 7.

98 PWSA Tariff Water – Pa. P.U.C. No. 1, Part III, Section C.1.d.

99 PWSA Water Tariff – PA PUC No. 1, Part II.28.

100 52 Pa.C.S. § 7101 defines “municipal claim” as “the claim arising out of, resulting from . . . service
supplied. . . by a municipality. . . or sewer rates” and 52 Pa.C.S. § 7108 states that “all real estate. . . shall
be subject to all . . . municipal claims” (emphasis added).

101 Stage 2 Settlement, Section A.1-3, 5.

102 Stage 2 Settlement, Section B.1.a.

103 *Id.*

104 Stage 2 Settlement, Section B.1.b.i.

105 Stage 2 Settlement, Section B.1.b.ii.

106 Stage 2 Settlement, Section B.1.b.iii and iv.

107 Stage 2 Settlement, Section B.1.c.

108 Stage 2 Settlement, Section B.1.d.

109 Stage 2 Settlement, Section B.2.

110 See PWSA’s April 27, 2020 Revised Compliance Plan at 40 for the specific terms of the agreement.

111 Current information is available at PWSA’s Headwater cite:
<https://headwaters.pgh2o.com/Metrics/NumberWaterMetersRepairedReplaced>

112 More information is available at: [https://www.pgh2o.com/residential-commercial-customers/account-billing-
info/self-report-meter-reading](https://www.pgh2o.com/residential-commercial-customers/account-billing-info/self-report-meter-reading)

113 More information about this tool as well as a sample of the information that is available to the participating
consumer is available at: [https://www.pgh2o.com/residential-commercial-customers/account-billing-
info/check-your-water-usage](https://www.pgh2o.com/residential-commercial-customers/account-billing-info/check-your-water-usage)

114 Section 65.12 of the Commission regulations that apply to water utilities require a customer to give at least
three days’ notice of intent to vacate. Because PWSA’s tariffs give customers seven days’ notice and
Section 65.13 requires at least three days’ notice, PWSA is in compliance with both regulations.

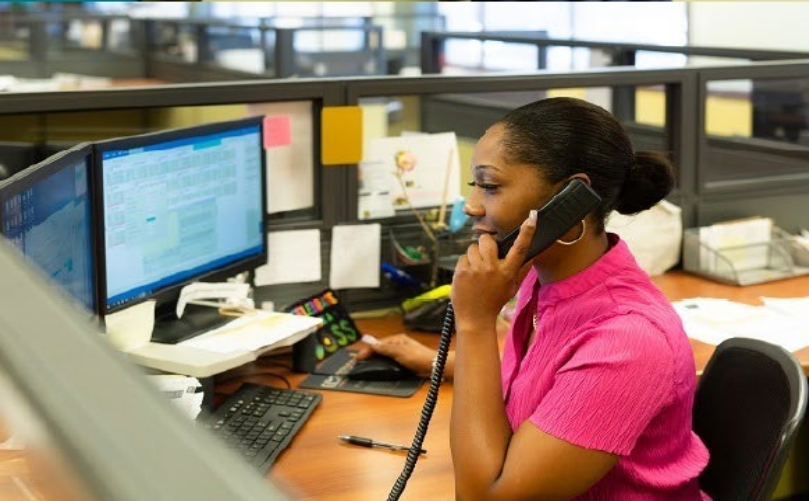
115 See, *Michael Hatfield v. Pittsburgh Water and Sewer Authority*, Docket No. C-2018-3006129, Opinion and
Order entered October 29, 2020. Complainant Landlord challenged PWSA efforts to work with tenant
regarding payment arrangements and to pursue the Complainant Landlord for outstanding charges that were
never paid by the tenant. The Commission agreed that PWSA’s efforts to work with the tenant while
continuing to issue a bill to the landlord were consistent with the Code.

116 PWSA Tariffs at Part I, Section E and Part III, Section C.4.

117 A copy of the Final Bill Application is available at PWSA’s website at:
<https://www.pgh2o.com/residential-commercial-customers/buying-or-selling-property/final-bill-application>

118 Stage 2 Settlement, Section E.1.
119 Stage 2 Settlement, Section E.2.
120 Stage 2 Settlement, Section E.3.
121 *Hatfield*, Docket No. C-2018-3006129, Opinion and Order entered October 29, 2020 at 22.
122 Stage 2 Settlement, Section B.3.a.
123 Stage 2 Settlement, Section B.3.b.
124 Stage 2 Settlement, Section B.3.c.
125 *Initial Rate Case Settlement* at Section III.D.5 at 15.
126 *Compliance Plan Stage 1 Proceeding*, PWSA St. No. C-4 (Rebuttal Testimony of J. Quigley dated May 6, 2019) at 14-16.
127 Stage 2 Settlement, Section F.1-3.
128 *Initial Rate Case Settlement* at Section III.D.7 at 15-16.
129 *Compliance Plan Stage 1 Proceeding*, PWSA St. No. C-4 (Direct Testimony of J. Quigley) dated February 14, 2019 at 13-16. PWSA St. No. C-4R (Rebuttal Testimony of J. Quigley) dated May 6, 2019 at 6-13.
130 *See PWSA's Expedited Motion for Extension of Commission-Created Deadlines* (May 13, 2019), Docket Nos. M-2018-2640802 (water) and M-2018-2640803, at 8 (as approved by May 15, 2019 Secretarial Letter re: Grant of Expedited Motion for Extension of Deadlines).
131 Stage 2 Settlement, Section D.1.
132 Stage 2 Settlement, Section D.2.
133 Stage 2 Settlement, Section D.3.
134 Stage 2 Settlement, Section B.4.a.
135 Stage 2 Settlement, Section B.4.b.
136 Stage 2 Settlement, Section B.4.c.
137 *September 30, 2020 Compliance Proposal* at 10.
138 *Id.* at 10.
139 *Stage 1 February 4, 2021 Order* at 30.
140 *Id.* at 31-32.
141 PWSA Water Tariff Supplement No. 6, First Revised Page No. 68.
142 Stage 2 Settlement, Section G.1.
143 *See, e.g., Gasparro v. PUC*, 814 A.2d 1282 (Pa. Commw. Ct. 2003); *Donald Ashman v. National Fuel Gas Distribution Corporation*, Docket F-9031384, Opinion and Order issued January 21, 1993; 1993 Pa. PUC LEXIS 1.
144 *See, e.g., David Fasone v. Philadelphia Gas Works*, Docket No. C-2012-2322684, Final Order (Act 294) entered November 30, 2012 adopting Initial Decision dated October 12, 2012 (“[A]ny challenges to the validity of the lien and the enforcement of the lien are all within the jurisdiction of the Court of Common Pleas, pursuant to the [MCTLL]. No provision of the [MCTLL] grants the Commission jurisdiction over any aspect of a municipal lien proceeding. Municipal lien proceedings, pursuant to the [MCTLL], are exclusively within the jurisdiction of the Court of Common Pleas, not the Commission. The Commission simply lacks jurisdiction over any aspect of a municipal lien proceeding, pursuant to either the Public Utility Code or the [MCTLL]”).
145 53 Pa.C.S. §§ 5601-5623.
146 Stage 2 Settlement, Section H.1.a.
147 Stage 2 Settlement, Section H.1.b.
148 Stage 2 Settlement, Section H.1.c.
149 Stage 2 Settlement, Section H.1.d.
150 Stage 2 Settlement, Section H.1.e.
151 Stage 2 Settlement, Section H.2.

152 Stage 2 Settlement, Section H.3.a.
153 Stage 2 Settlement, Section H.3.b.
154 Stage 2 Settlement, Section I.1-2.
155 Stage 2 Settlement, Section I.3.
156 Stage 2 Settlement, Section I.4.
157 Stage 2 Settlement, Section I.5.
158 Stage 2 Settlement, Section L.1-4.
159 Stage 2 Settlement, Section M.1-2.
160 Stage 2 Settlement, Section M.3.



Pennsylvania Public Utility Commission
Stage 2 Compliance Plan:
Chapters 14 & 56,
DSLPA and Collections
(Revised)

The Pittsburgh Water & Sewer Authority

~~April 9~~ September 12, 2021 2022

Docket Number: M-2018-2640802 (water)

Docket Number: M-2018-2640803 (wastewater)



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Appendices (con't)

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D-4	Collections Life Cycle For Owners [L0997074]
D-5	Collections Life Cycle For Tenant Occupied Properties [L0997075]
D-6	Customer Service Monthly Report Contact Center – February 2021 [L0996858]
D-7	After Call Survey Data 1Q 2021 [L0997407]

<u>Appendix E: Collections Plan</u>
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PURPOSE OF THE DOCUMENT

The purpose of this Compliance Plan Stage 2 document is to assist the Pennsylvania Public Utility Commission (“Commission”) with its continuing review of the compliance plan of the Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”) as it transitions to regulation under the Public Utility Code pursuant to 66 Pa.C.S. § 2804(c). [The revised version of this Compliance Plan is being provided in accordance with the Commission’s July 14, 2022 Order approving the Settlement of the Stage 2 Proceeding.](#) This document specifically addresses the Public Utility Code at Chapter 14, the Commission’s Regulations at Chapter 56, the Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1521-1533; and, PWSA’s plan for collections. PWSA ~~is filing~~[has filed](#) a separate Compliance Plan Stage 2 document that focuses on Stormwater issues.

In addition, this document details the various other proceedings involving PWSA since it became subject to the Commission’s jurisdiction because these other proceedings have also involved and informed issues related to PWSA’s compliance plan.

PWSA AND CHAPTER 32

I. Background of PWSA

The Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”), a municipal authority, is a body politic and corporate, organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. §§ 5601, *et seq.* PWSA manages the water and sewer systems of the City of Pittsburgh pursuant to a Capital Lease Agreement dated July 15, 1995, which provides for PWSA’s purchase of the water supply, distribution and wastewater collection systems in 2025. Currently, PWSA is responsible for the day-to-day management, operation, maintenance and improvement of virtually the entire City water supply, distribution, and

wastewater collection systems pursuant a 2019 Cooperation Agreement which has “the force and effect of law” until January 1, 2025, unless PWSA and the City mutually agree to an earlier termination date.¹

The Authority provides water service to approximately 80,000 residential, commercial and industrial customers in portions of the City of Pittsburgh; the Borough of Millvale; and portions of Reserve, O’Hara, and Blawnox Townships, Allegheny County. The Authority also provides wastewater conveyance service to customers located in the City and conveys wastewater for portions of twenty-four neighboring communities. All wastewater is conveyed to the Allegheny County Sanitary Authority (“ALCOSAN”) for treatment. The wastewater conveyance system includes: (1) a combined system (approximately 75% of the system); and, (2) a separated sanitary and stormwater system (approximately 25% of the system). Stormwater is conveyed through the wastewater conveyance system and if it is conveyed through the separated storm water system (which is not connected to either the combined wastewater system or the sanitary sewer system), then PWSA may discharge stormwater directly to a nearby stream or river consistent with National Pollutant Discharge Elimination System (“NPDES”) permits issued by the Department of Environmental Protection.²

II. Requirements of Chapter 32

Effective April 1, 2018, PWSA became subject to the Public Utility Code with the exception of Chapters 11 (relating to certificates of public convenience) and 21 (relating to relations with affiliated interested). *See* 66 Pa.C.S. § 3201 *et seq.* (“Chapter 32”). The transition process established by Chapter 32 included:

- a) Continuation of PWSA’s then-effective Rules and Regulations (aka “Prior Tariff”) until the effective date a new Commission approved Tariff. 66 Pa.C.S. § 3203(a).

- b) A requirement that PWSA file financial information within 30 days to permit the Commission to calculate the assessment to be paid by PWSA pursuant to 66 Pa.C.S. § 510. 66 Pa.C.S. § 3207.
- c) A requirement that PWSA file a tariff and supporting data by July 1, 2018 for the purpose of initiating a base rate case to establish Commission approved rates and initial tariffs. 66 Pa.C.S. § 3204(a).
- d) A requirement that PWSA file: (1) a compliance plan to bring its existing information technology, accounting, billing, collection and other operating systems and procedures into compliance with Commission requirements; and, (2) a long-term infrastructure improvement plan (“LTIIP”) by September 28, 2018. 66 Pa.C.S. § 3204(b).

PWSA has complied with each of the requirements listed above:

- a) PWSA filed its “Rules and Regulations” on March 30, 2018 as its “Official Prior Tariffs.” Prior to their filing, PWSA revised applicable sections of the prior version of its Rules and Regulations to process customer disputes on and after April 1, 2018 in accordance with: (1) Pa Code Chapters 1, 3, and 5; (2) 52 Pa Code §§ 56.140-56.181; and, (3) the Commission’s termination rules set forth at 52 Pa. Code §§ 56.81-56.131 consistent with the Commission’s Final Implementation Order.³
- b) PWSA submitted its 2017 Assessment Report in May 2018 and paid the General Assessments Invoices that were received in September 2018 for Commission Fiscal Year of July 1, 2018 through June 30, 2019. PWSA has continued to submit its financial information to the Commission and pay its Commission assessments as invoiced.
- c) PWSA’s Initial Rate Case was approved pursuant to Commission Order entered February 27, 2019 (see Overview of Other Commission Proceedings below).
- d) PWSA filed its Compliance Plan and its LTIIP on September 28, 2018.

The focus of this proceeding is the Commission’s continued review of PWSA’s Compliance Plan pursuant to 66 Pa.C.S. § 3204(c).

III. Commission Implementation Orders

The Commission adopted a Tentative Implementation Order on January 18, 2018 for the purpose of proposing methods by which the Commission and affected entities may carry out the requirements of Chapter 32.⁴ The Tentative Implementation Order set forth the Commission’s tentative proposals and interpretations and invited interested stakeholders to provide comments.

Based on the comments submitted by fifteen parties, the Commission entered a Final Implementation Order on March 15, 2018⁵ which provided its final direction regarding the implementation of Chapter 32 and has largely informed PWSA's subsequent filings as discussed in the next sections.

COMPLIANCE PLAN PROCEEDINGS PURSUANT TO 66 PA.C.S. § 3204(C)

On September 26, 2018, the Commission issued a Secretarial Letter outlining the procedure for Commission review of PWSA's Compliance Plan and LTIIP which included: (1) publication of notice of PWSA's filing; (2) invitation for interested stakeholders to file comments no later than 20 days after publication of the notice; and (3) an assignment of the matter to the Office of Administrative Law Judge ("OALJ") within 45 days with an initial report from technical staff.⁶ The *September 26, 2018 Secretarial Letter* also provided that the OALJ was to prepare a recommended decision no later than eight months from the date on which the matter is assigned and the Commission would issue appropriate orders on the filings no later than November 30, 2019.

As directed by Chapter 32 and the Commission, PWSA filed its Compliance Plan (and its LITIIP) on September 28, 2018.⁷ On November 28, 2018, the Commission issued a Secretarial Letter which: (1) referred PWSA's September 28, 2018 Compliance Plan filing to the Office of Administrative Law Judge; and (2) established two stages of review for PWSA's Compliance Plan.⁸ Litigation related to Stage 2 was to begin after issuance of a final Commission Order in Stage 1, though Commission staff was directed to hold workshops related to Stage 2 issues in 2019.

I. Stage 1

The *November 28, 2018 Secretarial Letter* announced that the topics to be addressed in Stage 1 were “urgent infrastructure remediation and improvement and the revenue and financing requirements of maintaining service that supports public health and safety.”⁹ The *November 28, 2018 Secretarial Letter* included the Pennsylvania Public Utility Commission Technical Staff Initial Report and Directed Questions Stage 1 (“Stage 1 Staff Directed Questions”) and restated the Commission’s intention to issue appropriate orders on the filings no later than November 30, 2019.

The Commission provided further guidance in a Reconsideration Order entered on December 20, 2018.¹⁰ Ultimately the Commission rejected the request to reconsider its two stage process, explaining its view that the staging process would “address and resolve the most critical issues first” while creating the opportunity for all interested stakeholders to engage informally with Commission staff over the next year (outside of the formal process) to provide “concrete benefits in the implementation of Chapter 32.”¹¹ The Commission did determine that issues related to Chapter 15 of the Public Utility Code, including Subchapter B known as the Discontinuance of Service to Leased Premises Act (“DSLPA”),¹² were to be included in Stage 1.¹³

The litigation process for Stage 1 commenced in late 2018. A litigation schedule was memorialized in Prehearing Order dated December 27, 2018 which established the dates for PWSA to file a Compliance Plan Supplement¹⁴ and for the parties to submit direct, rebuttal and surrebuttal testimony. Hearings were scheduled for May 21-24, 2019 with briefing to close July 1, 2019.¹⁵ The schedule was designed to permit the ALJs to issue a recommended decision by July 29, 2019 as directed by the Commission.

By February 27, 2019, the parties had the benefit of the knowledge gained as a part of PWSA's Initial Rate Case¹⁶ and focused on further discovery and sharing of written direct and rebuttal testimony regarding Stage 1 issues. The parties also relied extensively on the Stage 1 Staff Directed Questions to guide the process. As a result of this process, the parties were able to identify what issues were still in dispute and what issues might be resolved through further negotiation. By May 2019, significant progress regarding settlement had been made but consensus was reached that there was insufficient time remaining in the litigation schedule for the parties to conclude their settlement discussions. Therefore, the parties agreed to jointly request a three month extension of the Commission-created deadlines while also setting forth agreed-to conditions to help ensure that health and safety issues were prioritized and would not be adversely impacted during the requested extension.¹⁷ By Secretarial Letter dated May 15, 2019, the Commission granted the joint request of the parties in the Stage 1 litigation to extend the litigation timelines and directed that the ALJ issue a recommended decision no later than October 29, 2019.¹⁸

By Secretarial Letter dated January 24, 2020, the Commission extended its initial commitment to issue an order regarding Stage 1 by February 28, 2020 to March 31, 2020.¹⁹ The *January 24, 2020 Stage 2 Timeline Secretarial Letter* also established a procedural process for its Stage 2 review.

A. Commission's Three Stage 1 Orders

Following the approval of the *Joint Motion for Extension Stage 1* and continuing through August 16, 2019 the parties embarked upon significant discussions aimed toward resolving the issues. A Checklist identifying a total of 186 discrete issues to be addressed in Stage 1 assisted the process.²⁰ The parties engaged in numerous settlement discussions (on a nearly weekly basis

for almost three months) during which PWSA explained its processes and/or reasons for each of its proposals for coming into compliance with the Commission's regulations and the particular concerns and/or questions from the other parties were discussed. PWSA also provided numerous documents and/or additional information in advance of each of the meetings and worked with the interested parties after each meeting to craft proposals that could satisfactorily resolve the concerns and/or create a path forward toward reaching a resolution. As a result of these efforts, on September 13, 2019, a Joint Petition for Partial Settlement of the Stage 1 proceeding was filed. As explained in the *Stage 1 Partial Settlement*, of the 186 identified issues, agreement was reached regarding 139 issues (nearly 75% of all identified issues).²¹ Regarding the remaining issues: (1) the parties sought Commission resolution regarding five specific topics;²² (2) many were deferred to future proceedings (including those previously moved into Stage 2); and (3) some were no longer open due to the passage of time and/or the resolution of other related matters.²³

On March 26, 2020, the Commission entered the first of three orders regarding the Compliance Plan Stage 1 proceeding which: (1) approved the *Stage 1 Partial Settlement*; (2) made two modifications related to PWSA's lead service line replacement policy related to partial lead service line replacements; and (3) adjudicated the issues that were reserved for litigation.²⁴

In its second Stage 1 order entered June 18, 2020, the Commission addressed two Petitions for Reconsideration and/or Clarification that were filed and a Petition to Intervene filed by City of Pittsburgh.²⁵ While the *June 2020 Stage 1 Order on Reconsideration* largely denied most of the requests for reconsideration, it did hold in abeyance its modification to PWSA's lead service line replacement policy and directed the parties engage in a collaborative process to further address the issues raised by the Commission.²⁶ These issues included: (i) pre-termination

notice requirements; (ii) tenant-occupied properties and unresponsive landlords; (iii) tangled titles and other technical property issues; (iv) independent legal restrictions that bar service terminations due to non-payment of utility bills; (v) emergency repairs; (vi) properties with high restoration costs; and (vii) partial replacements of lead service lines due to circumstances described in the Initial Rate Case Settlement at ¶ III.VV.1.b.i.²⁷ An appeal of these two orders is currently pending.²⁸ PWSA filed its Compliance Proposal regarding lead service line remediation issues on September 30, 2020.²⁹

The third Commission order regarding the Compliance Plan Stage 1 proceeding was entered on February 4, 2021.³⁰ The *Stage 1 February 4, 2021 Order*: (1) adjudicated PWSA's Compliance Proposal regarding lead line remediation issues; and (2) provided direction regarding the commencement of Stage 2.

B. PWSA Compliance Status With Stage 1 Orders

Consistent with the directives of the *March 2020 Stage 1 Order*, PWSA filed the following on April 27, 2020:

- A Revised Compliance Plan which: (i) incorporated the February 1, 2019 Compliance Plan Supplement; (ii) incorporated the *Stage 1 Partial Settlement*; (iii) incorporated directives from the *March 2020 Stage 1 Order* not subject to reconsideration; (iv) presented then most current update on items that are reported in the Quarterly Compliance Plan Progress Report; (v) removed stormwater and customer service issues to be addressed in Stage 2; and (vi) updated the background information.³¹
- An Amended LTIP which included as Appendix C PWSA's Comprehensive Lead Infrastructure Plan³²; and
- Supplement No. 3 to Tariff Water – Pa. P.U.C. No. 1 and Supplement No. 3 to Tariff Wastewater – Pa. P.U. C. No. 1 which addressed private fire protection, conversion of party water service lines, and termination of services to multiple premises.³³

Also consistent with the directives of the *March 2020 Stage 1 Order*, PWSA served Supplemental Direct Testimony in its then pending Second Rate Case³⁴ to set forth PWSA's

proposals to: (1) incorporate the Commission's direction regarding City of Pittsburgh billing issues; and (2) the proposed tariff modifications to clarify PWSA's responsibility to replace a qualifying residential customer-owned lead service line in accordance with PWSA's Lead Infrastructure Plan. Ultimately, the City of Pittsburgh billing issues became moot as a result of 71 P.S. §§ 720.211 – 720.213 so the Supplemental Direct Testimony related to those matters was voluntarily stricken from the record. However, the proposed lead service line replacement tariff modifications were approved as part of Supplement No. 5 to Tariff Water – Pa. P.U.C. No. 1 effective January 14, 2021.³⁵

Regarding line extensions, the *March 2020 Stage 1 Order* granted PWSA a temporary waiver of the requirement to follow Commission line extension processes permitting PWSA to maintain the status quo but gave PWSA one year from the date of the final to either: (1) petition for a permanent waiver of the PUC's line extension regulations; or (2) submit a supplemental compliance plan detailing how PWSA will revise its processes to be compliance with Commission regulations.³⁶ Consistent with this directive, PWSA filed is Supplemental Compliance Plan Regarding Line Extensions on March 26, 2021. The Supplemental Compliance Plan described PWSA's plan to transition to the Commission's line extension regulations, which involves submitting tariff revisions in PWSA's next rate case to be filed on or about April 13, 2021 at Docket No. R-2021-3024773 to achieve ultimate compliance with 52 Pa. Code §§ 65.1, 65.21-65.23 upon final approval of PWSA's water tariff in the rate case.

PWSA reports on the status of all the issues identified in the *Stage 1 Partial Settlement* in its Quarterly Compliance Plan Progress reports which are filed on or before January 30, April 30, July 30 and October 31 each year. The Quarterly Compliance Plan Progress report was first introduced as PWSA Exhibit RAW/C-28 during the Stage 1 proceeding with its contents updated

and modified as set forth in the *Stage 1 Partial Settlement*. PWSA reports on Operations, Billing and Customer Service, Lead, Infrastructure/Engineering, Finance and Accounting, and Contractual/Other Issues. Each section addresses requirements associated with the *Stage 1 Partial Settlement* and PWSA's Revised Compliance Plan as filed April 27, 2020. PWSA's most recent Quarterly Compliance Plan Progress report covering the ~~fourth~~second quarter of ~~2020~~2022 was filed on ~~February 1~~July 29, 20212022.

II. Stage 2

The *November 28, 2018 Secretarial Letter* identified the following issues which were to be reserved for Stage 2: (1) PWSA's compliance with Chapter 14 of the Public Utility Code and Chapter 56 of the Commissions regulations; and (2) the development of a PWSA stormwater tariff.³⁷ Regarding Stage 2 issues, the *November 28, 2018 Secretarial Letter* directed its Bureau of Consumer Services ("BCS") to conduct quarterly workshops in 2019 to focus on the development of an initial report and directed questions regarding PWSA compliance with Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations for use in Stage 2.³⁸ Likewise, the Commission directed the Bureau of Technical Utility Services ("TUS") to conduct a stormwater tariff workshop in 2019 to assist in development of an initial report and directed questions regarding a PWSA proposed stormwater tariff for use in Stage 2.³⁹

A. Scope of Stage 2 Customer Service Issues and Staff Workshops

The Commission issued a Secretarial Letter dated January 31, 2019 announcing its intention to conduct a workshop on February 21, 2019 for the purpose of discussing "PWSA's compliance with billing and collections requirements of Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations." According to the Secretarial Letter, the input provided during the workshop will be used to develop the Commission's Stage 2 review of PWSA's Compliance Plan. The Commission also stated that this will be the first of four

workshops that will be scheduled in 2019 to obtain stakeholder input. Further workshops were held on April 23, 2019, July 25, 2019 and November 4, 2019.

With the Commission's approval of the *Joint Motion for Extension Stage 1*, further clarification regarding customer service issues were to be addressed in Stage 2 was provided.⁴⁰ More specifically, the inclusion of questions regarding residential service termination and collections issues in the Stage 1 Staff Directed Questions inhibited a full and open discussion about interrelated Stage 2 customer service issues during the Stage 2 workshops due to the fact that some of the issues appeared to be part of the on-going on-the-record proceeding.⁴¹ The granting of the *Joint Motion for Extension Stage 1* removed this obstacle to the Stage 2 workshop discussions by making directing that the following be addressed as part of the Stage 2 process:

- a) The language, format and method of providing suspension and termination notice pursuant to Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations;
- b) PWSA's compliance with the Discontinuance of Service to Leased Premises Act ("DSLPA"), 66 Pa.C.S. §§ 1521-1533; and
- c) PWSA's plan for collections (to include strategies to reduce overall uncollectibles to ensure collections practices for residential customers are consistent with legal requirements).

B. Scope of Stage 2 Stormwater Issues and Staff Workshop

A workshop regarding stormwater was held on November 7, 2019 and a staff proposed stormwater model tariff was provided to PWSA. Because the Commission's *Final Implementation Order* directed PWSA to file a stormwater tariff and a compliance plan no later than the next wastewater base rate filing after its *Initial Rate Case*,⁴² PWSA included a pro forma stormwater tariff as PWSA Exh. BD-3 with its *Second Rate Case* filed on March 6, 2020.⁴³ The pro forma tariff did not include proposed rates. On December 3, 2020, the Commission approved a full settlement of the *Second Rate Case* which included the agreement

of the parties to defer development of PWSA's stormwater tariff to its anticipated 2021 rate case and to request that the Commission consolidate the Compliance Plan Stage 2 stormwater issues with that rate case.⁴⁴ Further clarification regarding the Commission's expectations regarding Stage 2 stormwater issues was provided in its *Stage 1 February 4, 2021 Order* wherein the Commission clarified that its orders were not intended to obviate PWSA's responsibility to file a compliance plan for stormwater service and that the Commission would entertain any future motion or petition to address conflicts between a rate proceeding and the staged litigation of the Compliance Plan.⁴⁵

~~PWSA's Compliance Plan Stage 2 regarding stormwater issues is being submitted in a separate document.~~

On April 9, 2021, PWSA submitted a separate Compliance Plan Stage 2 document regarding stormwater issues. On April 13, 2021, PWSA filed a combined water, wastewater, and stormwater base rate case.⁴⁶ As part of the *PWSA 2021 Rate Case*, PWSA submitted a proposed stormwater tariff and proposed to implement stormwater rates for the first time.

Also on April 13, 2021, PWSA filed a Motion to Hold in Abeyance the Stage 2 Stormwater Compliance Plan. Through the Motion, PWSA requested that the Stormwater Compliance Plan be held in abeyance pending resolution of the *PWSA 2021 Rate Case* in order to allow the full range of stormwater issues to be addressed part of the rate case, and then to proceed with any remaining issues regarding the Stormwater Compliance Plan after the base rate case was concluded.

On May 20, 2021, the Commission issued an Order suspending PWSA's stormwater tariff until January 12, 2022. The suspension order also included the Technical Staff Report and Directed Questions on Stage 2 stormwater issues as Attachment B.⁴⁷ In the separate *May 2021*

CP Stage 2 Scheduling Order entered on the same date, the Commission granted PWSA's Motion to hold the Stormwater Compliance Plan in abeyance and directed PWSA to file a revised Stormwater Compliance Plan after the entry of a final Commission Order resolving the *PWSA 2021 Rate Case*, but no later than January 31, 2022, incorporating any changes or requirements resulting from the *PWSA 2021 Rate Case*. The Commission also directed that, to the extent any issues remain pending in the Stormwater Compliance Plan, Technical Utility Services ("TUS") staff will issue a second set of directed questions identifying the remaining issues within thirty (30) days of PWSA filing the revised Stormwater Compliance Plan.

A Joint Petition for Settlement of the *PWSA 2021 Rate Case* was filed on September 7, 2021. On October 6, 2021, a Recommended Decision was entered recommending approval of the Joint Petition for Settlement. A final order adopting the Recommended Decision was entered by the Commission on November 18, 2021.

In compliance with the *May 2021 CP Stage 2 Scheduling Order*, PWSA filed its revised Stormwater Compliance Plan on January 20, 2022. The revised Stormwater Compliance Plan reflects stormwater-related issues that were resolved through the *PWSA 2021 Rate Case* and provides updated information. The filing also includes an appendix with PWSA's responses to each of the TUS Directed Questions that were included as Attachment B with the May 20, 2021 Order suspending PWSA's stormwater tariff until January 12, 2022.⁴⁸

On February 3, 2022, PWSA filed an Unopposed Petition to Separate Stormwater Issues from Other Stage 2 Compliance Plan Issues requesting that the Commission separate any remaining stormwater issues from the customer service and collections issues that have been separately addressed, as described in the Joint Petition for Settlement on customer service issues that was filed at this docket on March 14, 2022.

On February 22, 2022, a Secretarial Letter was entered assigning the Stage 2 Compliance Plan – Stormwater to the OALJ. The Secretarial Letter included a Technical Staff Report and Directed Questions, Stage 2, Set 2. The Secretarial Letter directed the OALJ to “incorporate the Stage 2, Set 2 Report into its Prehearing Order and to conduct evidentiary hearings to address matters raised therein.” The Secretarial Letter also stated that, as directed in the *May 2021 CP Stage 2 Scheduling Order*, the OALJ shall issue a Recommended Decision by May 25, 2022.

On March 7, 2022, the Commission entered an Opinion and Order granting in part and denying in part PWSA’s Unopposed Petition to Separate Stormwater Issues from Other Stage 2 Compliance Plan Issues. Through this Order, the Commission modified its *May 2021 CP Stage 2 Scheduling Order* to extend the previous deadline by 60 days and directed that the Recommended Decision on stormwater be issued no later than July 25, 2022. This modification only relates to PWSA’s Stormwater Compliance Plan and any remaining stormwater issues associated with that plan.

On June 9, 2022, the parties submitted a Joint Petition for Settlement Regarding PWSA’s January 20, 2022 Stage 2 Compliance Plan: Stormwater (Revised). On July 19, 2022, the ALJs issued a Recommended Decision recommending approval of the settlement without modification. On August 25, 2022, the Commission issued an Order adopting the Recommended Decision and approving the settlement without modification. In compliance with the Order, PWSA will separately be submitting a further revised Stage 2 Compliance Plan on stormwater issues reflecting the terms of that settlement.

C. Scope of Stage 2 Lead Service Line Remediation Issues

The Commission instructed PWSA in its *June 2020 Stage 1 Order on Reconsideration* to confer with the parties regarding various Commission directives and issues related to lead

service line remediation and to submit a compliance proposal to address those issues.⁴⁶⁴⁹ PWSA filed its compliance proposal regarding lead service line remediation issues on September 30, 2020. The *Stage 1 February 4, 2021 Order* approved PWSA's compliance proposal as modified by the order.⁴⁷⁵⁰ In the *June 2020 Stage 1 Order on Reconsideration*, the Commission encouraged the parties to address in Stage 2 compliance plan proceedings whether the rights of tenants pursuant to Chapter 15, subchapter B apply to a lead service line related termination of service to a tenant-occupied property.⁴⁸⁵¹ The *Stage 1 February 4, 2021 Order* encouraged PWSA to explore options in its Stage 2 compliance plan proceeding to prevent termination of service to tenants where the landlord refuses or neglects to respond to PWSA's offer to replace the private-side lead service line at no direct cost to the landlord.⁴⁹⁵²

OVERVIEW OTHER COMMISSION PROCEEDINGS

I. Initial Rate Case, Compliance Plan Stage 1 and LTIP Proceedings

Pursuant to Chapter 32 and the *Final Chapter 32 Implementation Order*,⁵⁰⁵³ PWSA filed its Initial Rate Case on July 2, 2018.⁵¹⁵⁴ Also in accordance with Chapter 32 and the *Final Chapter 32 Implementation Order*,⁵²⁵⁵ on September 18, 2018, PWSA filed its Compliance Plan and its Long- Term Infrastructure Improvement Plan (“LTIP”).⁵³⁵⁶

A. Initial Rate Case

A prehearing conference was held on July 19, 2018 regarding PWSA’s Initial Rate Case, a litigation schedule was established, public input hearings were held, pre-served written testimony was submitted by the parties and they engaged in extensive discovery. On November 29, 2018, a Joint Petition for Settlement of the Initial Rate Case was filed.⁵⁴⁵⁷ The Initial Rate Case Settlement established rates, required PWSA to immediately address issues specifically identified in the settlement and recognized that other issues identified in the settlement would need to be addressed in this Compliance Plan proceeding. On February 7, 2019, the Commission approved the Initial Rate Case Settlement without modification or correction and directed that certain identified water and wastewater tariff modifications and corrections be addressed in PWSA’s Compliance Plan Proceeding.⁵⁵⁵⁸

B. Compliance Plan Supplement dated February 1, 2019

On November 28, 2018, the Commission issued a Secretarial Letter (“November 28, 2018 Secretarial Letter”) which: (1) referred PWSA’s September 28, 2018 Compliance Plan filing to the Office of Administrative Law Judge; and, (2) established two stages of review for PWSA’s Compliance Plan. More specifically, the Commission announced that litigation of “Stage 1” was to commence on November 27, 2018 and the topics to be addressed are “urgent

infrastructure remediation and improvement and the revenue and financing requirements of maintaining service that supports public health and safety.”⁵⁶⁵⁹

In accordance with Section III(H)(4)(a)-(f) of the Initial Rate Case Settlement, PWSA filed a Compliance Plan Supplement on February 1, 2019. Supplemental information regarding the customer service issues identified in these sections of the Initial Rate Case Settlement was provided on pages 15-18, and supplemental information regarding low-income customer issues was provided on pages 19-22. The Appendices submitted with the Compliance Plan Supplement provide additional information related to customer service issues including:

- d) Appendix SA: PWSA Collections Life Cycle 2018,
- e) Appendix SB: Termination of Service by Location Class,
- f) Appendix SC: Presentation titled “Protection from Abuse Orders” Dated November 27, 2018,
- g) Appendix SD: PWSA Customer Assistance Program Flyer 2018, and
- h) Appendix SE: Customer Service Monthly PWSA Board Reports November and December 2018.

C. Long-Term Infrastructure Improvement Plan and Stage 1 Lead Service Line Remediation Issues

Consistent with agreement reached in the *Initial Rate Case Settlement*,⁵⁷⁶⁰ PWSA filed a Motion to Consolidate its LTTIP and the Compliance Plan Stage 1 proceeding on December 14, 2018 which was granted by the Administrative Law Judge on February 21, 2019.⁵⁸⁶¹ During the proceeding, PWSA responded to Staff data requests through written testimony and the parties negotiated revised language for the LTIIP which was entered into the record as PWSA Hearing Exhibit No. 3 on August 21, 2019. Pursuant to direction in the *March 2020 Stage 1 Order*,⁵⁹⁶² PWSA filed the as amended LTIIP on April 27, 2020. Final Orders approving PWSA’s LTIIP for both water and wastewater were entered on August 27, 2020.⁶⁰⁶³ Attached as Amended Appendix C is PWSA’s Service Plan to Remove Lead Service Lines Exhibit in and Connected to

its Water Distribution System consistent with the *Stage 1 Partial Settlement* and the *March 2020 Stage 1 Order*. PWSA's Commission approved Water Tariff also sets forth PWSA's Lead Service Line Remediation program.⁶¹⁶⁴

Consistent with the Commission's direction in the *Stage 1 February 4, 2021 Order*, PWSA filed on April 1, 2021:

- Compliance Plan (revised page 125)
- Water Tariff Supplement No. 6
- Minor Modifications to PWSA's LTIIP pursuant to 52 Pa. Code § 121.5.

II. Cooperation Agreement and Act 70

Pursuant to 66 Pa.C.S. § 507 and the *Stage 1 Partial Settlement*,⁶²⁶⁵ PWSA filed the 2019 Cooperation Agreement between the City of Pittsburgh and PWSA.⁶³⁶⁶ PWSA's petition to Consolidate this proceeding with the *Second Rate Case* was denied by the ALJ on April 27, 2020.⁶⁴⁶⁷ On March 26, 2020, the Commission issued an Opinion and Order on the Compliance Plan and referred the 2019 Cooperation Agreement to the OALJ for further proceedings. A litigation schedule was developed and an evidentiary hearing was scheduled for September 22, 2020. The parties engaged in discovery. As noted previously, the Commission's resolutions of issues related to City billing and payment issues as set forth in the *March 2020 Stage 1 Order* were addressed as via Supplemental Direct Testimony served in PWSA's then-pending *Second Rate Case*.

On July 23, 2020, Governor Wolf signed Act 70, which, among other things, provides that the 2019 Cooperation Agreement has "the force and effect of law" until January 1, 2025, unless PWSA and the City mutually agree to an earlier termination date.⁶⁵⁶⁸ Also, Act 70 provides that the 2019 Cooperation Agreement shall "supersede, during the term of the cooperation agreement, any provision of 66 Pa.C.S. Pt. I, a commission regulation, policy

statement, order and regulatory proceeding as they pertain to issues covered by the cooperation agreement, including the authority's rates, terms and conditions of service rendered to the city and the respective rights and duties between the authority and the city.”⁶⁶[69](#)

As a result of Act 70, the litigation schedule was suspended and PWSA filed an Unopposed Petition for Leave to Withdraw on August 7, 2020. PWSA’s Petition was granted by Final Order entered October 14, 2020. As a result, PWSA withdrew its Supplemental Direct Testimony incorporating issues related to the *March 2020 Stage 1 Order*.

III. **Second Rate Case Proceeding Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater)**

On March 6, 2020, PWSA filed its *Second Rate Case* which was suspended and referred to the Office of Administrative Law Judge on April 16, 2020.⁶⁷[70](#) As discussed previously, PWSA’s *Second Rate Case* included a proposed stormwater tariff as PWSA Exhibit No. BD-4. The litigation of PWSA’s *Second Rate Case* included extensive discovery, several rounds of testimony and a voluntary suspension of the rate effective date as a result of the COVID-19 pandemic.⁶⁸[71](#) Ultimately, the parties reached a full settlement of PWSA’s *Second Rate Case* which was filed on September 30, 2020 and approved without modification by Commission order entered December 3, 2020.⁶⁹[72](#)

IV. **PWSA 2021 Rate Case Proceeding, Docket Nos. R-2021-3024773 (water), R-2021-3024774 (wastewater), and R-2021-3024779 (stormwater)**

On April 13, 2021, the Authority filed its *PWSA 2021 Rate Case* which was suspended and referred to the Office of Administrative Law Judge on May 20, 2021. As part of this filing, PWSA proposed its first stormwater fee and tariff to fund its stormwater management program and provide a more equitable rate structure to recover costs associated with stormwater service. The litigation of the *PWSA 2021 Rate Case* included extensive discovery, several rounds of

testimony and numerous settlement discussions. The parties ultimately reached a full settlement of the PWSA 2021 Rate Case which was filed on September 7, 2021 and approved without modification by Commission order entered November 18, 2021.

COMPLIANCE PLAN – CUSTOMER SERVICE ISSUES

I. Overview of PWSA’s Transition to Commission Customer Service Requirements

While this filing marks the ~~“official” start~~conclusion of the Compliance Plan Stage 2 proceeding to review customer service issues, PWSA has been addressing its customer service processes and compliance with the Commission’s customer service processes on a continuous and on-going basis since prior to April 1, 2018. As noted above, PWSA voluntarily agreed to use the Commission’s procedures to process customer disputes on and after April 1, 2018 in accordance with: (1) Pa Code Chapters 1, 3, and 5; and (2) 52 Pa. Code §§ 56.140-56.181. PWSA also agreed to use the Commission’s termination rules set forth at 52 Pa. Code §§ 56.81-56.131. To effectuate this, PWSA revised the applicable sections of its previously existing written “Rules and Regulations” which were filed on March 30, 2018 with the Commission as part of the documents constituting PWSA’s Official Prior Tariff.

A. Evolution of Customer Service Processes

1. Commission Staff Training and Feedback

PWSA has received significant guidance and assistance from staff of the Bureau of Consumer Services (“BCS”). BCS conducted several on-site trainings in Pittsburgh beginning in December 2017 to instruct PWSA staff on Commission regulations and policies. BCS staff also worked closely with PWSA management to review its practices and procedures to ensure compliance with Commission laws and regulations. During the transition period, all informal PWSA cases are reviewed by seasoned managers who communicate directly with PWSA

management to explain BCS decisions and to address compliance concerns. More recently, PWSA is contacted directly when there are complex cases for which investigators seek additional information, for purposes of facilitating discussions with the consumer, or if a case raises compliance concerns that need to be brought to PWSA's attention. PWSA has appreciated the input and assistance from BCS staff and has worked to update and revise its systems as appropriate to satisfy Commission expectations and requirements based on this BCS staff feedback.

2. Customer Service Changes Resulting From Initial and Second Rate Case Proceedings

In addition to this support from BCS staff and all the resulting changes to PWSA's processes and procedures, PWSA's customer service processes and other customer service topics were reviewed as part of PWSA's Initial Rate Case including all aspects of PWSA's processes for handling customer issues including: initiating new service, handling complaints, terminating and restoring service and seeking collection on unpaid amounts for services rendered. A substantial amount of the discovery submitted to PWSA during the Initial Rate Case, as well as the testimony of two witnesses on behalf of the Office of Consumer Advocate ("OCA") and two witnesses on behalf of Pittsburgh UNITED ("UNITED"), focused extensively on customer service issues. The parties engaged in significant discussions about customer service issues during their settlement discussions. The result of this extensive review by the parties in the Initial Rate Case litigation are reflected in the below Initial Rate Case Settlement commitments:

- i) identification of several concrete immediate actions that PWSA agreed to take to satisfy some concerns identified by the parties;
- ii) development of a process for PWSA to work cooperatively with the parties going-forward regarding specific issues (i.e. creation of PWSA's Low Income Assistance Advisory Committee);
- iii) deferring resolution of some of the more complex issues to the Compliance Plan Proceeding; and

- iv) PWSA agreed to provide more specific and detailed information about various customer service policies and procedures as discussed during the rate case proceeding.

The Initial Rate Case Settlement commitments were accomplished by: (1) filing supplemental information about its internal policies, procedures and processes related to six specific customer service issues as part of the Supplemental Compliance Plan dated February 1, 2019;⁷⁰⁷³ and (2) including an explanation of PWSA's current policies and practices related to seven specific customer service issues in direct testimony filed in the Compliance Plan Stage 1 proceeding.⁷¹⁷⁴

As part of its testimony submitted with PWSA's *Second Rate Case*, PWSA provided substantial detail about the effort that has been expended to bring its systems into compliance with Commission requirements and improve overall customer experience since coming under the jurisdiction of the Commission.⁷²⁷⁵ These efforts have included implementing better data tracking and information reporting,⁷³⁷⁶ undertaking a complete redesign of customer bills, revising nearly every aspect of PWSA's service termination processes and updating its customer service infrastructure including a newly redesigned website.⁷⁴⁷⁷

The Commission approved *Second Rate Case Settlement* included the following commitments from PWSA pertaining to customer service:⁷⁵⁷⁸

- PWSA will develop a program of customer service satisfaction surveys and implement the program within one year of the Commission's final order;
- Within 30 days of the final order, PWSA will eliminate the additional fees for residential customers to make Interactive Voice Response and on-line payments;
- PWSA will make reasonable efforts to meet or exceed its call center performance standards and to take steps to correct non-compliance where it occurs;
- PWSA will adopt a performance standard that measures PWSA's response time to leak reports within one year of the final order. Within six months of a

final order, PWSA will adopt a performance standard that measures whether appointments are kept by PWSA;

- As part of its continued improvement of field operations, PWSA's data enables all field work orders to identify water, sanitary sewer and stormwater;
- As part of its continued improvement regarding complaint tracking, PWSA maintains detailed information about consumer complaints that can be sorted by date, address, reason for the complaint, a designation of the PWSA system to which the complaint relates and the final disposition of the complaint; and
- PWSA will also provide specific customer service information in its Quarterly Compliance Plan Progress Reports filed at Docket No. M-2018-2640802.

Additionally, the Commission approved settlement in the *PWSA 2021 Rate Case* included the following additional commitments related to customer service:

- PWSA will commit to meeting its internal goals for its calls center of an average answer speed of ≤ 1 minute and an abandonment rate of $\leq 3\%$.
- PWSA will commit to meeting its internal goal of restoring service for outages that impact more than 2,000 customers within 6 hours.
- PWSA will ensure that complaints received about pressure, no water, faulty meters, non-registering meters, high consumption and previously unbilled consumption will be recorded and included in its internal log. PWSA will use best efforts to record and log complaints about high bills as well.
- PWSA agrees to identify complaints under the category "Investigate lit" and correctly classify them as being related to water, wastewater or stormwater.
- PWSA will undertake a root cause analysis of informal and formal complaints and identify and adopt reforms to reduce formal complaints, verified complaints and justified complaints.
- PWSA will evaluate its collection policies about seeking payment of back bills for meters that were not working properly or regularly read for an actual reading. Based on the results of this analysis, PWSA will identify and adopt reforms in an effort to reduce complaints regarding these issues, and will provide the results of its analysis, detail the reforms adopted and the results of such changes as part of its next base rate filing.
- PWSA will expand its customer education and notice about its use of liens to include adding language about its use of liens to customer notices, PWSA's website and PWSA's tariff.
- If PWSA elects to issue a Request for Proposal ("RFP") to engage with a third-party debt collection agency, PWSA agrees to provide notice to the parties in this proceeding and to consider comments and feedback regarding the proposal. PWSA will also provide notice and an opportunity for comment to LIAAC members.

3. COVID-19 Pandemic Related Customer Service Issues

On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency (“*Emergency Proclamation*”) that identified the COVID-19 pandemic as a disaster emergency affecting the entire Commonwealth. The Emergency Proclamation was subsequently renewed and extended ~~four~~five times with the ~~most recent~~final renewal signed on ~~February 19, 2021,~~
~~extending the Emergency Proclamation through~~ May 20, 2021.⁷⁶, and was subsequently
terminated by concurrent resolution of the General Assembly on June 19, 2021.⁷⁹ In response to the Emergency Proclamation, the Commission issued an *Moratorium on Terminations Emergency Order* on March 13, 2020 which established a prohibition on the termination of public utility service and directed the reconnection of service to customers previously terminated, to the extent it could be done safely, for the duration of the Emergency Proclamation, or until such time otherwise established by the Commission.⁷⁷⁸⁰ Consistent with the directive of the *Moratorium on Terminations Emergency Order*, PWSA ceased all collection activity that threatened termination of water service. Instead, PWSA Customer Service personnel transitioned to addressing accounts at risk of termination through Friendly Reminder letters via first class mail, payment counseling telephone calls and Notice of Intent to Lien letters. PWSA also actively promoted its ~~customers~~customer assistance programs via virtual group events, inclusion of program flyers in food distribution boxes and monthly bill messaging. Additionally, PWSA and the Dollar Energy Fund provided payment counseling during every customer interaction.

Given the timing of the Emergency Proclamation and the filing of the *Second Rate Case* (both occurred on the same day), the *Second Rate Case Settlement* included the following programs in response to the pandemic: a waiver of reconnection fees, targeted outreach,

expanded payment arrangements and waiver of the sincere payment requirement of its existing Hardship Grant Program.⁷⁸⁸¹ In recognition of the fact that expanded programs such as these will incur costs in addition to other costs PWSA is experiencing due to the COVID-19 pandemic, the *Second Rate Case Settlement* permits PWSA to track and record all COVID-19 Pandemic Costs so that it can make a claim for them in a future rate proceeding.⁷⁹⁸² Since the start of the COVID-19 pandemic, PWSA has taken thoughtful steps to protect customers and make it easier for customers to access and enroll in its Customer Assistance Programs.

On October 8, 2020, the Commission entered its *First Order Modifying Moratorium on Terminations* which moved from the absolute moratorium on terminations to a less restrictive phase permitting disconnections to commence effective November 9, 2020 subject to various conditions.⁸⁰⁸³ The *First Order Modifying Moratorium on Terminations* continued the termination moratorium for customers at or below 300% of the federal poverty income guidelines, under certain conditions, and established protections for certain residential and small business customers. The protections established in the *First Order Modifying Moratorium on Terminations* were set to expire on March 31, 2021. In response, PWSA elected to continue the suspension of terminations for all residential customers through March 31, 2021 consistent with the Chapter 14's statutory timeline for the Winter Shutoff Moratorium and its continuing commitment to recognize the impacts of the pandemic on its customers.⁸¹⁸⁴ PWSA has continued to pursue all the activities described previously that were initiated following the March 13, 2020 *Moratorium on Terminations Emergency Order*.

On March 18, 2021, the Commission issued an *Order Recommencing Terminations* “to return to the regular collections process as set forth in the Public Utility Code and the Commission’s Regulations, with some additional protections” effective April 1, 2021.⁸²⁸⁵

PWSA has implemented procedures to be consistent with the *Order Recommencing* Terminations with respect to non-residential accounts. Regarding collection of unpaid charges from residential customers, PWSA has launched a campaign to enroll customers in its assistance programs and payment plans in an effort to attract hard to reach delinquent customers and avoid shut off of their water service. A copy of the notice sent to customers is included in the Appendices

4. Customer Financial Assistance Programs

Although PWSA had not historically offered customer financial assistance programs and there are no specific Commission regulatory obligations to do so, in the fall of 2017 (prior to being regulated by the Commission) PWSA began to implement the various customer assistance programs. Below is a description of various programs as they exist today recognizing the modifications of the programs as a result of the various Commission proceedings since 2018:

- **Bill Discount Program (“BDP”)** – 100% reduction of fixed monthly water and wastewater conveyance charges for customers \leq 150% of the Federal Poverty Level. ~~There are a total of 4,530 customers enrolled in the Bill Discount Program as of this filing, and 506 of those 4,530 customers are also receiving a 20% reduction of their~~ BDP participants with household income between 0-50% of the Federal Poverty Level receive a 50% discount on volumetric ~~usage~~ charges. Additionally, all BDP participants receive an 85% discount on stormwater charges.
- **Hardship Program** – Grants up to \$300 per year for customers \leq 150% of the Federal Poverty Level; 126 customers have applied for grants via the 2020-2021 Hardship Program grant season, which began October 1, 2020, and 119 applicants were eligible and received grants totaling \$29,502.
- **Winter Shut Off Moratorium** – December 1st through March 31st for customers \leq 300% of the Federal Poverty Level. This program is currently in effect for *all* Residential customers, regardless of income.
- **Replacement of Private-Side Lead Service Line** - PWSA’s Lead Infrastructure Plan⁸³⁸⁶ includes an income-based reimbursement

program that assists eligible customers with the cost of replacing a private-side lead service line if the customer hires a contractor to replace the line. The income-based reimbursement program is available to eligible customers who replaced their private-side lead service line on or after January 1, 2019.

- [Arrearage Forgiveness Program \(“AFP”\) – Customer who enroll in BDP with a pre-existing arrearage and negotiate a payment arrangement are automatically enrolled in AFP. PWSA offers 60-month payment arrangements to all BDP participants.](#)

Also relevant regarding customer financial assistance programs and customer service issues is the creation of PWSA’s Low Income Assistance Advisory Committee (“LIAAC”) on March 2019 pursuant to the Initial Rate Case Settlement.⁸⁴⁸⁷ ~~Since that time, PWSA has continued to hold regular LIAAC meetings of LIAAC have been convened with the most recent meeting held on February 12, 2021.~~ Current member organizations of LIAAC include PWSA, PUC Bureau of Consumer Services, PUC Bureau of Investigation and Enforcement, PUC Office of Communications, Office of Consumer Advocate, Neighborhood Legal Services, Pittsburgh UNITED, Dollar Energy Fund, Common-Unity PGH, Pittsburgh Hispanic Chamber of Commerce, Neighborhood Allies, Jewish Family Community Services, Vision Towards Peace and Braddock Carnegie Library Board of Trustees. PWSA staff formulate a presentation for each meeting, which covers enhancements to the assistance programs, extensive outreach efforts and progress on commitments to explore affordability for vulnerable customers. While largely focused on better assisting low income customers in need of financial assistance, the LIAAC meetings have been instructive from a broader customer service perspective as a way for PWSA to receive insights and perspectives from the committee members. The LIAAC meetings have also served as a forum for organizations to inform the committee about their offerings and research regarding customer issues.

B. Summary of PWSA Internal Reorganization and Other Actions

Below are some of the initial internal reorganization and other actions that PWSA has taken to accommodate compliance with Commission regulations and requirements:

- PWSA created a new Compliance group in Customer Service, which involved the drafting of new job descriptions, interviewing and training;
- PWSA also held multiple training sessions with PWSA's Customer Service, Field Operations and Engineering departments to ensure that they understood the Commission's expectations and the changes needed to achieve compliance;
- PWSA has ensured that all Customer Service Representatives have been trained on the new processes and management staff is regularly monitoring and providing additional training;
- PWSA has revised all collection notices for common language and new notices, such as the 3-day termination of service and shut off posting, were created and put into use; and
- The Water Exoneration Hearing Board and associated appeal process were disbanded, as they were replaced by the Commission Complaint process.

As noted earlier, PWSA has continued to receive input from BCS staff as they review and process informal customer complaints. Since 2018, PWSA has made the following changes to its processes and procedures in response to BCS staff informally verified infractions:

- Utility Reports and BCS Informal Complaint responses now include more detail and information regarding PWSA's investigation, based upon BCS review and feedback;
- PWSA began addressing properties with six or more months of zero consumption and/or actual meter readings, including 1) soliciting customers for access to the property to replace the water meter, 2) employing the non-access process when customers fail to allow access, 3) watching post-meter replacement usage, 4) calculating back-billing of consumption in accordance with 52 Pa. Code § 56.14 and § 65.9 (c), and 5) issuing a cover letter of explanation to the customer directing them to contact Customer Service for payment plan options;
- PWSA updated its 10-Day Shut Off Notice to be modeled after the Commission's additional ten-day communication to be provided to customers whose unpaid balances put them at risk of termination after the lifting of the pandemic related moratorium on terminations;⁸⁵⁸⁸
- PWSA designed a new pop-up alert message to ensure that Customer Service Representatives are placing locks on accounts when an Inquiry or Dispute is identified;

- PUC Compliance at PWSA held after-incident meetings with PWSA Field Operations management personnel to address isolated incidences of inconsistent notification to customer for planned outages; and
- PUC Compliance at PWSA continues to enlist the assistance of the Senior Customer Service Training Coordinator when BCS issues infractions related to staff errors.

More recently, PWSA has expanded its customer service operations as follows:

- Customer Service at PWSA has expanded to include a Quality Control Manager, whose primary responsibilities are 1) to evaluate the performance of employees working to record corrective and preventative maintenance on horizontal and vertical assets of the Authority in the SpryMobile Work Orders and Asset Management application, 2) provide training and follow-up monitoring to ensure improved consistency and accuracy in data entries, and 3) continue to build out the app with updates to work orders, workflows, and additional assets such as those at the Water Treatment Plant. The Manager will recognize employee development needs, provide coaching and arrange on the job site training to promote quality control measures. Further, the Manager will be working with Field Operations management personnel to produce Standard Operating procedures to document all field processes. To support the Manager in this new role, PWSA has created the SpryMobile Change Control Board, the purpose of which is to review and approve planned changes in the app. The Control Board will work to ensure that they consider whether there are any unintended consequences to suggesting changes, ensure the data being collected can be used effectively by other teams such as GIS and to think through the training and communication needed for field staff to ensure consistency.
- Another area of expansion in Customer Service is within the PUC Compliance team. Compliance has grown to include a Paralegal Supervisor and the launch of the PGH2O Cares Team. Having the Paralegal Supervisor report to the Senior PUC Compliance Manager will facilitate the accurate preparation and timely filing of legal documents in response to Commission deadlines, streamline the Formal Complaint response process at PWSA including the tracking of reports to Mediators, guarantee timely filing of monthly and annual Commission reporting requirements, and oversee the filing of municipal liens to allow PWSA to collect unpaid water and wastewater charges.
- PWSA has created the PGH2O Cares Team comprised of a PGH2O Cares Coordinator and two Analysts effective February 15, 2021. PWSA was able to promote from within to fill the roles of PGH2O Cares Coordinator and two PGH2O Cares Analysts. These promotions allow the Cares team to build on their already extensive knowledge of PWSA's Water and Wastewater Tariffs, processes, and procedures. The primary responsibility of the team is to increase enrolment in PWSA's customer assistance programs. The team will also track assistance program enrolment numbers, including confirmed low income, work with PWSA's administrator Dollar Energy Fund to enable the Cares team to

enroll customers directly and develop productive relationships with community based organizations to engage low-income customers who have yet to enroll.

- PWSA's in-house Legal department has recently been placed under the guidance of Customer Service. Overseeing the processing of Right to Know requests, Claims for Damages, agreement review, contract review, easements, lien filing and responses to requests for in-house counsel legal opinion and review will allow PWSA to apply its highest quality service to the Legal department's internal and external customers. As part of the on-boarding of the Risk Coordinator and the Corporate Counsel, PWSA is identifying where 1) communication touchpoints with internal/external customers should be inserted, 2) workflows should be developed for immediate refining and inclusion in the 2022 SAP implementation, and 3) support by existing Customer Service personnel can be provided. At the same time, PWSA is formulating legal metrics that will be tracked and reported on monthly for inclusion into Headwaters.⁸⁶⁸⁹

Below is a list of Customer service accomplishments for the year 2020:

Advanced Metering Infrastructure (AMI)	<ul style="list-style-type: none"> ✓ Processed 5,550 meter changes on customer accounts ✓ Achieved an actual read rate of 95%, up from 91% in the prior year ✓ Increased the number of non-residential customers reporting annual backflow test results in SpryBackflow to 3,243
Billing	<ul style="list-style-type: none"> ✓ Billed 110,588 water/wastewater accounts monthly ✓ Maintained zero unbilled accounts each month ✓ Enabled a webform for the collection of Self-Reported Meter Readings ✓ Launched a redesigned PGH2o bill format in June 2020 per the PA PUC Compliance Plan ✓ Created two new promotional positions to build redundancy in the customer billing process ✓ Contributed to weekly project meetings over 5 months to prepare for the KUBRA (bill print/mail/EBPP) go-live in January 2021
Collections	<ul style="list-style-type: none"> ✓ Issued 59,904 Friendly Reminders to customers with past due water/wastewater conveyance charges ✓ Contacted 9,433 delinquent customers via personal telephone calls to offer payment arrangements and the customer assistance programs ✓ Issued 4,253 notices of intent to lien and collected \$1.5M in aged debt ✓ Created a Personal Contact Services RFP in preparation for PUC Compliance Plan Stage 2
Contact Center	<ul style="list-style-type: none"> ✓ Hired and trained 4 Customer Service Representatives <i>remotely</i> ✓ Handled 130,050 customer calls in 2020 ✓ Secured an average call abandonment rate of 1.1% and an average speed of answer of 23 seconds ✓ Standardized the training documents in the CS Training Binder ✓ Enabled After Call Surveys for all queues to meet a PUC rate case settlement requirement
Emergency Dispatch	<ul style="list-style-type: none"> ✓ Hired and trained 1 Dispatcher <i>remotely</i> ✓ Responded to 1,478 interruptions of service

	<ul style="list-style-type: none"> ✓ Designed and created additional work order types in SpryMobile
Permits	<ul style="list-style-type: none"> ✓ Responded to 5,068 dye testing certification requests in 10 days or less ✓ Collected \$5.9M in permitting fees
PUC Compliance	<ul style="list-style-type: none"> ✓ Hired and trained 1 Compliance Analyst <i>remotely</i> ✓ Responded to 1,490 dissatisfied customers (1.4% of our customer base) ✓ Identified and billed previously unbilled service charges totaling \$912K

II. Other Information As Agreed To In Prior Settlements For Stage 2 Customer Service Issues

PWSA committed to providing information regarding customer service issues in both the *Stage 1 Partial Settlement* and the *Initial Rate Case Settlement*. More specifically, in the *Stage 1 Partial Settlement*, PWSA agreed to provide the following in advance of the Stage 1 litigation:

(1) a chronological description of PWSA’s current termination procedure; (b) an update regarding the status of its collection plan; and (3) an update regarding PWSA’s policies for tenants to establish and maintain service pursuant to DSLPA.⁸⁷⁹⁰ All of this information is discussed further below in the applicable Chapter 56 and DSLPA sections. Chronological descriptions of PWSA’s termination procedures are included in the Appendices.

In its *Initial Rate Case Settlement*, PWSA agreed to provide information regarding: (1) development of call center metrics; (2) plan for improving call center performance; (3) policies and procedures for consumers with a Protection from Abuse Order; (4) policies and procedures regarding initiation of new service or transferring service to new customers; (5) data regarding payment processing fees assessed by its existing third party processor; and (6) policies and procedures regarding personal contact with an adult occupant at a residential property immediately prior to termination.⁸⁸⁹¹ With the exception of information regarding PWSA’s call center performance, all of the other issues are addressed below in the applicable Chapter 56 sections.

Regarding customer service, PWSA includes call center metrics with its Quarterly Compliance Plan Progress reports. ~~The metrics for February 2021 are included in the Appendices.~~ Consistent with its *Second Rate Case Settlement* commitment, PWSA enabled After Call Surveys for all queues. PWSA worked with its telephone system and Automated Call Distribution (ACD) vendor, Mitel, on a project lasting two months to program survey functionality linked to the ACD queues of AMI, Billing and Metering, Collections, Emergency Dispatch, Escalation, General, Lead Help and Permits. After each call, the Customer Service Representatives (CSR's) have been trained to offer the option of the customer remaining on the line to take a brief survey. Once the CSR ends the call, the customer is routed directly to the survey, and the prompts are recorded in the same voice talent as the outgoing messaging when the customer calls PWSA at 412-255-2423 to achieve familiarity within the customer experience. Customers taking the survey questions are asked to rate the following:

Your call is now being routed to take a short survey on the quality of PWSA's service. Press 1 to continue, or press 2 to disconnect and end your call.	
1	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your satisfaction with the Customer Service Representative who assisted you today.
2	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your satisfaction with the resolution of your most recent inquiry to PWSA.
3	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your overall satisfaction with PWSA's responsiveness to your questions concerning your water and/or wastewater services.
4	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate your overall satisfaction with the quality of the water and/or wastewater services provided to you by PWSA.
5	On a scale of 1 to 5, with 5 being Extremely Satisfied and 1 being Extremely Dissatisfied, please rate PWSA's overall performance as a water and wastewater utility.

Following these five questions, the customer is presented with the option to leave a voicemail message with their feedback. These survey voicemails are reviewed by members of

the Customer Service management team as they are received. The Customer Service management personnel take one of the following actions:

- If the customer states in their survey voicemail that there is an unresolved matter, the voicemail is routed to the responsible party with a copy to the Director of Customer Service for follow-up. The responsible party is encouraged to communicate with the customer to resolve the matter on that same day.
- If the customer speaks well of the service provided by a specific CSR with more than one comment in their survey voicemail, a “Survey Accolade” email is issued to the employees answering all queues with a congratulatory message and details of the customer’s comments.
- If the customer speaks well of the service provided by a specific CSR with only one comment (e.g., “John was pleasant”) in their survey voicemail, or the customer does not identify the CSR by name, the voicemail is archived.

At the end of each month, the survey data is analyzed by the PWSA Management Information Systems (MIS) department, and that analysis is shared with the Customer Service management team to identify trends such as:

- Employees with ample survey responses and high scores in questions #1 and #2
- Employees with ample survey responses and low scores in questions #1 and #2
- Employees lacking in ample survey response data
- High scores in questions #3, #4, and #5
- Low scores in questions #3, #4, and #5

The Customer Service Manager encourages employees with inadequate survey data to route every caller to the survey at the end of each call. The Senior Customer Service Training Coordinator schedules live call monitoring and coaching of employees with low scores on average, giving them tips to improve their call resolution skills in real time.

III. Chapter 56 and Discontinuance of Service to Leased Premises Act, 66 Pa.C.S. §§ 1521-1533 Compliance

Chapter 56 of the Commission’s regulations, 52 Pa. Code § 56.1 *et seq.*, was created to establish and enforce “uniform, fair, and equitable residential public utility service standards.” Specifically, Chapter 56 deals with eligibility criteria; credit and deposit practices; and account billing, termination, and customer complaint procedures, thereby ensuring adequate provision of service, restricting unreasonable termination of or refusal to provide that service, and eliminating opportunities for customers capable of paying for service to avoid doing so. The Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1521-1533, details processes that utilities must provide when providing notice of pending termination to landlord accounts, where a tenant occupies the premises but is not a customer listed on the account.

PWSA believes that it is currently in compliance with most of Chapter 56 and DSLPA, partly as a result of changes to its billing practices made through its 2018 base rate proceeding,⁸⁹⁹² Stage 1 of the Compliance Plan proceeding,⁹⁰⁹³ and stakeholder workshops convened by the Commission’s Bureau of Consumer Services (“BCS”), [and the commitments approved in the settlement of the Stage 2 Compliance Plan proceeding](#). As will be discussed further below, during the four BCS stakeholder workshops, PWSA prepared and presented written documentation regarding agenda items in advance of each meeting, responded to specific questions and discussed processes and procedures during each meeting, and provided follow-up information and documents subsequent to each meeting.

A. Subchapter A. Section 56.1: Preliminary Provisions for Utilities and Customers Subject to Chapter 14 of the Public Utility Code

Section 56.1 establishes the purpose and policy for Chapter 56 and specifies that Subchapters A-K of Chapter 56 apply to electric distribution utilities, natural gas distribution utilities, wastewater utilities, steam heat utilities, small natural gas utilities and water distribution

utilities, and that subchapters L-V to all customers who have been granted protection from abuse orders as provided by 23 Pa.C.S. Chapter 61 or a court order issued by a court of competent jurisdiction in this Commonwealth which provides clear evidence of domestic violence against the applicant or customer. As a water and wastewater utility, PWSA is subject to subchapters A-V, and is currently in compliance with the preliminary provisions for utility customers under Chapter 14 of the Public Utility Code. Subchapters L-V are applied only to customers who are domestic violence victims consistent with the requirements of 66 Pa.C.S. § 1417 and the Commission's regulations. To be clear, whether PWSA provides water, wastewater conveyance, stormwater or some combination to a customer, PWSA is applying the requirements of Subchapter L-V to domestic violence victims consistent with statutory and regulatory requirements.

1. BCS Workshop Discussion - Definitions

Section 56.2 sets forth definitions for various terms used in the Chapter 56 regulations. During the February 21, 2019 BCS Workshop, questions were raised about various definitions in PWSA's tariffs. PWSA's current compliance status regarding each of the definitional issues raised is set forth below.

2. PWSA Compliance Status - Definitions

Applicant, Customer, Occupant and Person

PWSA's existing Tariff definitions are different from those in Chapter 14 and 56. The differences, however, are not intended to deny any applicant, customer, occupant or person any rights provided to them pursuant to Chapters 14 and 56 nor any applicable rights provided pursuant to DSLPA. Rather, the differences are intended to clarify responsibility for the debt that is incurred at the property to preserve PWSA's right to pursue a lien for payment. Notwithstanding the difference, PWSA believes it is in compliance with these sections.

PWSA is a municipal authority and pursues municipal liens pursuant to the Municipal Claims and Tax Liens statute (“Municipal Lien Law”) on property where water and/or wastewater charges remain unpaid. ⁹¹⁹⁴ According to the Municipal Lien Law, the real estate is subject to a municipal lien ⁹²⁹⁵ and PWSA may impose liability on the owner of the property for the failure of the owner’s tenant to satisfy the payment obligations. ⁹³⁹⁶ The Commission has recognized the ability of PWSA to apply a lien to property for the purpose of collecting unpaid debt associated with properties that it services. ⁹⁴⁹⁷ The definitions in PWSA’s Tariff as well as the operating procedures set forth in the Tariff are designed to ensure that the owner of a property remains liable for the ultimate payment of PWSA’s utility service through the lien process. Thus, property owners remain responsible for paying for water service until the issuance of a Notice of Intent to Disconnect or replacement by a new property owner. ⁹⁵⁹⁸ “Owner” is defined by PWSA’s tariff as “the person having an interest as owner. . . in any Premises that are about to be supplied with water or provided with sewer service by the Authority.” ⁹⁶⁹⁹ PWSA always maintains the debt with the property – regardless of whether the property is tenant-occupied or whether a new owner takes over the property. Because PWSA has the power to lien the property for unpaid debt pursuant to the Municipal Claims and Tax Liens Law, PWSA maintains the debt at the property and – if so required – preserves the right to pursue collection of any unpaid debt through the appropriate lien processes pursuant to the Municipal Claims and Tax Liens Law. ⁹⁷¹⁰⁰

As part of the Stage 2 Compliance Plan Settlement, PWSA has agreed to modify the definitions of “Customer” and “Applicant” as set forth in 66 Pa. C.S. § 1403, as well as the definitions of “Occupant” and “Person” as set forth in 52 Pa. Code § 56.2.¹⁰¹ As will be discussed in more detail below, these modified definitions will reflect new processes that allow a

tenant to become a customer of PWSA. However, the property owner still remains ultimately responsible for any unpaid charges associated with the property, and PWSA maintains its right to pursue collection of any unpaid debt through appropriate lien processes.

~~Similar to other municipal authorities, PWSA's processes include permitting tenants to accept responsibility for paying for services rendered to the property where they are residing through completion of PWSA's forms. This can be done at the tenant's option but is not a requirement for tenants to exercise their right to continued service pursuant to DSPLA or to receive the protections to which they are entitled pursuant to Chapters 14 and 55. Importantly, though, whether PWSA accepts payment from tenants because they have completed PWSA's forms or have exercised their rights pursuant to DSPLA without the completion of those forms, any outstanding debt at the property ultimately remains with the property and may be subject to PWSA's pursuit of a judgment on a lien.~~

~~If a tenant elects to complete an Owner-Tenant Addition Form, he or she is agreeing to pay for charges incurred while the tenant occupies the property. The instructions for the Change of Address—Owner/Tenant Form specifically state that “it is the policy of the Authority that the owner of the property pay any outstanding charges prior to the submission of the bills to the tenant”⁹⁸ The Change of Address—Owner/Tenant Form states that “a monthly invoice will be sent to the tenant and a copy will be sent to the owner” and that Owners and Property Managers are considered the “master account holder” and must pay any balance in full before the tenant assumes responsibility for the billing. The Assumption of Liability Form is used to provide a new billing name and address and is not one that is generally used for tenants to establish themselves as the “owner” of a property.~~

~~For purposes of PWSA's ability to pursue its right to lien a property, the debt will remain with the property and a non-owner would not be assigned that responsibility. Tenants may, however, voluntarily agree to be responsible for prior outstanding PWSA charges at a property if the service is individually metered and the tenant consents to establishing service under his or her name. In this limited scenario, the tenant may establish service in his or her name, but only if the service is individually metered and the tenant consents in writing. None of PWSA's forms are intended to reassign liability for PWSA's outstanding bills at a particular property, as the debt always stays with the property to enable PWSA to exercise its right to pursue a lien. The forms do, however, present tenants with a voluntary option to agree to pay any outstanding charges at the property and/or to agree to be responsible for future charges incurred at the property. The forms are important because they require landlords and tenants to provide PWSA with accurate information about who is taking on responsibility for payment of PWSA's bills at any particular point in time, though the ultimate responsibility for any unpaid debt at a tenant occupied property will always remain with the property, thus preserving PWSA's ability to pursue a municipal lien to collect the amounts due for services rendered. Moreover, the existing Tariff definitions for Guarantor and Guaranteed Lessee are not intended to "force" a landlord of a residential dwelling to accept responsibility for a tenant's bill by refusing to establish service in the tenant's name unless the landlord agrees to become a Guarantor. Per Part III, Section C.1.e., a Guarantor seeking to terminate its customer relationship with the Authority must provide proof that it has notified its Guaranteed Lessee about its intent to discontinue service. PWSA proposes to remove the existing tariff definitions for Guarantor and Guaranteed Lessee as its practice is to always bill the owner of record with an optional copy of the bill to the tenant.~~

~~Thus, while PWSA's Tariff definitions are different from those in Chapters 14 and 56, the differences are not intended to deny tenants of any rights provided to them pursuant to Chapters 14 and 56 nor rights afforded to them pursuant to the Discontinuance of Service to Leased Premises Act ("DSLPA").⁹⁹ Rather, they are intended to clarify responsibility for the debt that is incurred at the property and preserve PWSA's statutory right to pursue a lien for payment.~~

PWSA's Tariff includes definitions for "Tenant" and "Protected-Tenant" for the purpose of clarifying when and what type of notice requirements pursuant DSLPA are applicable as set forth in Part III, Section C.j regarding Notice of Termination Form.

Treatment of Persons Receiving and/or Seeking Service

In the Stage 2 Compliance Plan Settlement, PWSA agreed to modify its processes to allow a tenant to become a PWSA customer. The Settlement includes detailed terms regarding how tenants may apply to become a customer.

In order to become a PWSA customer, Tenant Applicants will be required to submit **either** a Revised Owner/Tenant Form **or** provide other proof of tenancy. The Revised Owner/Tenant Form will be changed to: make clear tenant is the customer; state the responsibilities of both owner and tenant; and include additional disclosure regarding liens. PWSA will prepare a draft of the Revised Owner/Tenant Form and will share the draft with the parties to this proceeding.¹⁰²

Tenant Applicant may provide other proof of tenancy that may be provided to establish service as a customer, which includes: a copy of the lease, or, in lieu of a written lease, a written or oral attestation of the property owner; a driver's license, photo identification, medical assistance, or food stamp identification or any similar document issued by any public agency which contains the name and address of the tenant; or other utility bill or bank statement with the customer's name and address.¹⁰³

PWSA will notify the Tenant Applicant that the property owner will receive copies of bills and notices related to the account, including high consumption notices and any termination notices. This notice will be provided consistent with method of application, including oral disclosure by a customer service representative, language included on the Owner/Tenant form, and information on PWSA's website, the Customer Usage Portal and the Tenant Welcome Letter. Depending on the method of application, PWSA will provide a method for the Tenant Applicant to acknowledge that he or she has been informed about what information will be provided to the property owner. Such method may include oral acknowledgment or written confirmation on the Owner/Tenant Form.¹⁰⁴

No later than six months after successful implementation of its new SAP billing system, at the time and using the method that PWSA provides the notice in B.1.b.i, PWSA will also notify Tenant Applicants of the option to opt-out of PWSA sending the property owner copies of the bills and other notices related to the account.¹⁰⁵

For any Tenant Applicants and Tenant Customers expressing an affirmative desire to opt-out, PWSA will limit the notices to be provided to the property owner (in addition to the customer) to the following:

- A new account past due notice identifying only the amount overdue will be developed and sent to the property owner 30 days after the date the unpaid charges were issued;
- If charges continue to remain unpaid, PWSA will send a copy of the 10-day notice and all subsequent non-payment notices to the property owner in accordance with current processes;
- A copy of any high consumption notice that is warranted based on PWSA's standard pre-bill review for accounts with usage that is at or greater than 200% of the previously recorded monthly usage and over 9,000 gallons;
- A copy of any other notices, such as Waste of Water, Lead Service Line Replacement or any other notice related to public safety, that require action by the property owner as a condition of PWSA continuing to provide water.

Upon being offered the option to opt-out, Tenants will be informed that even if they opt-out, their landlord will still be provided with the notices listed above.¹⁰⁶

Regarding property owners of properties where the tenant applies to become customer, the Stage 2 Compliance Plan Settlement provides the following terms. PWSA will not require property owner approval to allow a tenant to apply for service and/or become a customer. PWSA will develop new Property Owner Letter to be sent at the time a tenant becomes a customer informing the Property Owner of the addition of the tenant and the information that will be shared with the Property Owner. If a tenant customer chooses to opt-out of the normal property owner notice process, the new Property Owner Letter will inform the property owner of that selection.¹⁰⁷

PWSA will develop a Tenant Welcome Letter to be sent to a new tenant customer. This Tenant Welcome Letter will include: a notice of move-in date; an explanation of the responsibility of the tenant to pay for charges incurred at the property until PWSA is notified that the tenant is no longer at the property or a new Tenant Applicant is accepted as a customer for the account; notice that the property owner will continue to receive a copy of the bill and all other notices related to the property; once implemented, information on the tenant's option to limit the disclosure of account information to the property owner; information about PWSA's Customer Usage Portal; information about PWSA's customer assistance programs; and, information about domestic violence protections and medical certificates. A draft of the new Tenant Welcome Letter will be shared with the parties to this proceeding.¹⁰⁸

Once a tenant becomes a customer, PWSA will provide the tenant customer all applicable rights of residential utility customers pursuant to the Public Utility Code, Commission

[regulations, and Commission policies and orders. Tenant Customers will also be eligible to apply for PWSA's customer assistance programs.¹⁰⁹](#)

Automatic Meter Reading

Section 56.2 includes a definition for Remote Reading Device as a device which by electric impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside of a residence. There is also a definition for Automatic Meter Reading (“AMR”), which includes metering technologies that read and collect data from metering devices and transfer that data to a central database for billing and other related purposes. Part II, No. 37 (page 24) of PWSA’s current tariff includes a definition of Remote Reading Device as a device that is generally affixed to the outside of a Premises or a meter installation and remotely collects and transmits Meter data. PWSA’s tariff does not include a definition for AMR.

Since the 1980’s, PWSA has progressed from manual water meter reading, to reading of remote reading devices via handheld equipment, to the installation of a fixed base Advanced Metering Infrastructure (“AMI”) network. The AMI network is an integrated system of smart meters, communication networks and data management systems that enables two-way communication between utilities and customers. The Meter Transceiver Unit (“MXU”) of PWSA’s AMI network is a radio signal device which permits off-site meter reading via radio signals to a collector that gathers hourly water meter readings from tens of thousands of water meters and stores them in an accessible database. PWSA’s transition to the AMI network has allowed PWSA to increase its actual meter reading rate from 89% to 94% since coming under regulation by the Commission.

Given PWSA's reliance on AMI as its network to collect data and transfer it to a central database, PWSA ~~proposes to~~will include the definition for AMI in its tariff. With this change, PWSA believes it ~~will be~~is in compliance regarding this definition.

Billing Month and Billing Period

BCS Staff asked whether PWSA's billing month is consistent with the Chapter 56 definition of "a period of not less than 26 days and not more than 35 days" with exceptions for initial and final bills, rebillings and bills affected by meter route changes. PWSA's Tariff does not include definitions for these terms; however, PWSA confirmed during the discussion that it has processes in place to comply with the Chapter 56 requirements and PWSA believes its processes are in compliance with the regulations. The number of days in a billing month is maintained through the pre-billing edit process. PWSA Billing personnel run a report for each billing cycle that indicates how many days there are in the service period. If a service period falls outside of the range of 26 to 35 days, PWSA personnel will add a new "to" reading date that is within range. On average, PWSA maintains service period of 30 days. PWSA believe it is in compliance with the regulatory requirements.

Nonresidential Service Definition

BCS Staff asked about PWSA's Tariff definition for "Nonresidential Service" stating that master-metered mobile homes or multi-tenant apartment buildings providing service to residential occupants would fall under the jurisdiction DSPLA and Chapters 14 and 56.

PWSA uses the classification for purposes of billing. If there is a residential component for any of these properties, PWSA codes it to ensure that all required Chapter 56/DSPLA notices are provided. As such, PWSA believes it is in compliance with this definition.

Unauthorized Use of Utility Service and User Without Contract Definitions

As part of the Stage 2 Compliance Plan settlement, PWSA agreed to adopt the definition of “Unauthorized Use of Utility Service” set forth in 52 Pa. Code § 56.2. Going forward, PWSA will use this definition to describe “theft of service” in its tariffs. PWSA also agreed to adopt the definition of “User Without Contract” as stated in 52 Pa. Code § 56.2, noting that this would only apply if PWSA is not billing the property or the property owner.

B. Subchapter B. Sections 56.11 – 56.25: Billing and Payment Standards

Sections 56.11 through 56.17 relate to billing frequency; meter reading, estimated billing, and customer readings; billings for merchandise; previously unbilled service; billing information; transfer of accounts; and advance payments. Sections 56.21 through 56.25 concern payment; accrual of overdue payment charges; application of partial payments between public utility and other services; application of partial payments among several bills for public utility service; and electronic bill payment.

1. BCS Workshop Discussion

During the February 21, 2019 BCS Workshop, discussions including billing frequency, electronic billing, bill estimates, PWSA’s Non-Access program, PWSA’s read rate, itemization of nonbasic charges, catch-up bills, and partial payment.

2. PWSA Compliance Status

PWSA believes that it is currently in compliance with all standards included in these sections. In addition to PWSA’s charges for wastewater conveyance and – for some customers – water service, PWSA’s bills also include stormwater charges ~~upon final order from the Commission in PWSA’s to be filed stormwater rate case at Docket No. R-2021-3024779.~~ In addition to PWSA’s basic service charges for its utility services, PWSA’s bills include the

charges of the Allegheny County Sanitary Authority (“ALCOSAN”). ALCOSAN treats the wastewater that is conveyed by PWSA to ALCOSAN. PWSA does not have any control or authority over the rates that ALCOSAN charges. Through various long-standing contractual arrangements, ALCOSAN charges are passed through on PWSA’s bills. PWSA is required to pursue all collections related to these ALCOSAN charges; however, PWSA is required to pay ALCOSAN for 100% of the charges that are billed to customers.

Billing Frequency, Bill Content and Electronic Billing

PWSA’s current bill is in compliance with Commission regulations. PWSA has previously agreed to modify its customer bill as part of its *Initial Rate Case Settlement* to comply with Section 56.15.⁴⁰⁹¹¹⁰ PWSA completed this task as of June 3, 2020. The redesigned monthly PWSA bill was issued to all customers throughout the month of June 2020, including an infographic bill insert explaining the enhancements. On October 14, 2020, BCS emailed additional requirements that PWSA worked with the new bill print/mail/EBPP vendor to implement as of January 5, 2021. The new requirements that were successfully implemented in January 2021 are 1) customers receiving the Bill Discount rate now see the message “Residential Discount Program” printed in the My Billing Details on the back of the bill, and 2) more descriptive messaging for ALCOSAN wastewater treatment charges appears on the back of the bill as well. The bill design changes that cannot be implemented at this time due to existing restraints in the current Customer Information System (“CIS”) include the display of the meter size and other water company usage in 100’s of gallons. PWSA is working to include these two bill display items with implementation of its Enterprise Resource ~~planning~~ Planning system ~~currently scheduled to go~~ that went live in August 2022. PWSA’s bill was redesigned to satisfy Commission requirements including Section 56.13 (billings for non-basic service) and 56.15 (billing information).

PWSA offers electronic billing consistent with the requirements of Section 56.11(b). The electronic billing option provides a .pdf of the actual bill and all inserts. Regarding Section 56.11(b)(5) requiring the inclusion of an option to contribute to the public utility's hardship fund if the public utility is able to accept hardship fund contribution by this method, PWSA has only recently developed processes to enable customers to contribute to its Hardship Grant Program. In January 2021, PWSA initiated a campaign that included a letter explaining the fundraising effort that was mailed separately from the bill with both online donation instructions and a tear off section that could be mailed directly to PWSA's fund administrator, Dollar Energy Fund, with the donation. PWSA is in the process of adding the ability for customers to include additional payment with their monthly bills to be designated for the Hardship Grant Program. This functionality is expected to be available in August 2022. When it is available on the monthly bill, it will also be available electronically as PWSA's electronic billing will include a pdf of the paper bill.

Bill Estimates, PWSA Non-Access Program

Generally, Section 56.12 requires PWSA to obtain an actual or customer read every 6-months and an actual meter read once every 12 months. PWSA believes its processes in place achieve compliance with these requirements. PWSA's goal is to get an actual reading every month, though the ability of PWSA to obtain actual meter readings or customer supplied readings at least every 6 months pursuant to Section 56.12(4)(ii) has been a challenge due to customers' anxiety pertaining to in-home appointments during the COVID-19 pandemic.

~~Currently there are 4,079 customers who fall into the category of consecutively estimated readings of six months or more.~~

PWSA has implemented a number of procedures to address this issue. For properties with six or more months of zero consumption and/or actual meter readings, PWSA will solicit

the customer for access to the property to replace the water meter. If the customer contacted PWSA and an appointment was made but PWSA is still unable to complete the work, it will notify customer in writing. A Customer Access Necessary letter is utilized when items need to be moved by the customer to provide access to the water meter. A Customer Repairs Necessary letter addresses when the plumbing adjacent to the meter requires repair by the customer before the meter can be changed. Copies of these letters are included in the Appendices.

If access continues to not be granted, PWSA employs the process of its Non-Access Program implemented in 2019 for the purpose of encouraging customers to enable PWSA to enter their properties to reach meters. Until a customer contacts PWSA to schedule an appointment for a repair/replacement of their water meter, PWSA embarks upon the below process:.

- Non-Access Process – Owner Occupied
 - Mail 5 day courtesy letter.
 - If customer makes appointment but PWSA unable to gain access, mail either Customer Repairs Necessary or Customer Access Necessary letters providing 30 days to reschedule
 - If customer does not make an appointment, mail a 10 day letter.
 - If customer still does not make an appointment, post a 3 day notice.
 - If customer still does not make an appointment, shut at curb and post a shut off posting notice.
- Non-Access Process – Tenant Occupied
 - Mail 5 day courtesy letter.
 - If customer makes appointment but PWSA unable to gain access, mail either Customer Repairs Necessary or Customer Access Necessary letters providing 30 days to reschedule.
 - If customer does not make an appointment, mail a 37 day letter to the owner.
 - If customer still does not make an appointment, post a 30 day notice on the property.
 - If customer still does not make an appointment, post a 3 day notice.

- If customer does not make an appointment, mail a 10 day letter.
- If customer still does not make an appointment, shut at curb and post a shut off posting notice.

Prior to the pandemic and restrictions on the ability of PWSA to enter into customer homes, the PWSA's Non-Access Program was achieving significant success. As of February 2019, PWSA's meter read rate was up to 94% (in contrast with 89% in October 2017). Between May 2018 and December 1, 2019, PWSA had repaired or replaced 13,032.⁺⁰¹¹¹¹ In 2020, the number repaired or replaced was 5,550. PWSA anticipates that as the pandemic restrictions ease, it will be able to ramp up this program and continue its forward progression to upgrade meters as needed.

PWSA can provide estimates to customers who contact PWSA for the information. Consistent with Section 56.12(2), PWSA has implemented processes to give customers the opportunity to read the meter and report the quantity of usage in lieu of the estimated bill. Currently, customers may utilize a link on PWSA's website⁺⁰²¹¹² to enter their water meter readings or call AMI directly to either speak with a representative or leave a voice mail message to self-report their water meter readings.

PWSA also utilizes information gathered from other processes to address a lack of actual meter readings. For example, PWSA uses a "drive by device" which can pick up signals. This process will not, however, successfully pick up signals for tampered meters or those wired improperly. PWSA also provides customers access to a usage portal which is a free tool that helps customers track their real-time water usage and receive alerts when there is a spike in water usage.⁺⁰³¹¹³ Setting usage alerts can help customers detect water leaks and encourage conservation in the home or business. Customers with estimated meter readings on their monthly bills are encouraged with bill messaging to call PWSA Customer Service. PWSA also has dispatchers available 24 hours and plumbers on shift who can address meter repair issues.

Finally, if PWSA is unable to get an actual read within six months, it will begin the termination process. The notices pursuant to PWSA's termination process can also lead to the customer contacting PWSA to address issues with actual meter reads. If the customer's service is terminated and the customer contacts PWSA, PWSA will repair or replace meter as may be needed as part of its restoration of service process.

Previously Unbilled Service

Section 56.14 sets forth requirements a utility must follow when it renders a make-up bill for previously unbilled service which accrued within the past four years resulting from public utility billing error, meter failure, leakage that could not have been reasonably detected or loss of service. PWSA is in compliance with these requirements.

PWSA identifies these situations during the pre-bill editing process. At that time a report is run in the billing system to identify all meter readings that result in consumption that is 200% greater than the previous month's consumption and is over 9,000 gallons. Each identified account is reviewed to determine if it is reflective of catch-up consumption based on an actual meter reading following consecutively estimated meter readings. Credit for minimum consumption is given for each month that the account was estimated for less than the allowable monthly usage by meter size. The posting of this credit adjustment includes noting the service period and the gallons credited. If the water service was coded as shut at the curb during the months that the estimated meter readings occurred, a credit for minimum monthly consumption will not be given. A Previously Unbilled Service Notification is mailed to the customer and comments documenting same are added to the account. A sample of PWSA's customer notice is included in the Appendices.

Customers are advised in writing that they may contact Customer Service for payment plan options. Pursuant to Section 56.14(1), PWSA will amortize the bill and extend at least as

long as the period during which the excess amount accrued or necessary so that the quantity of service billed in any one billing period is not greater than normal estimated quantity for the period plus 50%.

Customer Request to Discontinue Service

Section 56.16 requires a customer to give a utility and a noncustomer occupant at least seven days' notice specifying the date on which it is desired that service be discontinued. PWSA is in compliance with this requirement as Part III, Section C.2 of both PWSA's Water and Wastewater Tariffs require a customer who wishes to have service discontinued to give at least seven days' notice to PWSA.⁺⁰⁴¹¹⁴

Section 56.16(b) permits a utility to transfer the unpaid balance to a new residential service account of the same customer. As discussed in above on page ~~35~~³⁶, PWSA does not transfer unpaid debt to persons who no longer own a property because of its ability to pursue a lien as such PWSA believes it is in compliance with this requirement. Unlike traditional public utilities, PWSA is a municipal authority organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. §§ 5601, *et seq.* which explains PWSA's existing processes regarding unpaid balances. Most significantly, the debt incurred at the property remains with the property and a new owner to the property would be responsible for the outstanding debt via the lien process. If the owner of a property that had an existing debt were to establish service at a new property, PWSA would not assess that owner the debt of the sold property because it would be recovered as part of the lien process. Likewise, PWSA does not assess a tenant of a new property for a debt incurred at a prior location because the debt for the property of the prior location remains with the property and the responsibility of the owner of the property.⁺⁰⁵¹¹⁵ Issues between the landlord and the tenant about responsibility for payment of outstanding utility bills need to be addressed between the landlord and the tenant.

PWSA's processes regarding voluntary discontinuance of service are further discussed as part of Subchapter D and the Discontinuance of Service to Leased Premises Act sections that follow.

Advance Payments

Section 56.17 permits a utility to require advance payments for the furnishing of any of the following services: (1) seasonal service; (2) construction of facilities and furnishing of special equipment; and (3) temporary service for short-term use.

Currently, PWSA may require advance payment when it is required to extend its main to accommodate a request for new service. As part of the Compliance Plan Stage 1 process, however, PWSA submitted a Supplemental Compliance Plan Regarding Line Extensions on March 26, 2021 proposing to align its current line extension rules with the Commission's regulations at 52 Pa. Code §§ 65.1 – 65.23. ~~Due to the rate impacts of PWSA's proposal, it is anticipated that this issue will not be resolved until early 2022 as part of PWSA's planned next base rate filing to be filed at Docket No. R-2021-3024773. Ultimately, PWSA's~~ In the PWSA 2021 Rate Case, PWSA proposed tariff revisions to conform with the Commission's line extension requirements. These tariff provisions were approved and became effective on January 12, 2022. With these changes, PWSA is in compliance with the customer advance rules set forth in the line extension regulations ~~will ensure PWSA's compliance with~~ in Section 56.17.

Payment Options, Third Party Fees, Payment Due Date

Section 56.21 addresses methods by which the utility may accept payment, the effective date to be used for determining receipt of the payment, and, the requirement to disclose any fees for utilizing a payment option. PWSA is in compliance with these requirements and offers the following payment options for customers:

- EZ-PAY Portal. Effective January 1, 2021, PWSA implemented its new EZ-PAY portal to help residential and commercial customers make quick, one-time payments online using their credit card, debit card, or bank account information. Customers do not need to log in or enroll in the paperless billing and payment portal to make an online, one-time payment. A third party service fee is assessed only to non-residential customers. A video explaining how to make a one time payment is available at: https://www.youtube.com/watch?v=cfpS_BxTeEI
- Retail Cash Payment. Customers may make payments at various retail locations. Effective January 1, 2021, PWSA expanded its network of available locations to include 7-Eleven, Family Dollar, Dollar General, CVS Pharmacy, and Walgreens. To pay at retail locations, an EZ-Payslip barcode is included on the back of a bill or can be generated through the EZ-Pay portal. With the barcode and cash, a payment may be made at the retail location. A \$1.49 process fee is added by the retail location for use of their service.
- Pay By Phone System. Effective January 1, 2021, customers may use PWSA's new automated pay by phone system to make one-time payments using their credit card, debit card, or bank account information. Customers can fast track future payments by saving a call-in phone number associated with their account and payment method. A third-party service fee will apply to non-residential customers.
- Paperless Billing and Payment Portal. Effective January 5, 2021, PWSA's new electronic billing and payment portal became available to allow customers to use credit cards, debit cards, and bank accounts to make online payments in the new paperless portal, while commercial customers will be able to use bank accounts. Customers enrolling in paperless billing portal, will receive monthly bills via email instead of by mail.
- Zipcheck. Customers are able to make automated payments from their bank account with Zipcheck. PWSA does not charge any additional fees for use of Zipcheck but advises customers that their bank may charge fees in order to participate in the Zipcheck program.
- Payment by Mail. Customers can make payments by mail directly to PWSA.
- Walk-In Payments. Currently PWSA's billing counter is closed as a result of the COVID-19 pandemic restrictions. Once restrictions are removed, PWSA anticipates making that option available again to customers.

Since January 1, 2021 and consistent with Section 56.21(5), PWSA has eliminated payment fees for Residential customers paying via telephone and online. The only third party fees assessed to residential customers are for Retail Cash Payments.

For purposes of calculating the date payment is received, payments received are deemed to have been made on the date of the postmark pursuant to Section 56.21(2)(i). Payments made through any of the other means are deemed received on the date the payment is electronically transmitted to PWSA pursuant to Section 56.21(4). PWSA assigns only one due date to its monthly bills and no other fees are referenced in any other materials. Thus Section 56.21(6) is not applicable.

Accrual of Late Payment Charges

Section 56.22 prohibits utilities from levying or assessing a late charge or penalty on overdue public utility in an amount which exceed 1.5% interest per month on the overdue balance of the bill. Late payment charges are to be calculated on the overdue portions of the bill only and not: (1) to recover the cost of a subsequent rebilling; and, (2) on disputed estimated bills unless utility willfully denied access to premises. A utility may waive late payment charges on any customer accounts.

PWSA is in compliance with these requirements as Tariffs Part III, E.3 address PWSA's assessment of a late payment charge which accrues at the rate of 0.83 percent per billing period, not to exceed ten percent per year when not paid.

Payment Allocation Rules

Section 56.23 requires application of payments received by public utilities without written instructions to be applied to basic charges for residential utility service. Section 56.24 requires application of insufficient payments received by public utilities without written instructions, a disputed bill or payment agreement to first be applied to the balance due for prior service. PWSA believes it is in compliance with this section.

According to the payment allocation rules in PWSA's billing system, payments are applied to customers' accounts in the following order:

1. Outstanding installments due under a Special Payment Arrangement (payment plan).
2. Oldest outstanding debt with like due dates in the following order of Bill, Miscellaneous Charges, and Late Charges.

3. Bill payment priority is as follows:

- i. Water
- ii. Wastewater Conveyance
- iii. [Stormwater](#)
- iv. [Sewage Treatment \(ALCOSAN\)](#)

PWSA Tariffs Part III, Section E.5 make clear that any payment to PWSA for any non-utility services will first be applied to all outstanding regulated utility charges. ~~PWSA plans to add stormwater charges to the list of bill payment priority list and to ultimately revise its current process to allocate payments by percentages as part of the upcoming rate case to be filed on or before April 13, 2021 at docket numbers R-2021-3024773 (water), R-2021-3024774 (wastewater), and R-2021-3024779 (stormwater).~~

C. Subchapter C. Sections 56.31 – 56.58: Credit and Deposit Standards Policy

Sections 56.31 through 56.38 apply to credit and deposit standards for applicants and highlight the need for credit and deposit policies to be equitable and nondiscriminatory, with policies related to security and cash deposits; third-party guarantors; deposits for temporary service; payments of outstanding balances; written procedures; general rules; and payment periods for deposits by applicants. Sections 56.41 and 56.42 relate to procedures for existing customers, including the payment periods for deposits by customers. Finally, Sections 56.51 through 56.58 reference policies for cash deposits, including the amount of the cash deposit; the

deposit hold period and refund; the refund statement; the interest rate; and the application of interest.

1. BCS Workshop Discussion

During the February 21, 2019 Workshop, security deposits, accrual of late payment charges, denial of credit, and application for final bill.

2. PWSA Compliance Status

Security Deposits and Credit Scoring

PWSA does not require applicants for residential service to make a cash deposit as contemplated in Section 56.32, 56.34, 56.38, and 56.42(a). PWSA does not rely on credit checks when establishing a new residential customer. As such PWSA is in compliance with this section.

Unpaid Balances as a Prerequisite to Service and to Reestablish Service

Section 56.35 permits a utility to require an applicant to pay any outstanding bill which accrued within the past four years for which an applicant is legally responsible and for which the applicant was billed properly. Section 56.36(b) requires the utility to establish written procedures for determining responsibility for unpaid balances. Section 56.41 permits PWSA to require the posting of a deposit for a previously terminated customer to reestablish service.

PWSA does not require customers to pay debt for previous service rendered at another property in order to initiate new service at a new location and is, therefore, in compliance with this section. As explained previously, PWSA maintains the debt incurred at a property with the property and the property owner so that it may pursue a lien to recover the debt. ~~Thus, PWSA relies on its lien ability rather than tracking down former customers to require deposits when they attempt to establish service at a new location. PWSA recognizes that its existing Tariff provisions at Part III, Section A and Section F may create confusion regarding current processes and proposes to delete them to come into compliance with Commission requirements.~~

Under the Stage 2 Compliance Plan Settlement, PWSA agreed that it will not request or require the payment of an outstanding balance as a condition of furnishing new service, unless the applicant is legally responsible for the outstanding balance pursuant to the Public Utility Code and Commission regulations.

Additionally, for tenants seeking to become a customer at a property with an outstanding balance, PWSA will isolate the existing debt and pursue payment through its lien process and/or the property owner or any prior tenant who incurred the outstanding charges. PWSA will no longer request or require completion of the Assumption Form to add tenant as a customer. PWSA will not under any circumstances request or require a Tenant Applicant seeking to become a customer at a property with an outstanding balance to pay the outstanding balance as a condition of establishing service unless the applicant is legally responsible for the debts accrued pursuant to the Public Utility Code and Commission regulations.

Third-Party Requests for Service

When a utility receives a request from third parties to establish service on behalf of an applicant, Section 56.36(b)(3) requires utilities to have processes in place to verify the legitimacy of the request. PWSA does not permit third parties to establish service on behalf of another person and, therefore, is in compliance with this section. In the context of landlords and tenants, the owner of record always receives the service and ultimate responsibility for the charges but the tenants do have the option to receive a copy of the monthly bills.

Timeframe for Providing Service

Section 56.37 requires a public utility to make a bona fide attempt to provide residential service within three business days, provided that the applicant has met all regulatory requirements. A bona fide attempt to provide service within seven business days is permissible

if street or sidewalk digging is a requirement. A longer time frame is permissible with the consent of the applicant. PWSA is ~~in compliance~~in compliance with these requirements.

When a property is sold, PWSA does not interrupt service. Rather, each party is billed for the length of time that he or she is a customer during the transfer of the property.

Applications for Final Bill are completed within 7 to 10 days of a request date. In the case of new construction, service line tap-ins and meter installations are scheduled with the developer/contractor based on their readiness.

D. Subchapter D. Section 56.71: Interruption and Discontinuance of Service

Section 56.71 relates to the interruption of service, which can occur when it is necessary for a utility to effect repairs or maintenance; eliminate an imminent threat to life, health, safety, or substantial property damage; or for reasons of local, State, or National emergency. This section describes the requirements for notice of interruption to customers and the permissible duration of such interruptions. Section 56.72 sets forth the circumstances under which a utility may discontinue service without prior written notice depending on whether the utility has received a written request to discontinue service or not.

1. BCS Workshop Discussion

The April 23, 2019 BCS Workshop addressed issues related to interruptions of service. During the July 25, 2019 BCS Workshop addressed issues related to voluntary discontinuance of service including the various types of residences, customer responsibilities for discontinuance, forms required by PWSA for discontinuance, meter access for discontinuance, final billing procedures and turn-on service.

2. PWSA Compliance Status

Interruption of Service

Section 56.71(1) requires prior notice of service interruption when public utility knows in advance of the circumstances requiring the interruption. Notice as soon as possible is required when service is interrupted due to unforeseen circumstances pursuant to Section 56.71(2). Sections 56.71(3) and 56.71(4) address the notification procedures and permissible duration for service interruptions.

PWSA is in compliance with the required notification procedures for interruption of service and takes reasonable steps to notify affected customers and occupants of the cause and expected duration of the interruption. Regarding planned maintenance that will result in service interruption, PWSA typically notifies customers at least one business day in advance by outbound call and/or in-person notification. If less customers are affected, then PWSA Field Operations personnel can personally notify affected customers and leave a posting at the property.

For unexpected service interruptions, PWSA's process to notify affected customers and occupants includes outbound calling and/or in-person notification as soon as possible.

In addition, PWSA's Public Affairs department posts service outage details on PWSA's website at this link: <https://www.pgh20.com/projects-maintenance/service-outages>

Voluntary Discontinuance of Service

Regarding written requests, PWSA is in compliance with these requirements and requires completion of either a "Residential Owner Water Service Shut-Off Request" or a "Residential Rental Water Service Shut-Off Request." Copies of these forms are included in the Appendices. If the request is from an Owner of a rental property, then the Owner (Landlord) is required to have the request notarized and to ~~to~~ affirm that all affected dwelling units in the building are

unoccupied or that all affected tenants have consented in writing to the proposed discontinuance of service. The Owner of a rental property is also required to recognize that any tenants of the residential building retain all the rights provided by the Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1527-1531. As will be discussed in more detail in below sections, PWSA follows all DSLPA required notices to tenant and protections afforded to tenants including posting the notice consistent with the requirements of Section 56.72(2)(ii)(A). Upon receipt of a voluntary request to discontinue service, PWSA will research the status of the property and not discontinue service if there is evidence that the property is occupied.

When PWSA receives a request to voluntarily discontinue service, it cross checks PWSA records and Allegheny County records to identify the building type. Pursuant to PWSA Tariffs, Part I, Section E, a \$~~25.38~~50.00 fee is charged for turn-on of service at the curb stop and a \$~~45.68~~100.00 fee is charged for same day turn-on at the curb stop. ~~(These fees are waived until January 14, 2022 or as directed by future Commission order, whichever is later)~~¹⁰⁶116

Once Residential water service is shut at the curb, PWSA ceases to assess its water/wastewater conveyance charges. However, PWSA may continue to issue bill solely for ALCOSAN wastewater treatment charges. Billing for ALCOSAN wastewater treatment charges is only discontinued with a property is demolished or when the customer’s sewer line is disconnected from the PWSA sewer main.

Property owners wishing to sell a property with a billing account must submit a final bill application within seven to ten working days prior to the closing date upon the sale of a property.¹⁰⁷117 This application is only necessary when there is a sale of property or when there is a change of deed/ownership. Pursuant to PWSA Tariffs, Part I, Section H, a \$~~20.30~~20.00

service fee is assessed to each final bill. Even though PWSA will no longer assess its charges, PWSA may continue to issue bills solely for ALCOSAN charges.

Inoperable or Missing Valves

The Stage 2 Compliance Plan provides additional terms related to voluntary discontinuance requests. The Settlement provides that, for voluntary discontinuance requests pursuant to 52 Pa Code § 56.72, any usage occurring seven days after the customer requested discontinuance at the property regardless of the cause for the delay will either not be invoiced or will be credited to the account. PWSA will also work with its contractor to proactively identify, repair and replace curb boxes and curb stop valves as can be completed within the budget available for this project.¹¹⁸

Regarding willful customer interference with access to the curb box and stop valves, PWSA will develop guidelines to determine when the delay in processing a shut off is the fault of the customer. PWSA will develop a definition of tampering that requires willful action or intent for inclusion in its tariff, and will develop warning notices to inform customers of the issues. Drafts of the revised guidelines and customer notices will be shared with the parties to this proceeding.¹¹⁹

Once these tasks have been completed, PWSA will pursue cost recovery from the customer or property owner who has been found to have willfully interfered with access to the curb box and stop valves for the costs to uncovering, repairing, or replacing the Curb Stop and/or Curb Box, and for the cost of restoring adjacent landscaping, sidewalks, or other property affected by the work.¹²⁰

E. Discontinuance of Service to Leased Premises Act, 66 Pa.C.S. §§ 1521-1533

The Discontinuance of Service to Leased Premises Act (“DSLPA”), 66 Pa.C.S. §§ 1521-1533, details processes that utilities must provide when providing notice of pending termination to landlord accounts, where a tenant occupies the premises but is not a customer listed on the account.

1. BCS Workshop discussion

DSLPA issues were discussed during the July 25, 2019 BCS Workshop addressed in connection with issues related to voluntary discontinuance of service.

2. PWSA Compliance Status

PWSA believes that it currently complies with this the DSLPA requirements and in one consumer complaint case involving a landlord’s disagreement with PWSA’s efforts to work out payment arrangements with a tenant but to ultimately hold the landlord responsible for the debt, the Commission agreed that PWSA’s processes are reasonably consistent with the landlord/tenant discontinuance of service requirements of Sections 1521-1533 of the Code.¹⁰⁸¹²¹ PWSA’s Landlord/Tenant accounts are categorized in its system through use of a designated Location Class, and PWSA works to update this information for customers when available. PWSA may identify rental properties where the mailing address and service address are different, through customer/tenant interactions, information obtained through field visits and information obtained during the Final bill Process.

As ~~explained previously, the landlord~~discussed above, tenants are now able to become PWSA customers as provided in the settlement of the Stage 2 Compliance Plan. However, the property owner ultimately remains liable for utility service as PWSA maintains the ability to seek recovery of outstanding utility charges for the property as part of its non-PUC jurisdictional

lien process. Tenants ~~are not considered “customers” (within PWSA’s meaning of that term which is different from ensuring that they are able to avail themselves of all Chapter 14 and Chapter 56 protections), except when the property is individually metered and the tenant establishes service in their name. The tenant may establish service in his or her name after a landlord voluntarily requests discontinuance if the service is individually metered and the tenant consents to establish service under his or her name.~~who do not become customers will still be afforded all rights provided by the DSLPA.¹²²

PWSA follows the DSLPA processes for landlords and tenants to avert termination. PWSA’s customer notices are included in the Appendices. PWSA provides the required 37 Day Shut Off Notice to Landlords and the 30 Day Shut Off Notice to Tenants as required by the DSLPA. PWSA’s notices include required information reflecting the jurisdiction of the Commission, as well as specific language required. The 37 Day Shut Off Notice is sent certified mail to the landlord’s specified location.

If the landlord does not comply with the requirements listed on the 37 Day Shut Off Notice by the 7th day, affected tenants are notified of the proposed termination through a 30 Day Tenant Termination Notice to Tenants posted twice on the property at different times of the day for tenants to see. If PWSA successfully obtained the tenants’ names and addresses, a 30 Day Shut Notice to Tenants is sent by first class mail directly to the tenant. Both 30 Day notices to the tenant include the information required by DSPLA.

Additionally, for tenants wishing to exercise their right to continued service pursuant to DSLPA, PWSA accepts as proof of identification any document issued by a public agency or public utility which contains the name and address of the tenant. PWSA will not terminate or will promptly restore water service if the tenant pays the landlord’s prior month’s bill. Once a

tenant payment is received, PWSA will send a Tenant Payment Notice to Tenants each month advising the tenant what amount is due for the 30-day payment amount to continue service in the landlord's name. If no payment is received, PWSA will terminate service in accordance with the scheduled termination as provided in the notice. If PWSA is notified that a premise is occupied by a tenant after the water service was terminated and tenant did not receive proper 30-day notification prior, PWSA will promptly restore the water service and reissue the termination with the proper 37-day and 30-day notifications.

PWSA accepts medical certificates and protection from abuse orders or court orders issued by a court of competent jurisdiction in the Commonwealth which provide clear evidence of domestic abuse from tenants. [As stated in the Stage 2 Compliance Plan Settlement, PWSA will accept all applicable legal protections to cease a termination in lieu of payment including, but not limited to the presentation of a valid medical certificate or Protection from Abuse order or other court order containing clear evidence of domestic violence from anyone at the property.](#)¹²³ PWSA will not terminate a Landlord/Tenant account during the months of December through March.

[Additionally, under the Stage 2 Compliance Plan Settlement, PWSA will develop a flyer explaining the rights of tenants in multi-unit residential dwellings to submit partial payments to maintain service pursuant to the DSLPA. The flyer will be included with the 30-day termination of service posting for non-payment, as well as being provided to customers during personal contact at the time of service termination. This information will also be included on PWSA's website.](#)¹²⁴

F. Subchapter E. Sections 56.81 – 56.118: Termination of Service

According to Section 56.81, authorized termination of service may occur after notice has been provided in the following circumstances: nonpayment of an undisputed delinquent account; failure to complete payment of a deposit or provide a guarantee of payment or establish credit; failure to permit access to meters, service connections, or other property of the public utility for purposes of replacement, maintenance, repair, or meter reading; or failure to comply with the material terms of a payment agreement. PWSA complies with this section as it currently uses these circumstances as grounds for authorized service termination.

Sections 56.91 through 56.100 lay out the notice procedures required prior to termination, including general notice provisions and what information must be included in a termination notice, procedures to follow immediately prior to termination, immediate termination policies, and winter termination procedures. Additionally, Sections 56.111 through 56.118 highlight the emergency provisions for terminating, postponing termination, and restoring service to customers, with which PWSA currently complies. Finally, Section 56.131 provides for third-party notification allowing customers to designate a third-party to receive notices from the utility.

1. BCS Workshop Discussion

Termination of service issues were discussed during the July 25, 2019 BCS Workshop.

2. PWSA Compliance Status

Language, Format and Method of Providing Suspension and Termination Notice

PWSA's current customer notices regarding service terminations for non-access or outstanding balances are included in the Appendices. The current version of these documents are the product of various revisions since 2018 when PWSA first became subject to the Commission's jurisdiction. The initial versions of these notices utilized by PWSA in the spring

of 2018 were further updated as a part of the *Initial Rate Case Settlement*.¹⁰⁹¹²⁵ Additional edits to these documents were provided by interested stakeholders in the fall of 2019 which PWSA accepted. PWSA has also received feedback from BCS regarding these notices which has been incorporated into the current documents. Given the revisions necessitated by the Commission's more recent direction in the *Order Recommencing Terminations*, BCS requested to review all PWSA's non-payment and non-access notices in March 2021. PWSA will work with BCS regarding any proposed revisions.

The timing of PWSA's termination notices is displayed on the Life Cycle Collections documents included in the Appendices and is consistent with Commission regulations.

Grounds for Termination

Section 56.81 sets forth four actions by the customer for which a utility may notify the customer and terminate service once proper notice has been provided. PWSA's Tariffs include consistent provisions and, therefore, PWSA is in compliance with these requirements.

Termination for nonpayment is addressed in Part III, Section C.3.e of PWSA's tariffs.

Termination for failure to permit access to the meters is addressed in Part III, Section C.3.f of PWSA's tariffs. Section 56.98 presents additional actions of the customers that permit a utility to immediately terminate services. The additional grounds for termination are also set forth in PWSA's Tariffs and involve malicious and/or willful conduct on the part of the customer as well as receipt notice from other specified health agencies to terminate service due to violations of any law or ordinance.

PWSA's Tariffs also make clear that it will send a notice of termination to commonly supplied premises but will not terminate service to such premises. As addressed during the Compliance Plan Stage 1 proceeding, PWSA often does not know at the time it undertakes its residential customer service termination processes that a particular account is part of a shared

service line.¹²⁶ PWSA's prior rules and regulations as encompassed in its Official Prior Tariff permitted PWSA to terminate service to multiple premises on a shared service line connection if one customer became delinquent, and PWSA continued this prior procedure in its Initial Commission-approved Tariff effective March 1, 2019. This provision was changed, however, following the *March 2020 Stage 1 Order* and approved as part of PWSA's Tariff Supplement No. 3 which became effective on June 27, 2020. Consistent with its commitments in the course of the Stage 1 Compliance Plan proceeding, PWSA recently assigned its staff the task of developing a separate notice of nonpayment that would be sent to residential shared service lines to the extent PWSA is aware such line exists at the time of the termination process. Due to the pandemic and the moratorium on terminations, this was not a priority project for PWSA. Once PWSA develops a proposed form it will be shared with the parties of the Stage 1 Compliance Plan proceeding and BCS for approval prior to use.

Willful or Negligent Waste of Water

As part of the Stage 2 Compliance Plan Settlement, in situations involving the willful or negligent waste of water, PWSA agreed to revise current processes to mail 10-day notice to the property address in addition to the property owner. PWSA will add language to the 10-day notice to inform tenants to contact PWSA if they are working with the property owner to address the issue. The Settlement also notes that PWSA's proposals to address the financial ability of low income customers to make needed repairs are set forth in its Petition for Low Income Line Leak Repair and Conservation Program and Authorization to Track Costs as a Regulatory Asset for Future Base Rate Recovery filed on January 3, 2022 and pending at Docket No. P-2022-3030253.¹²⁷

Winter Moratorium, Designation of Third Parties

Section 56.100(f) provides that water utilities may not terminate service to a premises when the account is in the name of a landlord ratepayer with limited exceptions. PWSA does not terminate service to rental customers between December 1st and March 31st and is, therefore, in compliance with this section. PWSA offers additional protections for customers based on income as part of its Winter Moratorium program.

Where termination is permitted during this time period, Section 56.95 requires that a 48 hour notice be posted at the customer's residence unless personal contact has been made. PWSA's 48 hour notice has been provided in the Appendices and is used consistent with the regulation.

Section 56.131 requires utilities to permit customers to designate a consenting individual or agency which is to be sent a duplicate copy of reminder notices, past due notices, delinquent account notices or termination notices. PWSA complies with this by requiring such requests be made in writing to PWSA, either by letter or email, and adding the third party to the account. PWSA also permits customers to complete a Data Protection Release Form to give authorization to a third party to view the customer's account history.

Medical Certificates

Sections 56.111-118 govern the processes for medical certifications. PWSA's processes are in compliance with these requirements and were updated as part of the *Initial Rate Case Settlement*.^{~~111~~128} PWSA will not terminate service to a premises when a customer has submitted a valid medical certificate as set forth in Part III, C.3.k of its Tariffs and consistent with Section 56.112. PWSA accepts medical certificates that provide the information as required by Section 56.113. All of PWSA's termination of service notices contain a Medical Emergency Notice

which provides customers information about how to exercise his or her right to submit a medical certificate to forestall a service termination.

If a customer reports that he or she or a member of the household is seriously ill or service to treat a medical condition, in keeping with the *Moratorium on Terminations Emergency Order*, PWSA places a 7-day hold on the pending termination of service for the medical professional to submit a written medical certificate. If the medical certificate is not received within the seven-day period, then collections will resume. If a medical certificate is received within the time period, then the termination is canceled.

Upon receipt of a medical certificate, PWSA notifies the customer that he or she is required to pay all current undisputed bills while the medical certificate is active but not any outstanding balances. PWSA will work with the customer to establish an equitable payment arrangement to address the outstanding balances and resolve the grounds for termination.

PWSA also informs the customer of his or obligations to renew the medical certificate at the time the initial one is received. If the customer fails to pay the current bills while the medical certificate is active, the customer is limited to five medical certificate renewals. If a customer who has already exhausted their five medical certificate renewals pays the existing overdue balance in full, the customer is eligible to file new medical certificates.

PWSA will not terminate service for the time period specified in a medical certificate for a maximum length of time of 30 days. As long as the customer pays current bills while the medical certificate is active, there is no limitation on the number of times a customer can renew a medical certificate. If a medical certificate renewal is denied due to the customer failing to pay the customer bills, the customer may initiate a dispute, and PWSA will process it in accordance with its normal dispute processes.

When a medical certificate expires and it is within 60 days of the delivery date of the termination of service notice, the termination process will resume from the point it was suspended. No additional notice will be provided prior to termination. If the medical certificate expires after the 60-day period, the termination process will be restarted from the beginning.

Personal Contact Immediately Prior to Termination

Section 56.94 provides that immediately preceding the termination of service, the utility shall attempt to make personal contact with a responsible adult occupant at the residence of the customer. During the Compliance Plan Stage 1 proceeding, PWSA explained its interpretation of Section 56.94 as not requiring knocking on the door, fully set forth its concerns about how implementing such a new policy for PWSA would place PWSA's employees into hostile working conditions, and noted that such a change would have to be carefully considered in light of labor law requirements given PWSA's existing labor contracts.⁺²¹²⁹ Notwithstanding PWSA's concerns, PWSA did agree as part of the Compliance Plan Stage 1 proceeding to implement the following procedures on an interim basis:⁺³¹³⁰

On an interim basis, PWSA will place a phone call the day prior to immediately prior to residential customer service terminations. Calls will be made by the service technician performing the termination or by a live customer service representative who is able to communicate directly with the service technician to stop a termination from occurring if warranted by the circumstances. Under no circumstances will these calls be made by an automated system or by a call center representative who does not have the ability to intervene to stop an active termination. As part of the calls,

- PWSA will provide the consumer with a timeframe for the actual termination (such as morning/afternoon);
- PWSA will provide specific information to the consumer during the call to ask about extenuating circumstances, such as a Protection from Abuse Order or medical condition and to offer a payment arrangement (if applicable); and
- PWSA will leave a voicemail (if available) if unable to reach the customer providing the same information as noted in prior two point.

PWSA has implemented these interim procedures and is reporting on these items in the Quarterly Compliance Plan Progress Reports. In the last three quarters of 2019 (prior to the March 13, 2020 *Moratorium on Terminations Emergency Order*), PWSA was achieving a reported average call completion rate of 55.44%.

Further discussions with interested stakeholders regarding this issue were held on December 3, 2019 and January 16, 2020. As a result of those further discussions, PWSA agreed to include as part of a then-upcoming Request for Proposals (“RFP”) process for a vendor to post termination notices that the vendor also agree to perform the requirements of Section 56.94. At that time, PWSA anticipated issuing the RFP in February 2020 with implementation in May or June 2020. However, with the onset of the COVID-19 pandemic and the Commission’s *Moratorium on Terminations Emergency Order* entered March 13, 2020 the RFP ~~has not yet been issued.~~ was delayed. PWSA later issued the RFP on August 5, 2021 and worked with a vendor to begin providing these services in November 2021. PWSA is now in compliance with Section 56.94.

~~While PWSA plans to move forward with issuing the RFP to ensure that PWSA’s vendor agrees to perform the requirements of Section 56.94 once its collections efforts resume, PWSA continues to remain concerned about the safety of employees and or contractors performing these functions. A recent Informational Brief dated March 30, 2021 and issued by the Western Pennsylvania All Hazards Fusion Center warns that the cascading impacts from financial strain and overall mental health from the COVID-19 pandemic could cause utility customers facing shut-offs to take out their frustrations on utility workers and lash out violently at individuals and organizations if they are perceived as treating the customers unfairly or unnecessarily causing hardships.~~

Additionally, as part of the Stage 2 Compliance Plan Settlement, PWSA agreed to establish a 14-day timeframe for persons to follow-up with customer service where a termination has been ceased because the customer has advised that: payment has been made; a serious illness or medical condition exists regarding anyone in the property that would be aggravated due to termination of water service; a dispute or complaint is properly pending; or the customer has indicated that he or she will contact customer service to make payment.¹³¹

PWSA also agreed that, if at the time of service termination, personnel determine that the property is a previously unknown tenant-occupied premises, the attempted termination shall cease and PWSA will pursue its collection processes for tenant occupied properties which begins with its 37-day notices.¹³² Additionally, PWSA will internally track the number of personal contact attempts at the time of termination and the results of that contact attempt and the data will be made available upon request.¹³³

G. Subchapter F. Sections 56.140 – 56.181: Disputes; Termination Disputes; Informal and Formal Complaints

Sections 56.140 through 56.143 detail the general provisions associated with disputes and complaints, including follow-up responses, dispute procedures, timeline for filing an informal complaint, and the effect of failure to file a timely informal complaint. Sections 56.151 and 56.152 summarize the Public Utility Company Dispute Procedures. Sections 56.161 through 56.166 and Sections 56.171 through 56.174 include the informal and formal complaint procedures, respectively. For informal complaints, the procedures include filing, the Commission's procedures, termination of service pending the resolution of the dispute, conference procedures and informal complaints. For formal complaints, the procedures include general rules, filing, review from the formal complaint decisions of the Bureau of Consumer Services, and the ability to pay proceedings. Finally, Section 56.181 highlights the duties of

parties, the disputing party's duty to pay undisputed portions of bills, and the utility's duty to pay interest in cases of overpayment.

1. BCS Workshop Discussion

Subchapter F was discussed during the November 4, 2019 Workshop.

2. PWSA Compliance Status

PWSA believes that it complies with these procedures to manage the informal and formal complaint processes. Customers interacting with PWSA are asked if they are satisfied. If the customer responds no, the customer is escalated to a supervisor or Coordinator, and an Inquiry lock is placed on the account. The initial Inquiry lock stops the Collections process, including termination, on the account.

A daily report of the locks is generated and reviewed. Generally, PWSA will contact the customer either that day or the next day. Representatives are trained about how to handle these contacts. If the customer is still unsatisfied, the account is coded with a Dispute lock and is assigned to a PUC Compliance Analyst who creates a Utility Report and contacts the customer. The customer will receive a copy of the Utility Report.

PWSA takes infractions seriously, and if the statistics identify a negative trend, PWSA will follow up internally and identify process changes or procedures to be implemented. Listed above on page 28 are actions taken by PWSA based on information gleaned through this process.

H. Subchapter G. Sections 56.191 and 56.192: Restoration of Service

Section 56.191 provides an overview of the requirements for payment and timing necessary for utilities to restore service, and Section 56.192 details the utility's requirements to have adequate personnel available to restore service between 9 a.m. and 5 p.m. during each

working day, or for a commensurate period of eight consecutive hours to restore service when required.

1. BCS Workshop Discussion

Subchapter G was discussed during the November 4, 2019 Workshop.

2. PWSA Compliance Status

PWSA is in compliance with these requirements. When a customer's water service is terminated and he or she either 1) pays in full, 2) enters into an income-based payment arrangement with the first installment paid, 3) files a medical certificate, or 4) file a PFA, he or she is asked to pay \$~~45.68~~100.00 for a same day restoration and \$~~25.38~~50.00 for a next day restoration. If a PFA is filed, the customer may either enter into a payment arrangement or bring the payment arrangement current plus pay the restoration fee to have service restored within 24 hours. If customer cannot pay the restoration fee, PWSA will restore service and add the fee to the next bill. Same day restorations are performed by 8 PM. Next day restorations are performed by 8 PM the following day. If a medical certificate is filed, the service is restored within 24 hours of receipt of the medical certificate. If water service is terminated by PAWC or WPJWA at the request of PWSA (due to unpaid wastewater conveyance charges), the restoration may take up to 48 hours. PWSA has adequate Field Operations staffing to regularly accomplish restorations within established regulations. While Field Technicians are primarily responsible for this work, Plumbers and Foremen can also perform a restoration, and there is always a Foreman on duty 24/7.

I. Subchapter H. Sections 56.201 and 56.202: Public Information Procedures and Record Maintenance

Sections 56.201 and 56.202 pertain to public information procedures and records maintenance procedures, respectively. Public utilities are required to summarize the rights and

responsibilities of the utility and its customers, and display this information prominently, both online and in hard copy, with which PWSA currently complies. Public utilities that serve a substantial number of Spanish-speaking customers are also required provide billing information in English and Spanish.

Under Section 56.202, public utilities are also required to preserve a minimum of four years' written or recorded disputes or complaints. Additional information that must be maintained includes customer payment performance; the number of payment agreements made, as well as the terms of the agreements; the number of service terminations and reconnections; and communications to or from individual customers regarding interruptions, discontinuances, terminations, and reconnections of service.

1. BCS Workshop Discussion

Subchapter G was discussed during the November 4, 2019 Workshop.

2. PWSA Compliance Status

PWSA believes that it currently complies with these record maintenance policies. PWSA's makes available a document titled "Your Rights and Responsibilities as a Utility Customer" on its website at: https://www.pgh2o.com/sites/default/files/2019-10/2045_RevisedRightsandResponsibilitiesJune8.pdf. Additionally, PWSA has begun offering translation services through its call center which can provide a translator in approximately 300 languages, including Spanish. PWSA also has an Electronic Data Retention Policy in place that was approved on July 26, 2019 which ensures compliance with all laws, legal requirements, agreements, contracts, best practices, and adopted policies related to electronic data retention and disposition.

J. Subchapter J. General Provisions

Section 56.222 permits a public utility to seek modification of a regulation and or temporary exemption. Section 56.223 provides that a tariff provision inconsistent with Chapter 56 is deemed nonoperative and superseded by Chapter 56.

PWSA understands these provisions.

K. Subchapter K. Public Utility Reporting Requirements

Section 56.231 sets forth monthly reporting requirements for residential accounts. PWSA is reporting to BCS all required information on a monthly basis and is, therefore, in compliance with these requirements.

L. Subchapters L-V. Provisions for Victims of Domestic Violence with a Protection from Abuse Order or a Court Order Issued by a Court of Competent Jurisdiction in this Commonwealth which Provides Clear Evidence of Domestic Violence

Sections 56.251 and 56.252 state the purpose, policy, and definitions of Subchapters L-V, which apply to victims of domestic violence with a protection from abuse order or court order issued by a court of competent jurisdiction in Pennsylvania which provides clear evidence of domestic violence.

1. BCS Workshop Discussion

Subchapters L-V were discussed during the November 4, 2019 BCS Workshop.

2. PWSA Compliance Status

PWSA believes it is currently in compliance with the provisions for victims of domestic violence with a Protection from Abuse (“PFA”) order or other qualifying court orders providing clear evidence of domestic violence. PWSA has implemented processes to recognize the differences in protections to be applied to domestic violence victims regarding payment arrangements, responsibility for debt, termination notices and process, medical certificates and

restoration of service. PWSA has also installed a pop-up message in its Customer Information System to alert Customer Service Representatives of a previously provided PFA when they access a customer's account. PWSA also received on-site training from representatives of domestic violence support organizations to better understand issues related to domestic violence victims and the Commission's requirements.

Tenants Applying to Become Customers

In the Stage 2 Compliance Plan Settlement, PWSA agreed to specific terms regarding tenants who apply to become customers, who are also victims of domestic violence. If an applicant or customer provides PWSA with copy of a Protection from Abuse order or a court order issued by a court of competent jurisdiction in the Commonwealth which contains clear evidence of domestic violence:

- PWSA will not send a copy of the bill or any other account notices to the property owner or landlord;
- The domestic violence victim will be subscribed to PWSA service as a customer and will receive all rights as required by the Public Utility Code and Commission regulations, policies, and orders; and
- The domestic violence victim will be eligible to apply for PWSA's customer assistance programs.¹³⁴

PWSA will develop customer facing educational materials in the form of bill inserts and website content to inform customers about the availability of this process and will include this information in the Tenant Welcome Letter.¹³⁵

PWSA will also implement processes to identify domestic violence victims at the time an applicant is seeking service. Such screening will include: an electronic checkbox during the self-service account initiation process on the Customer Advantage Portal (going live with SAP implementation), updated checklist in training materials for customer service representatives, and a checkbox included on the Owner/Tenant Form.¹³⁶

Payment Agreements

Section 56.252 defines a Payment Agreement as a mutually satisfactory written agreement whereby applicant who admits liability is permitted to amortize or pay the unpaid balance in one or more payments over a reasonable period of time. Consistent with this definition, PWSA negotiates Payment Agreements with victims of domestic violence without regard to customer's income and based on the facts of the specific situation. For all customers, PWSA also provide written confirmation of the agreed-to payment arrangement. A sample of this confirmation letter is included in the Appendices.

Responsibility for Debt

Section 56.285 states that the 4-year limit on debt accrual that utility may require to be paid as a condition of furnishing residential service does not apply to charges that accumulated under another person's name unless a court, district magistrate or administrative agency finds the applicant responsible for the balance. For domestic violence victims, PWSA takes this into consideration. PWSA may also waive late payment charges. Therefore, PWSA is in compliance with this requirement.

Termination Notices and Process

The following differences to PWSA's termination notices and processes are applied for domestic violence victims consistent with the requirements of Sections 56.331-56.340:

- A termination notice is only valid for 30 days.
- In addition to the 3-day telephone call or posting, the customer may designate a third-party to receive the termination notice. If no designation is provided, PWSA may contact community interest group which previously agreed to receive the notification.
- If PWSA does not successfully complete the telephone call, posting or the domestic violence victim has not designated a third-party to receive notice, PWSA provides the notice to the PUC in writing.

- If the 3-day personal contact is not successful, PWSA will post a 48-hour termination notice prior to a scheduled termination (This is not limited to the timeframe between December 1st and March 31st).
- The posted termination notice will be delivered to a responsible adult occupant or conspicuously posted at the residence.
- If a domestic violence victim has submitted a dishonored payment during the termination process, PWSA will not resume the termination process but will begin the process from the beginning with a new 10-day notice.
- PWSA will not terminate domestic violence victims between December 1st and March 31st (regardless of income).

Medical Certificates

PWSA accepts written or oral medical certificates and confirms that it includes all of the information required by Section 56.353. PWSA may verify the certification by contacting the physician or nurse practitioner or require written verification within 7 days.

Restoration of Service

If a domestic violence victim's service is terminated while on a payment arrangement, he or she may pay the amount currently due plus a reconnection fee; however, all reconnection fees are waived in 2021 consistent with Commission directives. If a payment arrangement is requested to restore water service, the terms of the payment arrangement will be based on the size of the unpaid balance, the ability of the customer to pay, the payment history of the customer, and the length of time over which the bill accumulated. The payment arrangement does not follow the 24-month, 12-month, or 3-month restrictions for restoration. PWSA restores water service within 24 hours of the customer satisfying the grounds to restore the service.

COMPLIANCE PLAN – LEAD SERVICE LINE REPLACEMENTS

The Commission instructed PWSA in its *June 2020 Stage 1 Order on Reconsideration* to confer with the parties regarding various Commission directives and issues related to lead service line remediation and to submit a compliance proposal to address those issues. Those issues included: (1) pre-termination notice requirements; (2) tenant-occupied properties and

unresponsive landlords; (3) tangled titles and other technical property issues; (4) independent legal restrictions that bar service terminations due to non-payment of utility bills; (5) emergency repairs; (6) properties with high restoration costs; and (7) partial replacement of lead service lines due to certain circumstances. PWSA filed its compliance proposal regarding lead service line remediation issues on September 30, 2020. The *Stage 1 February 4, 2021 Order* approved PWSA's compliance proposal as modified by the Order. PWSA's Lead Infrastructure Plan (Amended Appendix C to its LTIIP) filed on April 1, 2021 and Water Tariff Supplement No. 6 (both effective April 5, 2021) comprehensively address PWSA's commitments regarding lead service line replacements and PWSA believes the aforementioned issues have been fully vetted.

I. Discontinuance of Service to Leased Premises Act

In the *June 2020 Stage 1 Order on Reconsideration*, the Commission encouraged the parties to address in Stage 2 compliance plan proceedings whether the rights of tenants pursuant to Chapter 15, subchapter B apply to a lead service line related termination of service to a tenant-occupied property. PWSA does not believe that the rights of tenants under Chapter 15, subchapter B of the Public Utility Code apply in the context of the replacement of a lead service line.^{~~144~~137} Chapter 15, subchapter B does not appear to be applicable as a tenant may exercise the right to maintain service by paying the service bill directly to the utility.^{~~145~~138}

II. Options to Prevent Termination Where Landlord Refuses or Neglects to Respond to Lead Service Line Replacement

The *Stage 1 February 4, 2021 Order* encouraged PWSA to explore options in its Stage 2 compliance plan proceeding to prevent termination of service to tenants where the landlord refuses or neglects to respond to PWSA's offer to replace the private-side lead service line at no direct cost to the landlord.^{~~146~~139} The Commission also requested that PWSA develop and submit appropriate Tariff language that would provide PWSA with step-in rights to make the necessary

replacement of a private lead service line where a landlord is nonresponsive to the pre-termination notice procedures.¹¹⁷¹⁴⁰ To satisfy the aforementioned requests, PWSA included language in Water Tariff Supplement No. 6 that provides PWSA with step-in rights to prevent termination of service to tenants where the landlord neglects to respond to PWSA's offer to replace the private lead service line at no direct cost to the landlord.¹¹⁸¹⁴¹

Under the Stage 2 Compliance Plan Settlement, PWSA agreed that it will use all reasonable efforts to avoid termination of service based on property owner refusal to cooperate and will open up a discussion with the Community Lead Response Advisory Committee ("CLRAC") about other possible actions that PWSA could undertake to incent property owners to provide consent to permit PWSA to replace their private side lead service line.¹⁴²

COMPLIANCE PLAN - COLLECTIONS

I. Collections Plan

A. Legal Framework

The Commission lacks jurisdiction to prohibit a utility from pursuing its legal right to collect a debt.¹¹⁹¹⁴³ The Commission also lacks jurisdiction over issues related to municipal liens themselves; such as the imposition of the lien, the validity of the lien, and the enforcement or removal of the lien. The Pennsylvania Municipal Claim and Tax Lien Law, 53 P.S. §§ 7101, et seq. ("MCTLL"), provides the exclusive procedure that must be followed to challenge or collect on a lien.¹²⁰¹⁴⁴ PWSA is a municipal authority created by the City of Pittsburgh pursuant to the Municipal Authorities Act.¹²¹¹⁴⁵ Although PWSA became subject to the jurisdiction of the Commission effective April 1, 2018, PWSA continues to have the ability to issue municipal liens and the Commission lacks jurisdiction over this process. Because liens are an important part of PWSA's overall collections strategy and, in fact, have served a significant role in aiding the

ability of PWSA to receive revenue at a time when revenue became less collectible as a result of the March 13, 2020 *Moratorium on Terminations Emergency Order*, PWSA has elected to present a comprehensive description of its Collections Plan.

B. PWSA's ~~Current~~Existing Collections Plan

PWSA's Collections section of Customer Service had to adapt to the COVID-19 pandemic and the resulting restrictions on past collection activities. In 2020, the past practice of issuing termination notices was replaced by 59,904 Friendly Reminder letters in the mail and 9,433 personalized payment counseling telephone conversations.

In 2021, Sharon Gottschalk transitioned from Senior Customer Service Manager to Senior Collections Manager. This role change allows Mrs. Gottschalk to concentrate on oversight of the two sections within Customer Service that contribute directly to the Authority's revenue: Collections and Permits. Mrs. Gottschalk's initiatives include the following:

1. Assigning collection calls to a) eBill customers who have not enrolled in the new platform, b) landlords of rental properties, c) accounts with high dollar past due balances and monitoring the calls being made and reviewing the results;
2. Tracking and sending letters on unpaid final bills;
3. Conducting collection training with staff regarding liens, bankruptcies, sheriff sales and treasurer sales;
4. Ensuring that Permits staff is assessing and collecting fees accurately and timely;
5. Designing Friendly Reminder outbound collection calls;
6. Managing Notice of Intent to Lien letters and resulting payments;
7. Partnering with legal counsel on the creation of a "soft" collection letter;
8. Launching Collections and Permits staff appreciation meetings to boost morale and to promote team building;
9. Working with the Finance department to identify and collect/adjust aged debt; and
10. Performing account lock maintenance to ensure accounts move through the collection process in the CIS.

The following are the collection activities that PWSA is currently engaged in to attempt to collect unpaid PWSA water and wastewater conveyance charges as well as ALCOSAN sewage treatment charges:

1. Identifying accounts more than 60 days past due.
2. Proceeding to post termination notices on any past due Non-Residential accounts.
3. Sending Friendly Reminder letters to any past due Residential accounts.
4. Collection calling any past due customers who carry large balances or are Residential. Collection calls are made to all customers, not just those carrying large delinquent account balances.
5. Mailing Notice of Intent to Lien letters once an account is shut at the curb or a portion of the charges cannot be collected via termination. Notice of Intent to Lien letters are also being mailed to any delinquent customers to secure the Authority's ability to collect aged debt. Aged debt may be the result of unpaid final bills, balances over \$1K that have not paid in a year, and Non-Residential accounts that cannot be shut at the curb stop/gate valve.
6. Moving to lien any unpaid charges.

1. Overview of Bad Debt

PWSA has made progress in reducing bad debt. Following up on the terminated contract with Jordan Tax Service, Inc. (JTS), which was effective June 30, 2019, PWSA has debited 6,031 accounts in the amount of \$4,673,176.29 for unpaid water/wastewater charges under four years where the customer who incurred the debt is still the owner of record. PWSA continues to send Notices of Intent to Lien to any owners of property not already lienied by JTS among the 8,529 accounts with debt totaling \$16,541,053.62 for any unpaid water/wastewater charges older than four years.

PWSA plans to evaluate the need for an external collection agency partnership following the implementation of its Enterprise Resource Planning system and the automation of its Collections process, currently scheduled for go-live in August 2022. If PWSA elects to contract with an external collection agency in the future, a requirement of any such contract would be to

ensure that all residential customer protections as set forth in Chapter 14, Chapter 56 and DSPLA would be followed.

Beginning in mid-2020, PWSA mailed 5,321 Notices of Intent to Lien to owners of record with qualifying debt as listed in PWSA's Standard Operating Procedure – Lien Process document. To date, 1,464 customers have responded with payment to PWSA totaling \$2,487,018.60. The breakdown of those payments is as follows:

- 1,346 Residential customers paid a total of \$1,281,391.25 in delinquent water/wastewater charges
- 118 Commercial customers paid a total of \$1,205,627.35 in delinquent water/wastewater charges

In 2020, PWSA filed 118 liens, and 506 liens have been filed thus far in 2021.

2. Accounts with Balances Over \$10K

As part of its annual reporting requirement to the Commission PWSA identifies accounts with outstanding balances in excess of \$10K. As part of PWSA's standard operating procedures, each account is reviewed to ensure that all available collection actions have been taken by the Authority, up to and including termination, the water service is shut at the curb, and the debt is lienied to protect PWSA's ability to collect the charges should the property be sold.

C. How Residential Customers' Rights Pursuant to Chapter 56 and DSPLA are Safeguarded

As PWSA's collections process has evolved since coming under the jurisdiction of the Commission, PWSA has necessarily had to ensure that residential customers' rights pursuant to Chapter 56 and DSPLA are safeguarded. PWSA's processes to do this are detailed through the prior sections of this document and nothing in PWSA's Collections Plan is intended to diminish or otherwise deprive residential customers of the customer protected afforded to them by Chapter 14, Chapter 56 and/or DSPLA.

D. Stage 2 Compliance Plan Settlement Terms

3. Collections Plan

In the Stage 2 Compliance Plan Settlement, PWSA agreed to a number of terms regarding its collections process. First, PWSA agreed to develop a written Collections Plan containing at least the following elements:

- Results of the discussion with other utilities regarding their best collections processes during which PWSA will seek:
 - Information about the utility's experience with credit scoring and security deposit mechanisms to include the cost of implementation, benefits of exercising the right to collect security deposits, steps taken to ensure income eligible customers are not assessed security deposits and how they return deposits that were inadvertently collected after learning a customer is low income, and steps taken to comply with the Fair Credit Reporting Act and the Equal Credit Opportunity Act.
 - Any publicly available analysis of the utility's collections practices to include lessons learned and best practices.
 - To the extent utilities are willing to share analytical information on a confidential basis, PWSA will work with the utilities to ensure any such information is appropriately anonymized and/or otherwise masked in PWSA's prepared Collections Plan.¹⁴⁶
- PWSA's analysis based on its evaluation of other utility practices and other research about what actions can be taken to improve PWSA's collections and, to the extent credit scoring and security deposits requirements are not recommended courses of action, PWSA's analysis will explain its supporting reasons.
 - The Collections Plan will identify specific collections goals that PWSA proposes to work toward achieving based on its analysis
 - The Collections Plan will identify specific metrics that can be used to measure PWSA's progress toward the specific collections goals identified in the Collections Plan
 - The Collections Plan will include a proposed reporting obligation to track PWSA's progress and provide such information to interested parties as part of PWSA Quarterly Compliance Plan Progress Reports

- To the extent that the Collections Plan includes a recommendation to pursue credit checks and/or security deposits, PWSA agrees implementation of any such recommendation would occur only after Commission approval of proposed tariff revisions to be addressed in a future proceeding. PWSA agrees to serve the parties in this case any such future request filed with the Commission and all parties reserve their rights to challenge the filing at that time.¹⁴⁷
- A description of the automation of the collections process which has or will be implemented with SAP, including a timeline for implementation.¹⁴⁸
- Evaluation of engaging a third party collections agency to assist with PWSA's collections activities. Consistent with Section E.9.b of the Commission approved settlement at Docket No. R-2021-3024773, PWSA will provide notice to the parties of this proceeding and LIAAC if it elects to issue a Request for Proposal and consider comments and feedback regarding the proposal.¹⁴⁹
- Recognizing that while PWSA intends to pursue collection of unpaid charges via a lien pursuant to the Municipal Claims and Tax Liens law, 52 P.S. §§ 7101-7455, and that the use of liens as a collections tools is not pursuant to the credit and collection regulations of the Commission, the Collections Plan may include evaluation of expanded processes to pursue collection of a lien.¹⁵⁰

In accordance with the Stage 2 Compliance Plan Settlement, PWSA shared a draft of the Collections Plan with the Parties within 30 days after entry of a final order in this proceeding, on August 15, 2022. PWSA also held a collaborative to discuss the draft on August 30, 2022. PWSA has considered the feedback received during this collaborative, and the final Collections Plan is attached to this Revised Compliance Plan.¹⁵¹

PWSA has also agreed to a variety of reporting requirements related to collections:

- Beginning with the first Compliance Plan Quarterly Update Report that is due after a Final Order is entered in this proceeding, PWSA will provide the following information:
 - Number of accounts entering the Collections Life Cycle (60+ days past due);
 - Dollar amounts of accounts entering the Collections Life Cycle (60+ days past due);
 - Number of accounts that are between 180 and 9999 days overdue;

- Dollar amounts of accounts that are between 180 and 9999 days overdue;
- Number of accounts receiving 10-day and 37-day notices;
- Number of scheduled terminations canceled during personal contact;
- Number of Notices of Intent to Lien issued; and,
- Number of liens filed.¹⁵²
- The data to be reported in the Compliance Plan Quarterly Update Report will encompass the below time periods:
 - For the April 30th Quarterly Update Report, the data will be through March 31st;
 - For the July 31st Quarterly Update Report, the data will be through June 30th;
 - For the October 31st Quarterly Update Report, the data will be through September 30th; and,
 - For the January 31st Quarterly Update Report, the data will be through December 31st.¹⁵³

4. Pursuit of Payment Through Lien Process

The Stage 2 Compliance Plan Settlement also addressed certain aspects of PWSA's use of liens as a collections tool. Although PWSA's use of liens is not subject to the Commission's credit and collections regulations, PWSA intends to continue to pursue collection of liens pursuant to the Municipal Claims and Tax Liens law, 52 P.S. §§ 7101-7455. The Settlement is clear that it is not intended to interfere with PWSA's ability to use liens as a collections tool nor to confer jurisdiction to the Commission beyond its current scope under the Public Utility Code. Likewise, the parties reserved their right under the Settlement to challenge, in the appropriate forum, PWSA's pursuit of collections via liens.¹⁵⁴

For informational purposes, a description of PWSA's current Lien Process is as follows. PWSA's pursuit of collection on a lien involves sending two written Notices of Intent to Lien (30 days and 10 days in advance of filing date)¹ to the property owner which notifies the property owner that PWSA plans to file the lien unless payment is made. If no payment is made of the outstanding charges, PWSA retains all rights to file the lien, reduce the lien to judgment and execute on the lien at a sheriff's sale.¹⁵⁵

To ensure that residential customers continue to have all Commission jurisdictional rights and protections available notwithstanding the availability of the lien process, PWSA agreed in the Settlement that it will only initiate its collections via the Lien Process for residential properties with a Notice of Intent to Lien in the following situations:

- When service has been terminated after all Chapter 56 processes have been exhausted (i.e. Shut accounts);
- When a tenant exercises rights under DSPLA to make a tenant payment because the property owner not paying the bill, PWSA will pursue a lien against the property owner for unpaid charges;
- Unpaid final bills;
- Inactive account balances;
- Wastewater Conveyance Only Accounts;
- Stormwater Only Accounts;
- Flat/unmetered party service line accounts; or
- If a termination cannot occur because of a sustained issue with the curb box due to access to the curb box being repeatedly blocked by the customer despite multiple attempts by PWSA, the curb box is inoperable due to being shifted, or the curb box is buried and cannot be located.¹⁵⁶

¹ See PWSA Exhibits JAQ-3 and JAQ-4 for Intent to Lien Notices.

As part of the Settlement, PWSA also agreed to include the following language on its bills and all customer collection notices for the purpose of disclosing to customers its ability to pursue liens: “PWSA may record a lien on the property if you or, if applicable, your tenant fails to respond to our normal collection process.”¹⁵⁷

COMPLIANCE PLAN – CUSTOMER NOTICES AND TRAINING MATERIALS

II. Revised Customer Notices

In the Stage 2 Compliance Plan Settlement, all parties recognized that PWSA’s revisions of customer notices will be an on-going process that will be occurring simultaneously with the implementation of SAP and direction as received through this proceeding. The Settlement summarized the notices to be revised and/or newly created consistent with the Settlement include:

<u>Settlement Section Reference</u>	<u>Form</u>	<u>Purpose</u>
<u>B.1.a.ii</u>	<u>Owner/Tenant Form</u>	<u>Optional form for use by Tenant Applicants for Service</u>
<u>B.1.b.ii</u>	<u>New Landlord Notices in Lieu Bill</u>	<u>For tenant customers opting out of current bill and notice processes</u>
<u>B.1.c</u>	<u>New Property Owner letter when tenant accepted as a customer</u>	<u>To inform property owners of information about account that will be shared in future depending on whether or not tenant opts out of existing notice process</u>
<u>B.1.d</u>	<u>New Tenant Welcome Letter</u>	<u>To be issued when Tenant successfully applies for service as a customer</u>
<u>B.3.c</u>	<u>New Flyer Regarding Tenant Rights in Multi-Unit Residential Dwellings to Submit Partial Payment</u>	<u>To be included with 30-day termination notice posting</u>
<u>B.4.c</u>	<u>Customer Facing Educational Materials Regarding Domestic Violence Rights</u>	<u>Disclosure of right not to have account notices sent to any other person</u>

<u>E.2.d</u>	<u>Warning Notices to Customers Regarding Willful Interference with Curb Box and Stop Valves</u>	<u>To address willful interference with curb box and valves</u>
<u>E.2</u>	<u>Waste of Water 10-day Notice</u>	<u>Add language to inform tenant to contact PWSA if working with property owner to address issue</u>
<u>I.4</u>	<u>Bills and all other customer collection notices</u>	<u>Disclosure of PWSA ability to pursue liens</u>

PWSA agreed to share drafts with the parties and the Bureau of Consumer Services Staff of its proposed revisions to its customer notices consistent with this settlement and direction from the Commission when such notices have been drafted but no later than within 30 days of approval of PWSA's Compliance Tariffs. PWSA will consider any feedback or suggestions offered and will explain why any recommendations were rejected.¹⁵⁸

III. Training Materials

In the Stage 2 Compliance Plan Settlement, the parties recognized that PWSA's revisions of its training materials will be an on-going process that will be occurring simultaneously with the implementation of SAP and direction as received through this proceeding. PWSA agreed to update its internal training materials to incorporate all approved Commission processes within 30 days after the Commission approves PWSA's Compliance Tariffs in the Stage 2 proceeding. PWSA will provide drafts of its updated training materials to the parties, and will consider any feedback or suggestions offered and will explain why any recommendations were rejected.¹⁵⁹

In addition to all process changes identified in the Stage 2 Compliance Plan Settlement, PWSA agreed to specifically address certain issues as part of its updated training materials, including: making clear that medically vulnerable tenants will be protected from termination if they submit a medical certificate; and making clear that a customer may continue to renew a medical certificate beyond the first three certificates if that customer continues to pay any new monthly charges, and ensuring that consumers who submit a medical certificate are adequately informed of the medical certificate renewal requirements.¹⁶⁰

CONCLUSION

PWSA appreciates the opportunity to present this information ~~and looks forward to working with the Commission and interested stakeholders to finalize this process.~~ PWSA submits that the information provided in this Revised Compliance Plan, which reflects years of efforts on behalf of PWSA and the parties, including the detailed Stage 2 Compliance Plan Settlement, fully addresses PWSA's compliance with Chapters 14 and 56, DSLPA and Collections.

¹ See 71 P.S. § 720.212. PWSA’s management of the City’s assets and other details of their relationship have historically been governed by a 1995 Cooperation Agreement, which was amended on March 21, 2011 and officially expired on October 9, 2019. A revised Cooperation Agreement was negotiated by the City and PWSA to provide for the rights and *obligations* of each party with respect to the other, and for payments and capital cooperation between the parties effective October 3, 2019 (“*2019 Cooperation Agreement*”). The 2019 Cooperation Agreement was filed with the Commission on December 20, 2019 pursuant to Section 507 of the Public Utility Code, 66 Pa.C.S. § 507, at Docket No. U-2020-3015258. According to the statute, the 2019 Cooperation Agreement shall “supersede, during the term of the cooperation agreement, any provision of 66 Pa.C.S. Pt. I, a commission regulation, policy statement, order and regulatory proceeding as they pertain to issues covered by the cooperation agreement, including the authority’s rates, terms and conditions of service rendered to the city and the respective rights and duties between the authority and the city.” 71 P.S. § 720.213(a). Accordingly, PWSA’s unopposed Petition for Leave to Withdraw the 2019 Cooperation Agreement was granted by order entered October 14, 2020. *Cooperation Agreement Between the City of Pittsburgh and the Pittsburgh Water and Sewer Authority*, Docket No. U-2020-3015258, Final Order entered October 14, 2020.

² The Municipal Separate Storm Sewer System is referred to as MS4. See 25 Pa. Code § 92a.2. NPDES permits are issued pursuant to the Storm Water Management Act, 32 P.S. §§ 680.1, et seq. See also 40 C.F.R. § 122.26(b) (relating to definition).

³ *Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Final Implementation Order entered March 15, 2018, Ordering Paragraph 2 at 44 (“*Final Chapter 32 Implementation Order*”).

⁴ *Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water and Sewer Authority*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Tentative Implementation Order entered January 18, 2018.

⁵ *Final Chapter 32 Implementation Order*.

⁶ *Procedure for Commission Review of the September 28, 2018 Compliance Plan and LTIIP Filings of The Pittsburgh Water and Sewer Authority*, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), dated September 26, 2018 (“*September 26, 2018 Secretarial Letter*”).

⁷ Notice of PWSA’s was published on October 13, 2018. 48 Pa.B. 6635.

⁸ *Assignment of the Pittsburgh Water and Sewer Authority Compliance Plan to the Office of Administrative Law Judge*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater), dated November 28, 2018 Corrected (“*November 28, 2018 Secretarial Letter*”).

⁹ *Id.* at 3.

¹⁰ *Assignment of the Pittsburgh Water and Sewer Authority Compliance Plan to the Office of Administrative Law Judge*, Docket No. M-2018-2640802 (water) and M-2018-2640803 (wastewater). Reconsideration Order entered December 20, 2018 (“*Compliance Plan Staging Reconsideration Order*”).

¹¹ *Id.* at 8.

¹² 66 P.S. §§ 1521-1533.

¹³ *Compliance Plan Staging Reconsideration Order* at 4.

As discussed further below in Section I, PWSA committed to supplementing its Compliance Plan as part of the Commission approved settlement of its Initial Rate Case. *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2018-3002645 (water) and R-2018-3002647 (wastewater) Final Order entered February 27, 2020 at 10, n. 9 (referring to the Recommended Decision entered January 17, 2019 at 31 which restates Section III.H.4 of the *Initial Rate Case Settlement*).

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Prehearing Order dated December 27, 2018.

Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority, Docket Nos. R-2018-3002645 (water) and R-2018-3002647 (wastewater) Final Order entered February 27, 2020 (“*Initial Rate Case Order*”).

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Expedited Motion for Extension of Commission-Created Deadlines filed May 13, 2019 (“*Joint Motion for Extension Stage I*”).

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), *Secretarial Letter* dated May 15, 2019 at 3.

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 2 (Timeline), Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order entered June 18, 2020 (“*January 24, 2020 Stage 2 Timeline Secretarial Letter*”).

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Joint Petition for Partial Settlement, filed September 13, 2019 (“*Stage 1 Partial Settlement*”) at Exhibit 1.

Stage 1 Partial Settlement ¶ 47 at 16.

These issues included the 1995 Cooperation Agreement, billing issues related to property of the City of Pittsburgh, applicability of Commission’s regulations to line extensions, PWSA’s residency requirement and two issues regarding PWSA’s lead service line remediation policy. *Id.* at ¶ IV.51 at 57.

Id. at ¶ IV.51 at 57-58.

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order entered March 26, 2020 (“*March 2020 Stage 1 Order*”).

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order entered June 18, 2020 (“*June 2020 Stage 1 Order on Reconsideration*”).

Id. at Ordering Paragraph 4 at 157-158.

Id. at Ordering Paragraph 4(b) at 158.

Pittsburgh Water and Sewer Authority v. Pennsylvania Public Utility Commission, Docket No. 689 CD 2020. PWSA’s Docketing Statement was filed on March 3, 2021. An appeal of the Commission’s Stage 1 orders was also filed by the City of Pittsburgh but that case has since been withdrawn. *See City of Pittsburgh v. Pennsylvania Public Utility Commission*, Docket No. 680 CD 2020, Praecipe for Discontinuance filed February 24, 2021.

By Secretarial Letter dated September 10, 2020, the Commission granted PWSA’s request for a 14-day extension to submit its Proposal to enable it to explore the resolution of several outstanding issues.

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), Opinion and Order entered February 4, 2021 (“*Stage 1 February 4, 2021 Order*”).

Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), PWSA Compliance Plan Revised as of April 27, 2020 at Cover Letter.

32 A complete Amended LTIIP was filed on July 7, 2020 in response to Data Request I from Technical Utility Service Staff and upon discovery that the initial filing inadvertently failed to include an Amended Table 26 or any of the unchanged Appendices that were submitted with PWSA's initial LTIIP filing on September 28, 2018. PWSA's LTIIPs were approved by Commission Orders entered August 27, 2020. *Petition of Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure Improvement Plan for its Water Operations*, Docket No. P-2018-3005037, Opinion and Order entered August 27, 2020. *Petition of Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure Improvement Plan for its Wastewater Operations*, Docket No. P-2018-3005039, Opinion and Order entered August 27, 2020 ("Final LTIIP Orders").

33 By Secretarial Letter entered July 13, 2020 at Docket Numbers M-2018-264082 and M-2018-2640803, PWSA's Tariff Supplements were permitted to become effective on June 27, 2020.

34 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater) Final Order entered December 3, 2020 ("Second Rate Case Order").

35 See PWSA Tariff Water – Pa. P.U.C. No. 1 at pages 66-69.

36 *March 2020 Stage 1 Order* at 74.

37 *November 28, 2018 Secretarial Letter* at 4.

38 *Id.*

39 *Id.*

40 *Joint Motion for Extension Stage 1* at 8-11.

41 *Id.* at 10. For example, PWSA's customer service termination process includes not only the notices that are given to customers but when such notices are given, how they are provided, what avenues are available for specific customers to pursue depending on their factual circumstance and what actions are appropriate for PWSA to aggressively pursue collections of delinquent accounts. Therefore, the inclusion of the format and process for PWSA's service termination process in Stage 1 resulted in parties and Commission staff not feeling comfortable addressing any topic touching on those areas during the Stage 2 workshops. As this hampered the Stage 2 workshop discussions, the parties concluded that continuing those issues in the Stage 1 litigation could be an obstacle in the way of making forward progress.

42 *Final Chapter 32 Implementation Order*.

43 *Second Rate Case Order*.

44 *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater), Joint Petition for Settlement dated September 20, 2020, Section III.B at 7 ("Second Rate Case Settlement").

45 *Stage 1 February 4, 2021 Order* at 65.

46 [Docket Nos. R-2021-3024773 \(water\); R-2021-3024774 \(wastewater\); and R-2021-3024779 \(stormwater\) \("PWSA 2021 Rate Case"\)](#).

47 [Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority – Stormwater, Docket Nos. R-2021-3024779 Order entered May 20, 2021](#).

48 [Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority – Stormwater, Docket Nos. R-2021-3024779 Order entered May 20, 2021, Attachment B](#).

4649 *June 2020 Stage 1 Order on Reconsideration* at Ordering Paragraph 4.

4750 *Stage 1 February 4, 2021 Order* at Ordering Paragraph 1.

4851 *June 2020 Stage 1 Order on Reconsideration* at 116, n. 23.

4952 *Stage 1 February 4, 2021 Order* at 30.

5053 *Final Implementation Order* at Ordering Paragraph 3 at 44; 66 Pa.C.S. § 3204(a).

5154 *Initial Rate Case Order*.

5255 *Final Chapter 32 Implementation Order*, Ordering Paragraph 3 at 44; 66 Pa.C.S. § 3204(b).

5356 See *Final LTIIP Orders*.

⁵⁴⁵⁷ *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2018-3002645 (water) and R-2018-3002647 (wastewater), Joint Petition for Settlement dated November 29, 2018 (“*Initial Rate Case Settlement*”).

⁵⁵⁵⁸ *Initial Rate Case Order*.

⁵⁶⁵⁹ *November 28, 2018 Secretarial Letter* at 3.

⁵⁷⁶⁰ *Initial Rate Case Settlement* at Section III.H at 24.

⁵⁸⁶¹ *Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority – Stage 1*, Docket Nos. M-2018-2640802 (water) and M-2018-2640803 (wastewater), First Interim Order Granting Motion for Consolidation of Proceedings dated February 21, 2019.

⁵⁹⁶² *March 2020 Stage 1 Order* at Ordering Paragraph 13 at 181.

⁶⁰⁶³ *Final LTIIP Orders*.

⁶¹⁶⁴ PWSA Tariff Water – Pa. P.U.C. No. 1, Tariff Supplement No. 5 effective January 14, 2021 at 63-69.

⁶²⁶⁵ *Stage 1 Partial Settlement* at Section III.F at 30.

⁶³⁶⁶ Cooperation Agreement Between the City of Pittsburgh and the Pittsburgh Water and Sewer Authority, Docket No. U-2020-3015258.

⁶⁴⁶⁷ Cooperation Agreement Between the City of Pittsburgh and the Pittsburgh Water and Sewer Authority, Docket No. U-2020-3015258, Interim Order on Motion to Consolidate dated April 27, 2020.

⁶⁵⁶⁸ 71 P.S. § 720.212.

⁶⁶⁶⁹ 71 P.S. § 720.213(a).

⁶⁷⁷⁰ *Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority*, Docket Nos. R-2020-3017951 (water) and R-2020-3017970 (wastewater), Order entered April 16, 2020.

⁶⁸⁷¹ See Supplement No. 4 to PWSA Tariff Water – Pa. P.U.C. No. 1 and PWSA Wastewater Tariff – Pa. P.U.C. No. 1 filed April 27, 2020.

⁶⁹⁷² *Second Rate Case Order*.

⁷⁰⁷³ *Initial Rate Case Settlement* at Section III, H, 4, a-f.

⁷¹⁷⁴ *Initial Rate Case Settlement* at Section III, H, 8; See PWSA St. No. C-4, Direct Testimony of Julie Quigley dated February 14, 2019 admitted for the record on August 21, 2019. See *March 26, 2020 Order* at 8.

⁷²⁷⁵ *Second Rate Case*, PWSA St. No. 9 at 2.

⁷³⁷⁶ Mr. Weimar also provided details about how PWSA is working to achieve its goal of becoming a more professional and customer centric public utility that delivers “best in class” service and how its publicly available “Headwaters” initiative measures PWSA’s performance regarding five specific goals and provides a public report on PWSA’s progress. PWSA St. No. 1 at 19-20.

⁷⁴⁷⁷ PWSA St. No. 8 at 3. Mr. Weimar provided additional testimony about the goals in redesigning its website and the information that is currently available to customers as a result of the new design. PWSA St. No. 1 at 24-25.

⁷⁵⁷⁸ *Second Rate Case Settlement* at 14-16, ¶¶ III.G and III.H

⁷⁶ ~~The original Emergency Proclamation and subsequent extensions are available at: <https://www.pema.pa.gov/Governor-Proclamations/Pages/default.aspx>~~

⁷⁹ The original Emergency Proclamation and subsequent extensions are available at: <https://www.pema.pa.gov/Governor-Proclamations/Pages/default.aspx>

⁷⁷⁸⁰ *Public Utility Service Termination Moratorium Proclamation of Disaster Emergency – COVID-19*, Docket No. M-2020-3019244, Emergency Order dated March 13, 2020. (“*Moratorium on Terminations Emergency Order*”).

⁷⁸⁸¹ *Second Rate Case Settlement* at 8-9, ¶ III.D.

⁷⁹⁸² *Second Rate Case Settlement* at 9, ¶ III.E.

⁸⁰⁸³ *Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order*, Docket No. M-2020-3019244, Order adopted October 8, 2020.

8184 66 Pa.C.S. § 1405(e).

8285 *Public Utility Service Termination Moratorium*, Docket No. M-2020-3019244, Order entered March 18, 2021 (“*Order Recommencing Terminations*”).

8386 PWSA’s Lead Infrastructure Plan is included as part of its Commission-approved Long-Term Infrastructure Improvement Plan. *See Petition of Pittsburgh Water and Sewer Authority for Approval of its Amended Long-Term Infrastructure Improvement Plan for its Water Operations*, Docket No. P-2018-3005037, Opinion and Order entered August 27, 2020.

8487 *Initial Rate Case Settlement Petition* at Section III, F, 3.

8588 *Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order*, Docket No. M-2020-3019244, Order entered October 13, 2020 at 4-5.

8689 Headwaters was launched in January 2020 to measure PWSA’s performance regarding five specific goals set forth in PWSA’s 2017 “Focusing on the Future” Report including protecting public health and the environment, maintaining a high performing workforce, ensuring customer and stakeholder satisfaction, improving infrastructure reliability, and being an efficient and effective organization. *See* <https://headwaters.pgh2o.com/#Goals>

8790 *Stage 1 Partial Settlement* at Section III.MM3 at 42.

8891 *Initial Rate Case Settlement* at Section III.8 at 28.

8992 *Initial Rate Case Order*.

9093 *Id.*

9194 53 P.S. § 7107.

9295 53 P.S. § 7108.

9396 53 P.S. § 7251. *See, e.g., Sledge v. Borough of Homestead*, 677 A.2d 1327 (Pa.Cmwlt. 1996); *Skupien v. Gallitzin*, 578 A.2d 577 (Pa. Commw. Ct. 1990).

9497 *Michael Hatfield v. Pittsburgh Water and Sewer Authority*, Docket No. C-2018-3006129, Opinion and Order entered October 29, 2020 at 7.

9598 PWSA Tariff Water – Pa. P.U.C. No. 1, Part III, Section C.1.d.

9699 PWSA Water Tariff – PA PUC No. 1, Part II.28.

97100 52 Pa.C.S. § 7101 defines “municipal claim” as “the claim arising out of, resulting from . . . service supplied. . . by a municipality. . . or sewer rates” and 52 Pa.C.S. § 7108 states that “all real estate. . . shall be subject to all . . . municipal claims” (emphasis added).

101 [Stage 2 Settlement, Section A.1-3, 5.](#)

98- ~~*See text under Number 1.A of the Change of Address – Owner/Tenant Form identified as UNITED III Attach A (emphasis added).*~~

99- ~~*66 P.S. §§ 1521-1533. Prior to the Commission’s assumption of jurisdiction over PWSA, PWSA was required to comply with the Utility Service Tenants Rights Act (“USTRA”). 68 P.S. §§ 399.1-399.18. Both laws are designed to protect tenants who are not customers of record and who are dependent on the landlord to pay for utility bills. However, PWSA is now required to comply with the specific requirements of DSLPA.*~~

102 [Stage 2 Settlement, Section B.1.a.](#)

103 [Id.](#)

104 [Stage 2 Settlement, Section B.1.b.i.](#)

105 [Stage 2 Settlement, Section B.1.b.ii.](#)

106 [Stage 2 Settlement, Section B.1.b.iii and iv.](#)

107 [Stage 2 Settlement, Section B.1.c.](#)

108 [Stage 2 Settlement, Section B.1.d.](#)

109 [Stage 2 Settlement, Section B.2.](#)

100110 *See* PWSA’s April 27, 2020 Revised Compliance Plan at 40 for the specific terms of the agreement.

⁴⁰¹¹¹¹ Current information is available at PWSA's Headwater cite:
<https://headwaters.pgh2o.com/Metrics/NumberWaterMetersRepairedReplaced>

⁴⁰²¹¹² More information is available at: <https://www.pgh2o.com/residential-commercial-customers/account-billing-info/self-report-meter-reading>

⁴⁰³¹¹³ More information about this tool as well as a sample of the information that is available to the participating consumer is available at: <https://www.pgh2o.com/residential-commercial-customers/account-billing-info/check-your-water-usage>

⁴⁰⁴¹¹⁴ Section 65.12 of the Commission regulations that apply to water utilities require a customer to give at least three days' notice of intent to vacate. Because PWSA's tariffs give customers seven days' notice and Section 65.13 requires at least three days' notice, PWSA is in compliance with both regulations.

⁴⁰⁵¹¹⁵ *See, Michael Hatfield v. Pittsburgh Water and Sewer Authority*, Docket No. C-2018-3006129, Opinion and Order entered October 29, 2020. Complainant Landlord challenged PWSA efforts to work with tenant regarding payment arrangements and to pursue the Complainant Landlord for outstanding charges that were never paid by the tenant. The Commission agreed that PWSA's efforts to work with the tenant while continuing to issue a bill to the landlord were consistent with the Code.

⁴⁰⁶¹¹⁶ PWSA Tariffs at Part I, Section E and Part III, Section C.4.

⁴⁰⁷¹¹⁷ A copy of the Final Bill Application is available at PWSA's website at:
<https://www.pgh2o.com/residential-commercial-customers/buying-or-selling-property/final-bill-application>

¹¹⁸ [Stage 2 Settlement, Section E.1.](#)

¹¹⁹ [Stage 2 Settlement, Section E.2.](#)

¹²⁰ [Stage 2 Settlement, Section E.3.](#)

⁴⁰⁸¹²¹ *Hatfield*, Docket No. C-2018-3006129, Opinion and Order entered October 29, 2020 at 22.

¹²² [Stage 2 Settlement, Section B.3.a.](#)

¹²³ [Stage 2 Settlement, Section B.3.b.](#)

¹²⁴ [Stage 2 Settlement, Section B.3.c.](#)

⁴⁰⁹¹²⁵ *Initial Rate Case Settlement* at Section III.D.5 at 15.

⁴¹⁰¹²⁶ *Compliance Plan Stage 1 Proceeding*, PWSA St. No. C-4 (Rebuttal Testimony of J. Quigley dated May 6, 2019) at 14-16.

¹²⁷ [Stage 2 Settlement, Section F.1-3.](#)

⁴¹¹¹²⁸ *Initial Rate Case Settlement* at Section III.D.7 at 15-16.

⁴¹²¹²⁹ *Compliance Plan Stage 1 Proceeding*, PWSA St. No. C-4 (Direct Testimony of J. Quigley) dated February 14, 2019 at 13-16. PWSA St. No. C-4R (Rebuttal Testimony of J. Quigley) dated May 6, 2019 at 6-13.

⁴¹³¹³⁰ *See PWSA's Expedited Motion for Extension of Commission-Created Deadlines* (May 13, 2019), Docket Nos. M-2018-2640802 (water) and M-2018-2640803, at 8 (as approved by May 15, 2019 Secretarial Letter re: Grant of Expedited Motion for Extension of Deadlines).

¹³¹ [Stage 2 Settlement, Section D.1.](#)

¹³² [Stage 2 Settlement, Section D.2.](#)

¹³³ [Stage 2 Settlement, Section D.3.](#)

¹³⁴ [Stage 2 Settlement, Section B.4.a.](#)

¹³⁵ [Stage 2 Settlement, Section B.4.b.](#)

¹³⁶ [Stage 2 Settlement, Section B.4.c.](#)

⁴¹⁴¹³⁷ *September 30, 2020 Compliance Proposal* at 10.

⁴¹⁵¹³⁸ *Id.* at 10.

⁴¹⁶¹³⁹ *Stage 1 February 4, 2021 Order* at 30.

⁴¹⁷¹⁴⁰ *Id.* at 31-32.

⁴¹⁸¹⁴¹ PWSA Water Tariff Supplement No. 6, First Revised Page No. 68.

¹⁴² [Stage 2 Settlement, Section G.1.](#) ^{12619949.7}} ³⁹⁶

¹⁴³ See, e.g., *Gasparro v. PUC*, 814 A.2d 1282 (Pa. Commw. Ct. 2003); *Donald Ashman v. National Fuel Gas Distribution Corporation*, Docket F-9031384, Opinion and Order issued January 21, 1993; 1993 Pa. PUC LEXIS 1.

¹⁴⁴ See, e.g., *David Fasone v. Philadelphia Gas Works*, Docket No. C-2012-2322684, Final Order (Act 294) entered November 30, 2012 adopting Initial Decision dated October 12, 2012 (“[A]ny challenges to the validity of the lien and the enforcement of the lien are all within the jurisdiction of the Court of Common Pleas, pursuant to the [MCTLL]. No provision of the [MCTLL] grants the Commission jurisdiction over any aspect of a municipal lien proceeding. Municipal lien proceedings, pursuant to the [MCTLL], are exclusively within the jurisdiction of the Court of Common Pleas, not the Commission. The Commission simply lacks jurisdiction over any aspect of a municipal lien proceeding, pursuant to either the Public Utility Code or the [MCTLL]”).

¹⁴⁵ 53 Pa.C.S. §§ 5601-5623.

¹⁴⁶ [Stage 2 Settlement, Section H.1.a.](#)
¹⁴⁷ [Stage 2 Settlement, Section H.1.b.](#)
¹⁴⁸ [Stage 2 Settlement, Section H.1.c.](#)
¹⁴⁹ [Stage 2 Settlement, Section H.1.d.](#)
¹⁵⁰ [Stage 2 Settlement, Section H.1.e.](#)
¹⁵¹ [Stage 2 Settlement, Section H.2.](#)
¹⁵² [Stage 2 Settlement, Section H.3.a.](#)
¹⁵³ [Stage 2 Settlement, Section H.3.b.](#)
¹⁵⁴ [Stage 2 Settlement, Section I.1-2.](#)
¹⁵⁵ [Stage 2 Settlement, Section I.3.](#)
¹⁵⁶ [Stage 2 Settlement, Section I.4.](#)
¹⁵⁷ [Stage 2 Settlement, Section I.5.](#)
¹⁵⁸ [Stage 2 Settlement, Section L.1-4.](#)
¹⁵⁹ [Stage 2 Settlement, Section M.1-2.](#)
¹⁶⁰ [Stage 2 Settlement, Section M.3.](#)

Summary report: Litera Compare for Word 11.0.0.61 Document comparison done on 9/12/2022 3:08:06 PM	
Style name: ESCM	
Intelligent Table Comparison: Active	
Original DMS: iw://escm-mobility.imatech.work/ECKERTACTIVE/6539264/9	
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Changes:	
<u>Add</u>	633
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Move From	3
<u>Move To</u>	3
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Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	949

Appendix E

Final Collections Plan

September 12, 2022

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I. INTRODUCTION

The Pittsburgh Water and Sewer Authority (PWSA) submits this Final Collections Plan to Pennsylvania Public Utility Commission (Commission) pursuant to the Joint Petition for Settlement (Settlement) regarding PWSA's April 9, 2021 Stage 2 Compliance Plan. The Settlement was approved by the Commission by Order entered on July 14, 2022 at Docket Nos. M-2018-2640802 and M-2018-2640803. Consistent with the Settlement, PWSA provided a Draft Collections Plan to the parties and the Commission's Bureau of Consumer Services (BCS) on August 15, 2022 and convened a collaborative with the parties and BCS on August 30, 2022. The Final Collections Plan reflects some of the feedback received during that collaborative and via written comments following the meeting.

II. DESCRIPTION OF PWSA'S EXISTING COLLECTIONS PROCESS

PWSA's existing Collections Process is detailed within Exhibit A. In summary, an account progresses through multiple points of communication with a customer once charges for billed services, which can be water/wastewater conveyance/Allegheny County Sanitary Authority (ALCOSAN) sewage treatment/stormwater, are identified to be unpaid ten days past the due date. At each interaction, there is an opportunity for the customer to make payment in full, enter into an interest free payment plan if they have not yet defaulted on two payment arrangements, present a medical, present a PFA, and/or qualify for low income customer assistance programs and grants to stop the Collections action.

Once an account moves through the PWSA Collections Life Cycle, PWSA mails a series of "intent to lien" notices to the customer, giving them a total of 40 days to address the delinquency before moving to file a lien against the property to



protect PWSA's ability to collect the debt at a property transfer. As is described in Exhibit B, at least one of the following criteria must exist to move forward with the lien process:

- Debt over 4 years old that cannot be debited to the active account per PA PUC regulation
- Unpaid final bill
- New tenant added to the account
- Sewage-only account
- Flat/party line account
- Water provider is West View Water Authority
- High dollar account where PWSA has attempted termination and there is an inoperable curb box at the property
- Shut account

III. BEST PRACTICES FOR COLLECTIONS

Debt collection during the COVID 19 pandemic has been extremely challenging for all businesses but especially difficult for utilities. Programs created to meet the needs of those financially impacted by the pandemic – such as the Emergency Rental Assistance Program (ERAP), the Low Income Household Water Assistance Program (LIHWAP), and the Pennsylvania Homeowner Assistance Fund (PA HAF) – have relieved low income customers of their delinquent charges. Specifically, LIHWAP grants allotted to PWSA customers from January through August 2022 have satisfied \$1.3M in unpaid water, wastewater conveyance, and sewage treatment charges.



A. FINDINGS FROM OTHER UTILITIES

PWSA Customer Service management sought the knowledge and expertise of their counterparts in the following utility companies to learn their approach to debt collection: Columbia Gas [400K customers], Duquesne Light Company [615K residential customers; 65K industrial customers], Pennsylvania American Water Company [700K customers], Peoples Gas [600K residential customers], and Philadelphia Gas Works [500K residential accounts]. The following is a compilation of the facts and lessons learned that were shared with PWSA.

- View termination notices and calls as best collections tools
- Terminate throughout the winter moratorium with the exception of tenant-occupied properties and properties with steam heat
- Personal contact at termination is performed by staff
- Outbound, automated calls to customers 72 hours before termination; if no answer, post the property
- Issue notices electronically via email and text
- Customer debt increases during Winter Moratorium
- Monitor high dollar accounts and post friendly reminder notices during winter moratorium
- Issue notices prior to the end of Winter Moratorium
- Begin terminating after each April 1st
- Dollar Energy Fund is the customer assistance program administrator
- Have teams who work exclusively to increase assistance program enrollment
- Recertify participants in their low income assistance programs annually
- Monitor high dollar accounts so that none exceed \$10K



- Employ a third party collection agency when other collection tools are unsuccessful
- Hire multiple collection agencies to address debt over \$4K on accounts inactive for over 6 months
- Use a collection agency for debt over 180 days, final bills due over 30 days
- Utilize multiple collection agencies
 - Active accounts worked by a set of collection agencies; contact customers 30 days after the invoice date
 - Inactive accounts worked by a collection agency; contact customers 17 days after the due date
- Attend virtual conferences on best collection practices
- Recover bad debt through rates; do not write off debt on active accounts

PWSA Customer Service management made repeat attempts from March through July 2022 to contact three of the utilities to learn more about their collections processes; however, to date they have not received additional responses.

B. CREDIT CHECKS AND SECURITY DEPOSITS

In soliciting Collections process information from these various utilities, PWSA Customer Service management also requested their stance on credit checks and security deposits. Here are their findings:



Credit Checks

Credit Checks	Number
Perform credit checks	2
In-house credit scoring	1

Security Deposits

Security Deposits	Number
Take security deposits	3
Do not take security deposits	1
Collect social security numbers	1

IV. PWSA'S PLANNED GOALS, METRICS, AND REPORTING

PWSA evaluated all information gathered from other utilities as identified above in III.A-B. At this time, PWSA identified three opportunities to increase the efficiency and effectiveness of its Collections process. In addition to the Collections Life Cycle that guides PWSA's approach to collecting delinquent charges, PWSA will add the following to its collection toolkit.

1. **Collection Agencies** – Upon approval of this Collections Plan, PWSA will compose and issue Requests for Proposals (RFPs) to solicit and select multiple collection agencies to facilitate collection of:
 - a. Debt over \$1,000
 - b. Debt over 180 days
 - c. Final bills past due 30 days



- d. Active accounts where 1) a tenant payment is received, or 2) a curb stop is unable to be located and/or operated (If a curb stop is located and/or made operable, the account would be pulled from the agency and placed back into PWSA's Collections Life Cycle.)
- e. Inactive accounts where 1) PWSA has ceased to provide water/wastewater conveyance service, or 2) a previous customer has moved out

PWSA will educate any collection agency vendors that it contracts with on the protections afforded to customers with unpaid charges as found in 52 Pa. Code Chapter 56.

Goal: Contract with multiple collection agencies

Metric: Increase PWSA collection rate by more than 10%

Reporting: Payments coded as received from collection agencies; impact to collection rate and aging reports

- 2. **Outbound Collection Calls** – Historically, PWSA had issued outbound collection calls but moved away from the process during the pandemic. In researching the collection practices of other utilities, PWSA is renewing its interest in the impact that regular communication with its customers can foster. PWSA will reinvest Collections management personnel's time to design a schedule of outbound calling campaigns.

Goal: Plan and issue collection call campaigns

Metric: Reduce issued shutoffs by 10%

Reporting: Completion and success rate of each call campaign; payments made immediately following a campaign



3. **Collection Notices via Email** and SMS (text) Message – PWSA will consider the efficiency of issuing 3-day collections notices via email and text message while incorporating the privacy guidelines relevant to 66 PA.C.S. § 1416 and 52 PA. Code §§ 56.93, 56.333. Additionally, PWSA will mail and consider the effectiveness of also emailing/text messaging 10-day collections notices. With the launch of its Customer Advantage portal, PWSA can now sync customer email addresses with its CIS, allowing the creation of lists of delinquent customers for the purpose of emailing collection notices. These notices will include a QR code and link that the customer can click to begin communication with a PGH2O Cares team member or Customer Service Representative to resolve their account delinquency and will have Exhibit G as an attachment.

Goal: Email collection notices

Metric: Reduce issued shutoffs by 5%

Reporting: Completion and success rate of each email campaign; payments made immediately following a campaign

A. DUNNING AUTOMATION IN SAP

As this plan was being finalized, PWSA was in week one of post-go-live SAP implementation. Having SAP as the Customer Information System (CIS) will enable the following efficiencies in PWSA's Collections process.

- Automated Dunning Processes will guide the issuance of non-payment termination notices, posting notices, and shut offs. See Exhibits C through F for illustrations of these processes.



- Defaulted installment plans will automatically trigger dunning when plans become past due, thereby reducing the delay in customer payments to bring plans current under the previously manual process.
- Disconnection files for non-payment will be generated through the Dunning Process for sewage-only accounts, and files requiring upload to PAWC's MFT site will be automated.
- In-house customer payment files are being posted directly to SAP without going through an MS Access program first.
- CityGrows payment files are being directly posted to SAP, eliminating this manual process.
- PNC payment returns that are currently voided manually will be automatically processed via an upload in SAP when a file is received from the bank.
- Lien reports will automatically generate following PWSA's lien criteria in the SOP.
- Payments and balance transfers will be processed in SAP so that reporting by service types will be possible.
- Bankruptcy amounts will be calculated in SAP instead of a manual balance transfer for the date of filing.
- Collections reporting in SAP will replace manual counts of notices, postings, shut offs, etc.
- Reporting on point in time balances will be available in SAP.

IV. CONCLUSION

Going through the exercises of reviewing its existing collections activities and researching the practices of other regulated utilities has allowed PWSA to become more introspective in its evaluation of current and future collections activities, as well as foster relationships with other like-minded utility managers. PWSA will continue to knowledge share with these utilities to compare challenges, failures,



and successes with the ultimate goal of collecting what was billed while keeping ratepayer costs top of mind.

PWSA Final Collections Plan

Exhibits A - G

PWSA Collections Plan

Exhibit A

Understanding the Collections Life Cycle:

1. An invoice is generated; bill due in 20 days (**1st invoice**)
 - a. Bill not paid, friendly reminder on next bill 10 days later (**2nd Invoice**)
 - b. Now we are at 30 days from date of delivery of 1st invoice (10 days past due)
2. 20 days later 2nd invoice is now due; we are at 50 days from 1st invoice date of delivery
3. 5 days later (in between 2nd invoice due and before 3rd invoice is generated)
 - a. **Step 1** - 10-day IOS notices for non-payment
 - b. Now we are at 55 days from date of delivery, 35 days past due of 1st invoice
4. 5 days later next bill is then generated (**3rd invoice**)
 - a. Now we are at 60 days from date of 1st invoice delivered
5. 3 days later (8 days from 10-Day Disconnection notice) 72-hour posting/phone calls advising of IOS are made
 - a. **Step 2** is 8 days after 10-day notice was created
 - b. Now we are at 63 days from date of 1st invoice delivered
6. 2 days later, 65th day from date of 1st invoice delivered, 10-day IOS notification expires
7. We give a 3 or more-day grace period to post payments before step three is ran
 - a. **Step 3 is releasing the IOS** to our field technicians to shut for non-payment
 - b. Collections staff contacts customers via telephone 24 hours in advance before shutting service.
 - c. In total, will interrupt service 48 days past due of the 1st invoice

From December 1st through March 31st for residential properties, an extra step is added to the Collections process; in addition to the 72-hour posting notice or two telephone calls, the customer receives a 48-hour posting notice as well. After the 48-hour posting notice, two days later an IOS is created.

From December 1st through March 31st, steam heat customers are exempt from termination of service.

Disconnection of water service occurs Monday through Thursday. PWSA does not shut on Fridays, weekends or the day before a holiday.

Programs were created through Dollar Energy to assist customers based on their income.

- Bill discount program
- ALCOSAN's Clean Water Assistance Fund
- Hardship grant
- Winter moratorium

Special protections are available through medicals and PFA's.

Payment arrangements are given based on the customer's income and household size.

PWSA Collections Plan

Exhibit B



Pittsburgh
Water & Sewer
Authority

PWSA Standard Operating Procedure

Division: Customer Service; Legal

Scope: How to Perfect a Lien Against a Property

Job Title: CSR 3; Paralegal

Subject: Lien Process

The Senior Customer Service Manager or Senior Collections Coordinator reviews each account on the [Jordan Tax Service, Inc. \(JTS\) spreadsheet \\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Revised-JTS balance worksheet.xlsx](#) or an aging report to locate accounts to lien [pending lien report in PWSA's Customer Information System \(CIS\)](#).

Accounts are reviewed to determine if PWSA has exhausted all collections activities. The accounts are added to the lien spreadsheet located in the shared drive [\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Liens \(version 1\).xlsx](#). A 30-day lien notice [S:\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Lien Letter \(30-day\) JQ.docx](#) is mailed via first class letter to customers and their mortgage holders whose debt has, at minimum, one of the following attributes:

- Debt over 4 years old that cannot be debited to the active account per PA PUC regulation
- Unpaid final bill
- New tenant added to the account
- Sewage-only account
- Flat/party line account
- Water provider is West View Water Authority
- High dollar account where PWSA has attempted termination and there is an inoperable curb box at the property
- Active bankruptcy
- Shut account

After 30 days, the accounts are researched for payment. If payment in full has not been made, a 10-day lien notice [\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Lien Letter \(10-day\) JQ mail merge.docx](\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Lien Letter (10-day) JQ mail merge.docx) is mailed via first class letter.

After 10 days, the accounts are researched for payment. If payment in full has not been made, the row containing the delinquent account is highlighted on our lien spreadsheet [\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Liens \(version 1\).xlsx](\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Liens (version 1).xlsx).

The Paralegal files liens on the highlighted accounts electronically and sends the filing letter [S:\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\LIEN COVER LETTER TEMPLATE \(003\).docx](S:\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\LIEN COVER LETTER TEMPLATE (003).docx) to the customer and mortgage holder, which states that the balance must be paid in full along with a \$78.00 filing fee. A lien filing fee is assessed by the County of Allegheny to The Pittsburgh Water and Sewer Authority in order to perfect the lien. The filing fee is then passed to the customer.

The Paralegal also adds the General Docket (GD) number and filing date to the lien spreadsheet [\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Liens \(version 1\).xlsx](\\fs1\Shared\Customer Service\COLLECTIONS TERM LETTER FOLDER\Liens 2019\Liens (version 1).xlsx).

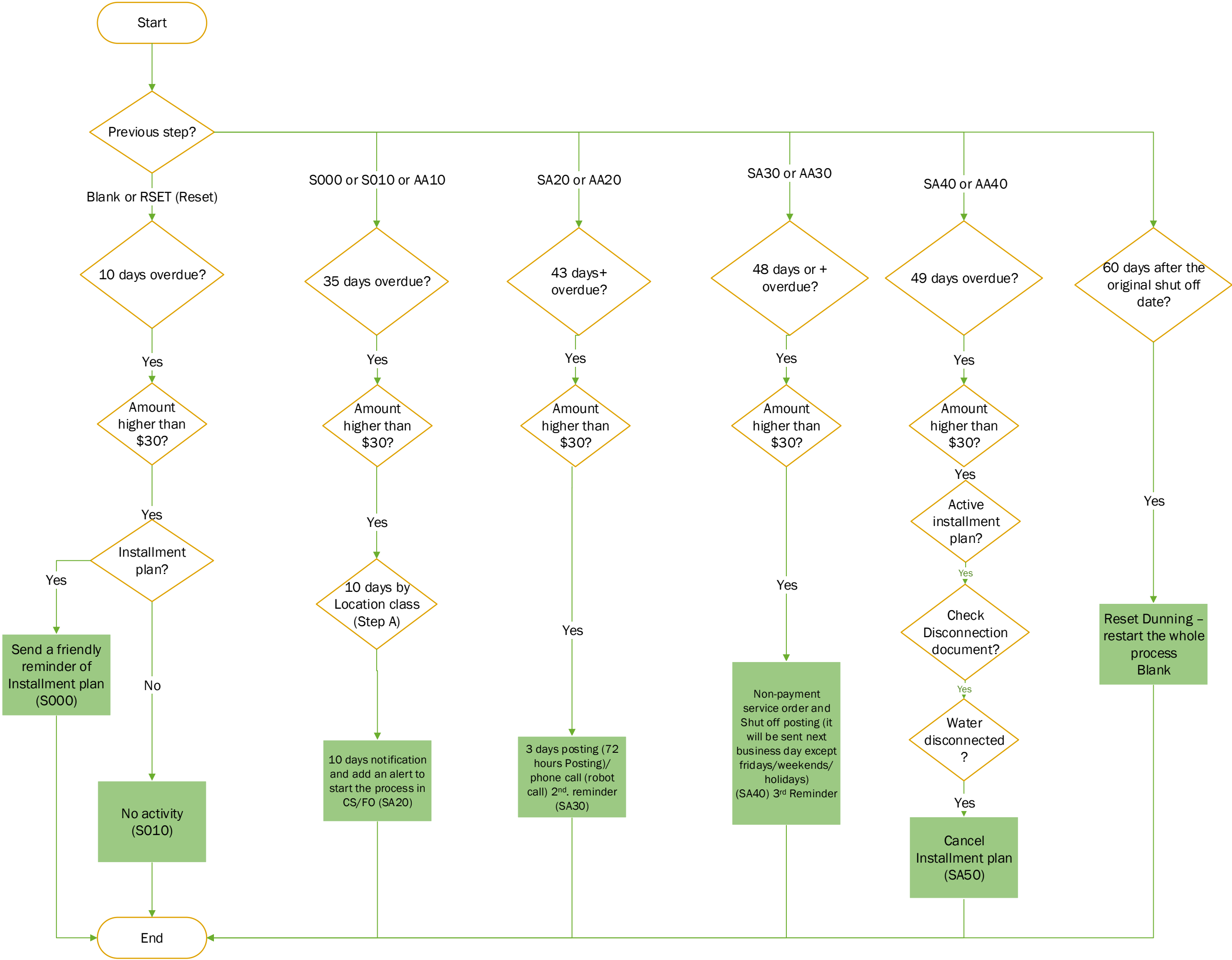
A Customer Service Representative 1 reviews the spreadsheet weekly to add the GD numbers to the associated Cogsdale accounts.

Once payment in full is received, including payment of the lien filing fee, the GD number is emailed to the Paralegal with a request to electronically satisfy the lien.

PWSA Collections Plan

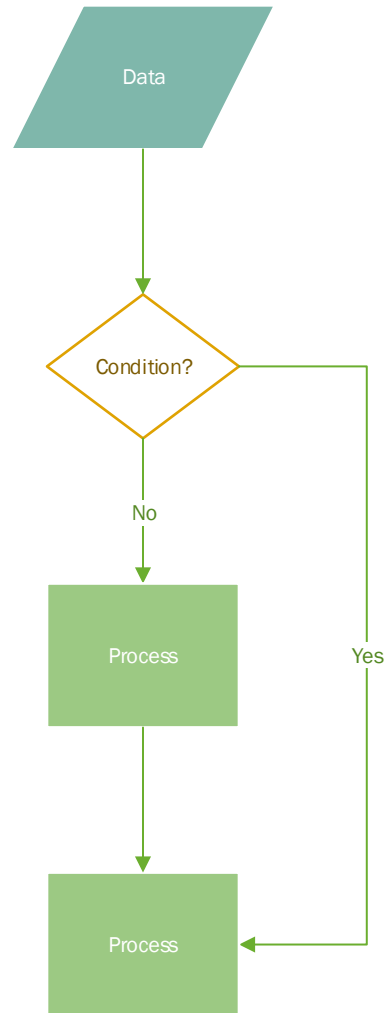
Exhibit C

10 days Collection life cycle_Residential-WATER – April 1st. – Nov. 30th.



Notes:

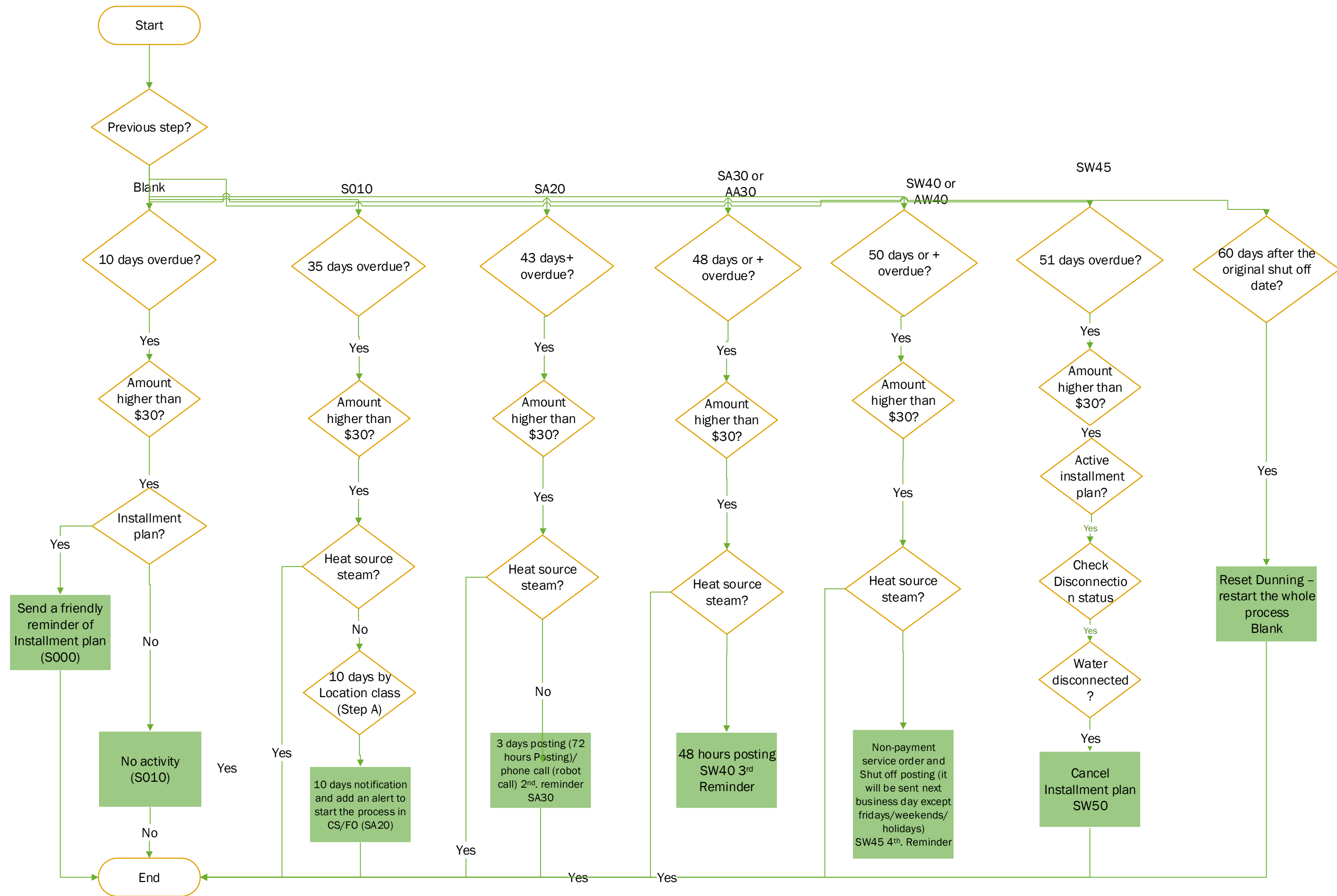
- Capacity planning:
 - Postings: Max. 200
 - Shuts (Water): Aprox. 50 to 65 (If Capacity changes, the process needs to be updated)
- Any time in the process if the Location class change between subprocesses (10 days to 37 days or vice versa) the Dunning needs to be reset and start over with the correct Location class rules.
- Any time an Instalment plan is set during the process, the Dunning will stop automatically. Even if the IP is set before the Shut, the Dunning will stop.
- If a Dunning/collection lock is placed- examples- medicals, disputes, PFA, installment plans- it will cancel the dunning and reset.



PWSA Collections Plan

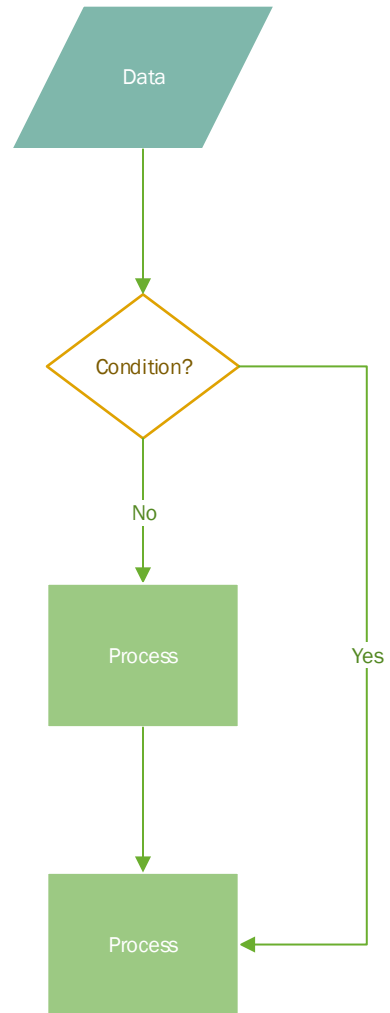
Exhibit D

10 days Collection life cycle_Residential-WATER – Dec 1st. – March. 31st. Winter Moratorium



Notes:

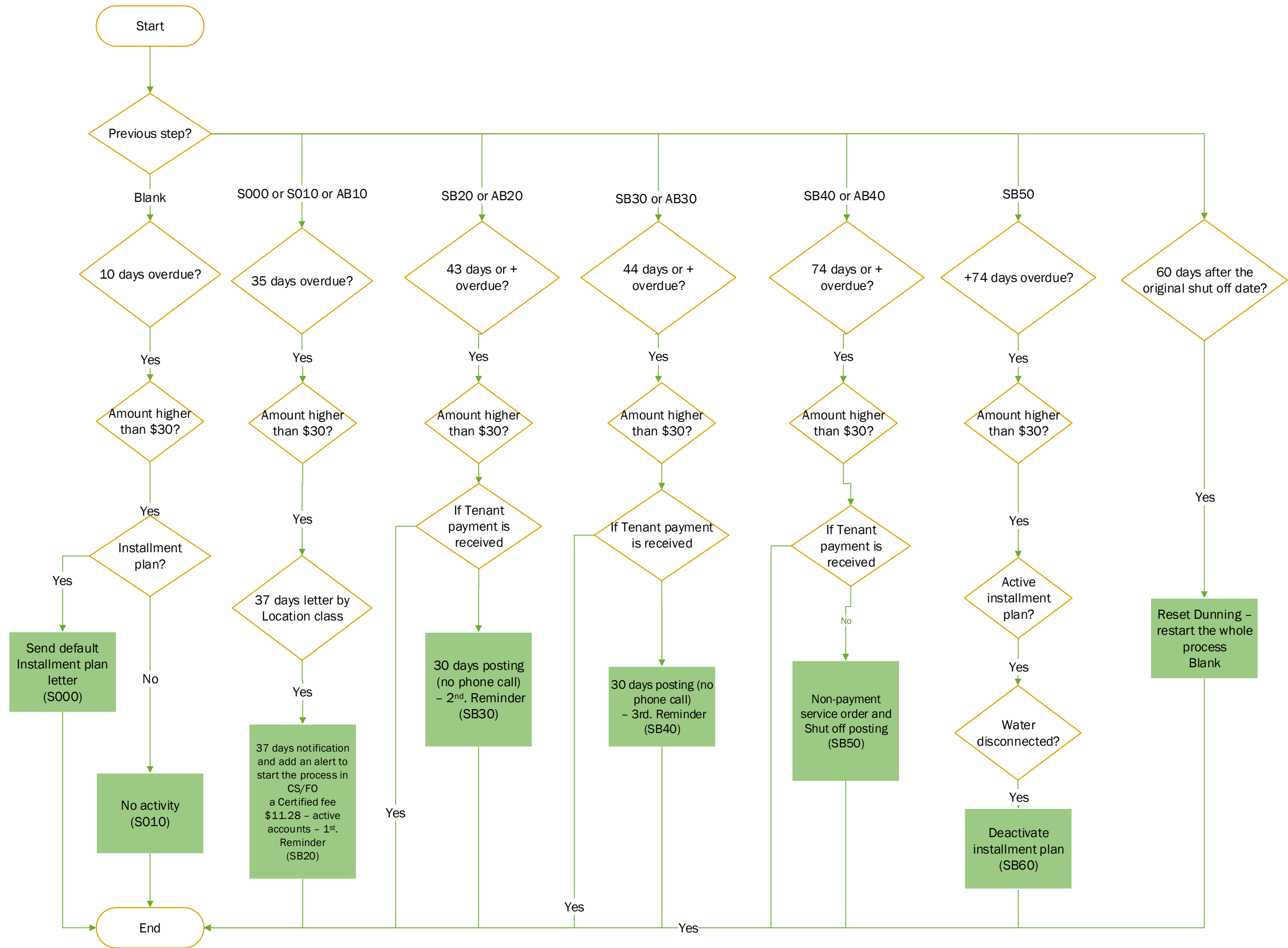
- Any time in the process if the Location class change between subprocesses (10 days to 37 days or vice versa) the Dunning needs to be reset and start over with the correct Location class rules.
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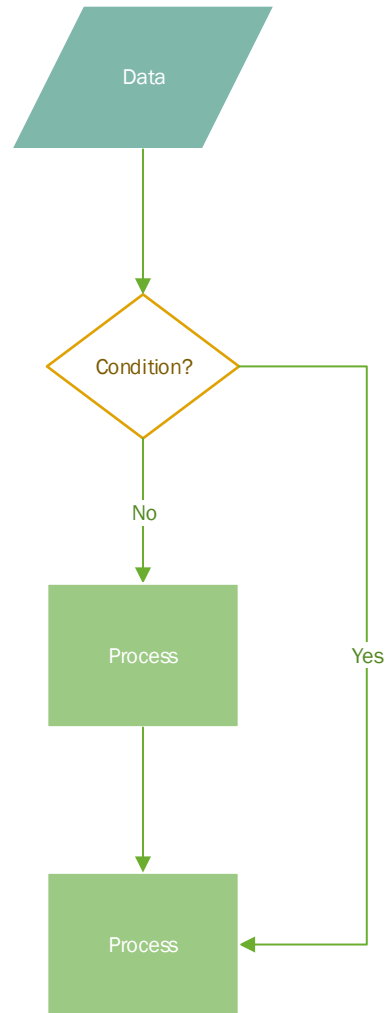
PWSA Collections Plan

Exhibit E

37 days Collection life cycle Residential-WATER_April 1st. – November 30th.



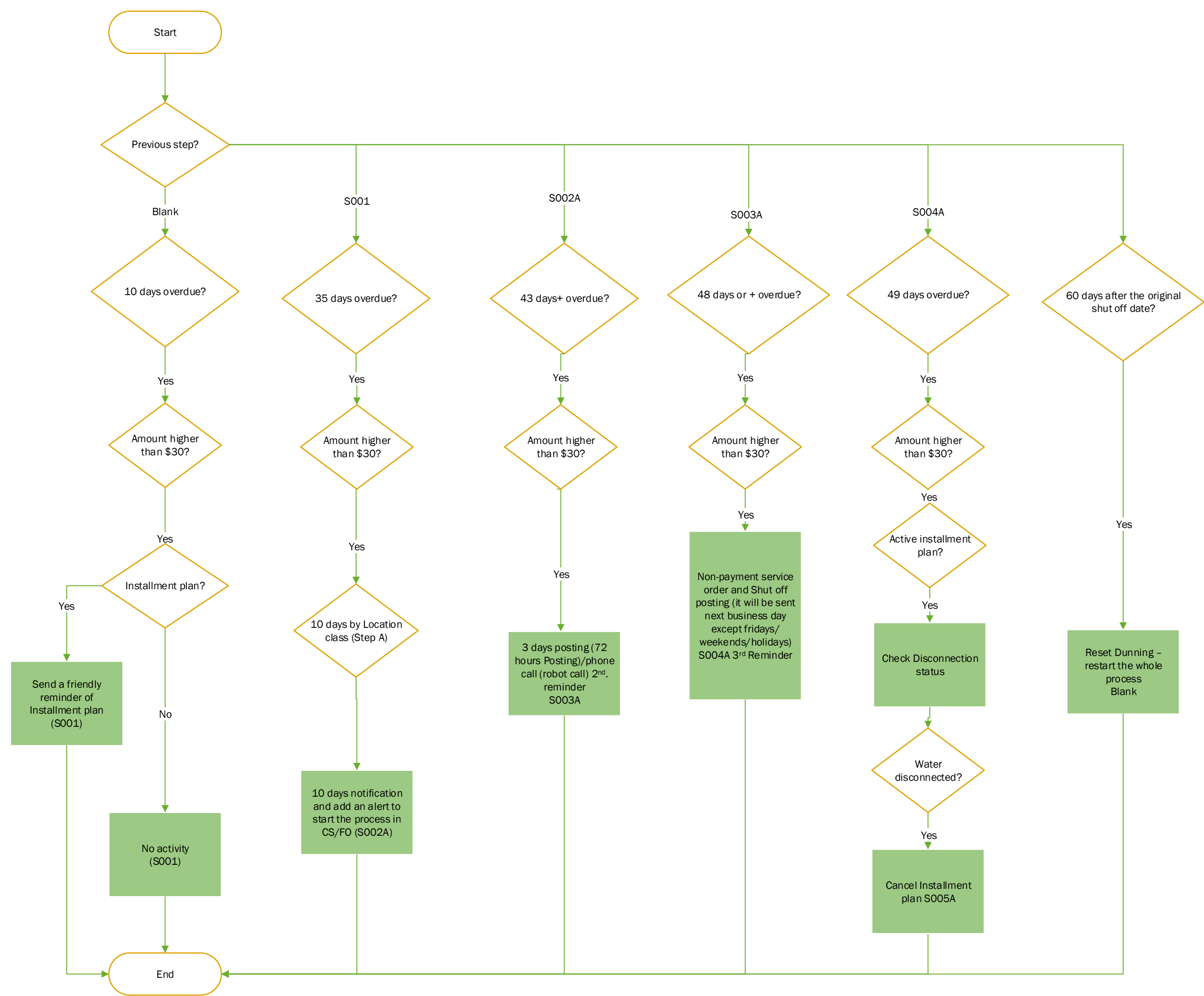
- Capacity planning:
 - Postings: Max. 200
 - Shuts (sewage): Max. daily 20 PAWC
Max. daily 70 WPJ
- Any time in the process if the Location class change between subprocesses (10 days to 37 days or vice versa) the Dunning needs to be reset and start over with the correct Location class rules.
- Any time an Installment plan is set during the process, the Dunning will stop automatically. Even if the IP is set before the Shut, the Dunning will stop.
- If a Dunning/collection lock is placed- examples- medicals, disputes, PFA, installment plans- it will cancel the dunning and reset.
- The actual shut notification will be listed as an other water company shut and an alert will display (OWC Shut). PWSA technicians do not shut other water companies curb boxes, it won't go through Spry.



PWSA Collections Plan

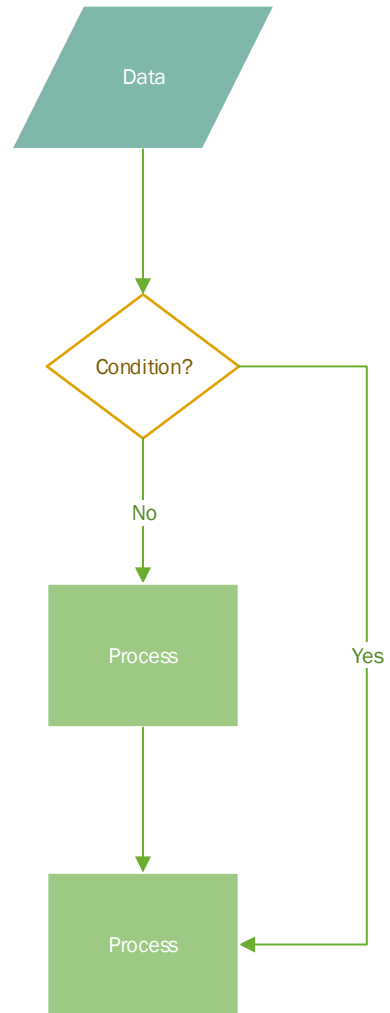
Exhibit F

10 days Collection life cycle_NonResidential-WATER – WHOLE YEAR



Notes:

- Capacity planning:
 - Postings: Max. 200
 - Shuts (Water): Aprox. 50 to 65 (If Capacity changes, the process needs to be updated)
- Any time in the process if the Location class change between subprocesses (10 days to 37 days or vice versa) the Dunning needs to be reset and start over with the correct Location class rules.
- Any time an Instalment plan is set during the process, the Dunning will stop automatically. Even if the IP is set before the Shut, the Dunning will stop.
- If a Dunning/collection lock is placed- examples- medicals, disputes, PFA, installment plans- it will cancel the dunning and reset.



PWSA Collections Plan

Exhibit G

Responsible Utility Customer Protection Act

In 2014, The General Assembly passed and the Governor signed House Bill 939/Act 155 of 2014, to reauthorize the 10-year-old “Responsible Utility Customer Protection Act,” Chapter 14 of the Public Utility Code for another 10 years. The new law revised some Chapter 14 provisions related to low-income programs, Protection from Abuse Orders and medical certificate filings, and added some new regulations and reporting requirements. Chapter 14 rules apply to cash deposits; reconnection of service; termination of service; payment arrangements; and the filing of termination complaints by consumers for electric, gas and water. Under the law, a customer can only establish one payment arrangement with the PUC. The utility company has the discretion to offer more than one payment arrangement. The Public Utility Commission will work beginning in early 2015 to implement the new law with new and amended regulations, and continue to work with all parties to ensure compliance with the law, as well as protect the health and safety of Pennsylvanians. The Act protects responsible bill-paying customers from rate increases attributable to the uncollectible accounts of customers that can afford to pay their bills, but choose not to pay.

This fact sheet is designed to provide you with very important information regarding how the Act affects you and your utility service.

Your water company can **SHUT OFF** your service if you **FAIL** to do the following:

- ✓ **PAY YOUR BILL**
- ✓ **FOLLOW THROUGH ON PAYMENT ARRANGEMENTS**
- ✓ **PAY A DEPOSIT, IF REQUIRED**
- ✓ **ALLOW THE COMPANY ACCESS TO ITS EQUIPMENT**

Before your service is shut off, your water company will take the following steps:

- Send you a 10-Day Notice. Once you get the notice, the utility company has up to 60 days to shut off your service.
- Attempt to contact you three days prior to your shut-off date.
- During winter months (December 1 through March 31), if the utility company cannot reach you at the time of termination, they will leave a 48-hour notice at your residence.

Winter Termination

Water service that is not used in the heating of a household can be terminated during the winter months (December 1 through March 31). All income levels are subject to winter termination unless the water is used in heating. Heat-related water service cannot be terminated without PUC approval.

The water company can **SHUT OFF YOUR SERVICE WITHOUT GIVING YOU NOTICE** for the following reasons:

- ✓ **STEALING WATER SERVICE**
- ✓ **GETTING SERVICE THROUGH FRAUD**
- ✓ **TAMPERING WITH YOUR METER**
- ✓ **UNSAFE SERVICE CONDITIONS**
- ✓ **GIVING THEM A BAD CHECK TO STOP TERMINATION**

Your water service can be shut off any weekday, except Friday.

If your water service is shut off, the utility company will leave a notice telling you what you need to do to get your service restored.

Medical Certification

Your water service will not be shut off if you or someone living in your home is certified as seriously ill by a licensed physician, physician’s assistant or nurse practitioner. The utility company will require you to provide a letter from a licensed physician, physician’s assistant or nurse practitioner stating that shutting off your water service will harm the ill person in the home.

The initial medical certification can be up to 30 days, with renewals possible.

You are still responsible to pay your bill even if there is a medical certificate for someone in your home.

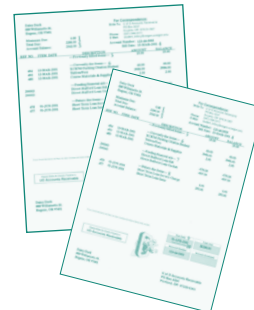


If your service is shut off in the winter (December 1 through March 31), your water service will be restored within 24 hours after you pay the bill and meet any other conditions of the utility company. Your service will be restored within three to seven days after you pay the bill and meet any other conditions of the utility company during the remaining months.

If your service is shut off, any adult who lived at the residence will be responsible to pay all or part of the overdue bill if that adult wants service restored in their name. Adult occupants include those over 18 years of age who lived with you during the time the outstanding balance accrued. If the utility company determines that an adult lived at the property by checking names on your mortgage, deed, lease or information from a credit reporting service, that adult will be responsible to pay all or part of the overdue bill. **Payment to restore your service will depend on your household income and payment history.**

In order to obtain new service or to reconnect service:

- You may be required to pay a deposit and a reconnect fee.
- If you have broken two or more prior payment arrangements, the utility company can require you to pay the full balance of your bill.
- Your water company may require you to provide proof of income.



The water company can require you to pay a deposit if:

- You do not have good credit or if you have good credit, but have a bad payment history with the utility company.
- You are shut off for an overdue bill.
- If you miss or pay your bill late for two consecutive payments or three times in a 12-month period, you may have to pay a deposit.
- If you are eligible for a Customer Assistance Program (CAP), the utility should not require a deposit.

The amount of your deposit may be equal to two average monthly bills.

UNDER THE LAW, A CUSTOMER CAN ONLY ESTABLISH ONE PAYMENT ARRANGEMENT WITH THE PUC. THE UTILITY COMPANY, HOWEVER, DOES HAVE THE DISCRETION TO OFFER MORE THAN ONE PAYMENT ARRANGEMENT TO THE CUSTOMER.



- You must first contact your utility company to file a complaint or request payment arrangements. You have the right to decline the company's payment arrangement. While the PUC previously could use discretion in setting the terms of payment arrangements, under the Act, the PUC is provided with set payback periods based upon income level.
- If you break a payment arrangement you made with the company, the PUC may establish a payment arrangement using the pre-set payback amounts based upon income levels outlined in the Act. If you break a PUC payment arrangement, the PUC cannot help you unless your income level changed or you have a significant change in circumstances, such as:
 - Onset of chronic or acute illness that results in a significant loss of income.
 - Catastrophic damage to residence that resulted in significant cost to customer.
 - Loss of customer's residence.
 - Increase in the customer's number of dependents in the household.
- The utility company will work with you and explain programs that may help you depending on your income or hardship situation.
- If the outstanding balance that you owe includes unpaid charges from participation in a Customer Assistance Program (CAP), the law does not allow the PUC to establish a payment arrangement on your behalf. For those eligible to participate in a CAP, the CAP payment is usually the lowest monthly payment a utility company or the PUC can arrange for you. Your utility company determines your CAP payment by your household income and size.
- **Third Party Notification** - The third-party notification program provides additional protection against utility service shut-off. The program protects individuals who may either be away from their home for an extended time period or those who may not understand the utility company's guidelines. The program allows consumers to choose another person to receive copies of shut-off notices that are sent to them for non-payment of overdue utility bills. That person (family member or close friend) are made aware of situation before shut-off. The third party is not responsible for paying the bill. For more information about Third Party Notification contact your utility company.
- If you have a Protection from Abuse (PFA) order or a court order that provides clear evidence of domestic violence, you may receive special protections. If you need help, please contact your utility.

FOR FURTHER INFORMATION, CONTACT THE PUBLIC UTILITY COMMISSION:

Write
PA Public Utility Commission
Bureau of Consumer Services
P.O. Box 3265
Harrisburg, PA 17105-3265

Visit our website
www.puc.pa.gov

Call
1-800-692-7380
TTY 1-877-710-7079
(for people with speech or hearing loss)

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 PA PowerSwitch

