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May 9, 2023

Via PUC's SharePoint

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

RE: The Pittsburgh Water and Sewer Authority – Water – R-2023-3039920;
The Pittsburgh Water and Sewer Authority – Wastewater – R-2023-3039921;
The Pittsburgh Water and Sewer Authority – Stormwater – R-2023-3039919

Dear Secretary Chiavetta:

Enclosed for electronic filing please find The Pittsburgh Water and Sewer Authority's ("PWSA") Petition For Consolidation of Water, Wastewater and Stormwater Rate Proceedings and For Authorization To Use Combined Water, Wastewater and Stormwater Revenue Requirements with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww
Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PWSA's Petition for Consolidation of Water, Wastewater and Stormwater Rate Proceedings 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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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	Docket Nos. R-2023-3039920 (Water)
	:	R-2023-3039921 (Wastewater)
V.	:	R-2023-3039919 (Stormwater)
	:	
PITTSBURGH WATER AND SEWER AUTHORITY	:	

**PETITION OF THE PITTSBURGH WATER AND SEWER AUTHORITY FOR
CONSOLIDATION OF WATER, WASTEWATER AND STORMWATER RATE
PROCEEDINGS AND FOR AUTHORIZATION TO USE COMBINED WATER,
WASTEWATER AND STORMWATER REVENUE REQUIREMENTS**

Pursuant to Section 1311(c) and 3202(b) of the Public Utility Code, 66 Pa. C.S. §§ 1311(c), 3202(b), and 52 Pa. Code §§ 5.41, 5.81, The Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”) respectfully requests that the above-captioned proceedings be formally consolidated into a single proceeding and that the Pennsylvania Public Utility Commission (“PUC” or “Commission”) authorize (or grant a waiver) so as to permit the use of a consolidated, water/wastewater/stormwater revenue requirement by PWSA, in the above-captioned proceedings for the requested base rate increases.

In support of this Petition, PWSA states as follows:

I. Background

1. PWSA is a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania that is regulated as a public utility by the Commission.¹ PWSA is responsible for producing and supplying water along with maintaining and operating the water and sewage infrastructure in most of the City of Pittsburgh. PWSA also manages stormwater that is conveyed both through its combined sewer systems and separate storm sewer systems.

¹ See 66 Pa.C.S. §§ 102, 3201, 3202(a).

2. The contact information for PWSA's counsel is as follows:

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3. On February 14, 2012, Act 11 was signed into law. That Act, *inter alia*, amends Chapter 13 (Rates and Distribution Systems) of the Public Utility Code and establishes an exemption from the general prohibition on utilities combining different types of utility service for ratemaking purposes.² The benefits of this provision are that the costs of necessary upgrades to wastewater systems to maintain safe and reliable service, which can be substantial on a stand-alone basis, can be spread among the common customer base of the water and wastewater utilities.

4. In its Final Implementation Order, issued on August 2, 2012, the Commission clarified that 66 Pa. C.S. § 1311(c) applies to both a single company that provides water and wastewater service, as well as utilities owned by a single parent company that provide water and wastewater service separately.³

5. PWSA is simultaneously filing with this Petition its base rate case filing, docketed at Docket Nos. R-2023-309920 (water); R-2023-3039921 (wastewater); and R-3039919 (stormwater) ("Rate Filing"). Pursuant to the Rate Filing, PWSA is asking the Commission for

² 66 Pa.C.S. § 1311(c); *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order entered August 2, 2012. Act 11 went into effect on April 16, 2012.

³ *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order entered August 2, 2012, at p. 9. See, e.g., *Petition of The York Water Company for Authorization to Present Combined Filings for General Rate Increases under 66 Pa.C.S. § 1308(d) Covering Both Its Water and Wastewater Revenue Requirements Pursuant to 66 Pa.C.S. § 1311(c)*, Docket No. P-2017-2582839, Opinion and Order entered February 10, 2017.

approval of a multi-year total overall rate revenue increase of \$146.1 million, which is inclusive of the Distribution System Infrastructure Charge (“DISC”) . This includes a \$46.8 million or 22.5% increase in the FPFTY (FY 2024), \$45.4 million or 17.8% in FY 2025, and \$53.9 million or 17.9% in FY 2026. The proposed increase in revenues is the minimum necessary to enable PWSA to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer service levels.

II. Request for Consolidation of Proceedings

6. For the reasons set forth herein, PWSA requests that the above-captioned proceedings be formally consolidated into a single proceeding.

7. 52 Pa. Code § 5.81(a) provides that: “The Commission or presiding officer, with or without motion, may order proceedings involving a common question of law or fact to be consolidated. The Commission or presiding officer may make orders concerning the conduct of the proceeding as may avoid unnecessary costs or delay.”⁴

8. Among the considerations for consolidation are: (a) whether additional issues exist that could cloud the determination of common issues; (b) whether consolidation will reduce litigation costs and decision-making for the parties and the Commission; (c) whether the issues in one proceeding go to the heart of an issue in the other proceeding; (d) whether consolidation will unduly protect a hearing or produce a disorderly or unwieldy record; (e) whether different statutory and legal issues are involved; (f) whether the party with the burden of proof differs in

⁴ See *PaPUC et al. v. PWSA*, Docket No. R-2021-3024773, Prehearing Order issued June 8, 2021 (Consolidating PWSA’s R-2021 Rate Case Proceedings to use combined water, wastewater, and stormwater revenue requirements.) See, e.g., additional cases that have been consolidated for adjudication, *Re Middletown Taxi Co.*, 50 Pa. PUC 263 (1976); for hearing, *City of York v. York Telephone and Telegraph Co.*, 43 Pa. PUC 240 (1967); for briefing, *Clepper Farms, Inc. v. Grantham Water Co.*, 41 Pa. PUC 749 (1965); or for all purposes, *Commonwealth of Pennsylvania et al. v. Respond Power LLC*, Docket No. C-2014-2427659 and *Pa. PUC v. Respond Power LLC*, Docket No. C-2014-2438640 (Interim Order dated Oct. 28, 2014).

the proceedings; (7) whether consolidation will unduly delay the resolution of one of the proceedings; and (8) whether supporting data in both proceedings will be repetitive.⁵ As the Commission has previously determined, no single consideration, nor group of these considerations, is dispositive of consolidation. Rather, all factors must be evaluated, and a balancing of those favoring and disfavoring consolidation is required.⁶

9. The above-captioned proceedings are interrelated and raise common issues of law and fact. PWSA tariff filings and rate requests contain coordinated plans, rate design changes and tariffs for PWSA's water, wastewater conveyance, and stormwater services. In recognition of this, PWSA is also requesting as part of this Petition that the Commission permit it to use a combined revenue requirement under 66 Pa.C.S. § 1311(c). As explained further below in Section III, PWSA has, in the past, developed water, wastewater, and stormwater rates using combined revenue requirements; and the use of 1311(c) continues the prior accounting and ratemaking practice of PWSA.

10. Formal consolidation of the above-captioned proceedings for all purposes is warranted and in the public interest, the interest of the parties and the interest of the Commission. Consolidation of the above-captioned proceedings will promote the efficient use of the time and resources of the parties and the Commission and will not delay the resolution of the proceedings. The above-captioned water, wastewater and stormwater proceedings share the same full suspension period.⁷ Within that shared timeframe, consolidation will advance administrative economy. For example, consolidation for purposes of the discovery and hearing will avoid the

⁵ See *Pa. Pub. Util. Comm'n v. City of Lancaster Sewer Fund*, Docket No. R-2012-2310366, at 3-4 (Second Prehearing Order Nov. 26, 2012) ("*Lancaster Sewer Fund Prehearing Order*").

⁶ *Id.* at 3.

⁷ The rate case was filed on May 9, 2023. The application of the full suspension period (60 days plus 7 months) will end on February 8, 2024. Since rates could be placed into effect before the end of February 2024, the first month that rates could be placed in effect is March 2024. See 66 Pa.C.S. § 315(e).

need for the parties to submit testimony in three different proceedings. Similarly for purposes of briefing and adjudication, consolidation will avoid the need for three briefs to be filed, three initial decisions to be served and three Commission orders to be entered. Thus, consolidation of the above-captioned proceedings will avoid unnecessary costs or delay and is plainly in the public interest.

III. Request for Consolidated Revenue Requirement

11. For the reasons set forth herein, PWSA further requests that the Commission authorize a combined revenue requirement by PWSA under 66 Pa. C.S. § 1311(c) or grant a waiver under 3202(b)⁸ so as to permit the use of a consolidated revenue requirement by PWSA for the purposes of this general rate increase request.

12. PWSA provides water, wastewater conveyance and stormwater service as a single entity and, therefore, is eligible to combine its revenue requirements under 66 Pa. C.S. § 1311(c).⁹

13. This is PWSA's fourth rate case filing with the Commission. The Commission granted PWSA's request to consolidate its water, wastewater, and stormwater proceedings and authorized PWSA to use of a consolidated, water/wastewater/stormwater revenue requirement in all its previous rate case filings.¹⁰ PWSA has, in the past, always determined water, wastewater,

⁸ Under Section 3202(b) of the Public Utility Code, "Upon request of [PWSA], the Commission may suspend or waive the applicability of any provision of [the Public Utility Code] to [PWSA], except for this section [Section 3202]." 66 Pa.C.S. § 3202(b).

⁹ See footnote 3, *supra*. See also *Implementation of Chapter 32 of the Public Utility Code Re Pittsburgh Water And Sewer Authority*, Docket No. M-2018-2640802 and M-2018-2640803, Final Implementation Order entered March 15, 2018, adopting, Tentative Implementation Order entered January 18, 2018, at p. 5, 16-17, 18 (suggesting that PWSA's revenue requirements are subject to petition for a combined revenue requirement under 66 Pa. C.S. § 1311(c)).

¹⁰ See *PUC et al. v. PWSA*, Docket No. R-2021-3024773, Prehearing Order issued June 8, 2021. (approving Petition of PWSA for consolidation of water, wastewater, and stormwater Rate proceedings and use of combined water, wastewater, and stormwater revenue requirements). See also *prior approvals* Prehearing Order issued July 20, 2018, in *PUC v. PWSA – Water*, Docket No. R-2018-3002645 et al.; *PUC v. PWSA – Wastewater*, Docket No. R-2018-3002647 (approving Petition of PWSA for consolidation of proceedings and to use combined water and wastewater revenue requirements); Prehearing Order issued May 19, 2020

and stormwater revenue requirement and rates using combined information. The use of Section 1311(c) continues the prior accounting and ratemaking practice of PWSA.

14. Moreover, PWSA's bonds and other financial instruments apply to the combined water/wastewater/stormwater conveyance system and are evaluated by bond rating agencies on a consolidated company basis. There is no practical way in which to fully separate PWSA's bonds or its revenue requirement between water, wastewater conveyance and stormwater without creating risks of violating PWSA's bond covenants which require that PWSA attain certain financial metrics on an integrated system basis.

15. PWSA is not seeking any determination at this time as to the reasonableness or prudence of any specific costs, but instead requesting an increase in water, wastewater conveyance and stormwater charges. PWSA intends to present specific costs and revenue requirements for each of the water, wastewater conveyance and stormwater utilities, in the combined general base rate proceeding before the Commission. Therefore, no party will be prejudiced by the granting of this Petition.

IV. Request for Expedited Approval

16. PWSA is proposing that the Commission grant the requested relief in an expedited manner. This relief is integral to the rate case, which PWSA anticipates will be subject to extensive informal and/or formal discovery and, if a suspension and investigation order is issued, must be fully decided before February 8, 2024.¹¹

in *PUC v. PWSA – Water*, Docket No. R-2020-3017951 et al.; *PUC v. PWSA – Wastewater*, Docket No. R-2020-3017970 (approving Petition of PWSA for consolidation of proceedings and to use combined water and wastewater revenue requirements).

¹¹ The rate case was filed on May 9, 2023. The application of the full suspension period (60 days plus 7 months) will end on February 14, 2024. Since rates could be placed into effect before the end of February 2024, the first month that rates could be placed in effect is March 2024. See 66 Pa.C.S. § 315(e).

17. If the Commission were to deny this Petition, PWSA respectfully requests that the Commission permit it to revise its financial presentation. While the data to do this is being submitted with the rate case filing package, such revision would require the expenditure of extensive time and resources and would not make a material change to PWSA's financial statistics nor change its revenue requirement or overall rate increase request. For these reasons, PWSA submits that this alternative is not the best use of resources and urges the Commission to grant the relief in this Petition as requested.

18. PWSA has served copies of this Petition on the following: the Pennsylvania Office of Consumer Advocate, the Pennsylvania Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, the Commission's Office of Special Assistants, and the Commission's Bureau of Technical Utility Services. If the Commission concludes that additional notice is necessary, PWSA will provide such additional notices as the Commission may direct.

V. Conclusion

WHEREFORE, PWSA respectfully requests that the Commission: (1) consolidate the above-captioned proceedings into a single proceeding; (2) authorize (or grant a waiver) so as to permit PWSA to use a consolidated revenue requirement in the above-captioned proceeding; and, (3) take any other action deemed to be in the public interest.

Respectfully submitted,



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Dated: May 9, 2023

Counsel for
The Pittsburgh Water and Sewer Authority

VERIFICATION

I, William J. Pickering, hereby state that I am the Chief Executive Officer for The Pittsburgh Water and Sewer Authority (“PWSA”) and that the facts set forth in the foregoing Petition for Consolidation are true and correct (or are true and correct to the best of my knowledge, information and belief). I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: _____
05/08/2023 | 10:53 AM PDT

DocuSigned by:
William J. Pickering
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William J. Pickering
Chief Executive Officer
The Pittsburgh Water and Sewer Authority