



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

May 12, 2023

Docket No. R-2023-3039920
Utility Code 2220554

DEANNE M ODELL ESQUIRE
ECKERT SEAMANS CHERIN & METTOTT LLC
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RE: The Pittsburgh Water and Sewer Authority Supplement No. 12 Tariff Water - Pa.
P.U.C. No. 1 at Docket No. R-2023-3039920

Dear Attorney O'Dell:

On April 28, 2023, The Pittsburgh Water and Sewer Authority (PWSA) filed the above-captioned document with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

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

Please note your answers must be verified per 52 Pa Code § 1.36. Accordingly, you must provide the following statement with your responses:

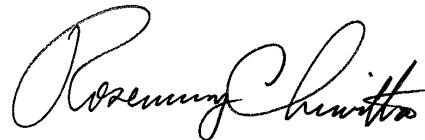
I, [print name of appropriate company representative], hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Signature _____
Title _____
Date _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the review, please send a copy of the response to Paul Zander in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at pzander@pa.gov. Please also direct any questions to Paul Zander at telephone number (717) 783-1372. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 1

- cc: Patrick Cicero, Office of Consumer Advocate (w/enclosure), ra-oca@paoca.org
- Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
- NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
- Richard Kanaskie, Bureau of Investigation & Enforcement (w/enclosure), rkanaskie@pa.gov

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Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- R-1. PWSA’s response for 52 Pa. Code § 53.52(c)(6) does not provide required information. Please provide a revised response for 52 Pa. Code § 53.52(c)(6) that includes a brief description of any major changes in the operating or financial condition of PWSA occurring between the date of the balance sheet provided in response to 52 Pa. Code § 53.52(c)(6) (*i.e.*, December 31, 2021) and the date of transmittal of the tariff supplement (*i.e.*, May 9, 2023).
- R-2. PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement II.2 did not identify any revenues for “Penalties & Interest” for the historic test year ended 12/31/2022 (HTY), or for subsequent years (*i.e.*, 2023, 2024, 2025, and 2026). However, PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement II.6 identified \$1,526,321 in revenues for “Penalties & Interest” for the HTY and described these revenues as including interest on unpaid bills (*e.g.*, late fees, etc.). Please provide responses for each of the following:
- a. Reconfirm anticipated revenues for “Penalties & Interest” for 2023, 2024, 2025, and 2026, by utility type (*i.e.*, water, wastewater, and stormwater).
 - b. Specify whether PWSA will waive all charges that result in “Penalties & Interest” revenues until PWSA completes a rate case with the Commission that includes an adjustment to reflect normalized “Penalties & Interest” revenues.
- R-3. PWSA’s effective water tariff, Pages 6 and 7 does not include Ross and McKees Rocks Townships or Fox Chapel and Sharpsburg Boroughs in the list of territories served by PWSA. However, PWSA’s public online lead water service line map identifies water service line material types for approximately 15 to 20 properties located in Ross Township, including properties located on Cliffview Road and Scherling Street. Also, in PWSA’s LTIP Petition at Docket P-2022-3035956, Appendix A, Figure 1-1, PWSA identified water mains in Ross and McKees Rocks Townships, and in Fox Chapel and Sharpsburg Boroughs. Please explain this apparent discrepancy and reconfirm whether PWSA’s effective water tariff includes a complete description of the territory served by PWSA.
- R-4. In PWSA’s LTIP Petition at Docket P-2022-3035956, Page 12, PWSA indicated that it serves approximately 7,539 fire hydrants, not including private hydrants. However, PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement II.4 only identified 7,508 public fire hydrants. Please explain this apparent discrepancy and reconfirm the number of public fire hydrants served by PWSA.
- R-5. Please explain whether PWSA charges private fire protection customers for service provided to private fire hydrants and confirm that PWSA does not provide free service for any private fire hydrants.

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- R-6. PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement II.10 indicated that the City of Pittsburgh represents all of PWSA’s public fire protection customers. However, PWSA also provides water service in Millvale Borough and in portions of other municipalities, which may include service for public fire hydrants in each municipality. Please provide responses for each of the following:
- a. Quantify the number of public fire hydrants served by PWSA, by municipality.
 - b. Specify PWSA’s existing rates for public fire hydrants, by municipality.
 - c. Specify PWSA’s proposed rates and revenues for public fire hydrants, by municipality and by year (*i.e.*, 2023, 2024, 2025, and 2026).
- R-7. PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement V.16 indicated that PWSA has not projected balances for contributions in aid of construction (CIAC) and customer advances for construction (CAC). Please explain why PWSA is not including a normalized amount of CIAC and CAC in its projected revenues.
- R-8. Section 65.7(b) of the Commission’s regulations, 52 Pa. Code § 65.7(b), provides that unless otherwise authorized by the Commission, a public utility furnishing metered service shall provide, install at its own expense, and continue to own, maintain and operate all meters. PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement II.6 indicated, “PWSA previously charged associated costs with meters, remote reading devices, meter replacement charges, and their installation. Based on PA PUC regulation, PWSA may not be able to collect these charges, however, these revenues have been included in the FPFTY.” Please provide evidence of PWSA’s current authorization by the Commission to charge customers for meters and meter installation.
- R-9. PWSA St. No. 5, Appendix A, Exhibit TI-1 identified two stormwater connections to other municipalities. Please provide evidence that PWSA filed with the Commission a copy of the written contract or verbal or written agreement for these connections pursuant to Section 507 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 507, including terms for services and costs associated with these connections.
- R-10. PWSA St. No. 7, Ex. HJS-5W identified claimed flow equivalency ratios and indicated that the ratios are industry standard and were obtained from the American Water Works Association (AWWA). Please provide a copy of the referenced AWWA source documentation and reconfirm whether PWSA’s meter equivalency ratios conform with AWWA meter equivalencies based on water meter safe maximum operating capacities, including for ten-inch water meters.

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- R-11. PWSA St. No. 7, Ex. HJS-5W, Adjustment Code W-I identified an expense labelled as “Non.City Water Reimbursement”, which is included in claimed customer service operating expenses. Please provide a description of this expense and provide related invoices.
- R-12. Please explain why the expense labelled as “Non.City Water Reimbursement” is included with customer service costs and is considered a metering cost.
- R-13. Please confirm that PWSA’s claimed expenses do not include any discount or reimbursement for City of Pittsburgh residents served by Pennsylvania-American Water Company similar to the discount that PWSA eliminated pursuant to Section III.T. of the Joint Petition for Settlement dated September 13, 2019, at Docket Nos. M-2018-2640802 and M-2018-2640803.
- R-14. PWSA St. No. 7, Ex. HJS-5W, Adjustment Code W-J identified that this adjustment code uses 2022 water capital improvement plan (CIP) costs to allocate engineering and construction costs to the functional categories of treatment, storage, transmission and distribution, and admin. Also, PWSA’s response for 52 Pa. Code § 53.53, Exhibit D, Filing Requirement XI.4 included a copy of PWSA’s 2022 CIP, which appears to identify on Pages 7-8 that PWSA’s 2022 CIP water distribution project costs also include costs for projects affecting the functional categories of supply, meters, services, and fire protection (*i.e.*, fire hydrants). However, PWSA St. No. 7, Ex. HJS-2W reflects that Adjustment Code W-J does not allocate any costs to supply, distribution, meters, services or fire protection, and instead allocates such costs to other functional categories. Please explain this apparent discrepancy.
- R-15. Please explain why PWSA St. No. 7, Exhs. HJS-8W and HJS-9W do not assign wholesale customers any units of service for meters and services, and for billing, collections, and meter reading.
- R-16. Please explain why PWSA St. No. 7, Ex. HJS-9W does not assign public fire protection customers any units of service for billing.

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- R-17. PWSA’s proposed tariff supplement included an infrastructure improvement charge (IIC) and a customer assistance charge (CAC), which indicate that these charges “will apply uniformly to all classes of water customers (with the exception of fire protection customers).” However, PWSA St. No. 7, Ex. HJS-22W included private fire protection customers in these charges and did not include wholesale customers in these charges. Please provide responses for each of the following:
- a. Reconfirm the applicability of PWSA’s IIC and CAC and provide proposed revised tariff supplements or revised supporting calculations, as applicable.
 - b. Explain why it is reasonable to exempt fire protection customers from proposed surcharges.
 - c. Explain whether it is feasible to allocate public fire protection customers a portion of the total cost of service recovered through the IIC and CAC in a manner that conforms with Section 1328 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1328.