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May 23, 2023

**Via Electronic Filing**

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

RE: PWSA's Petition for Waiver of Provisions of Act 11 to Increase the Water and Wastewater DSIC – Docket Nos. P-2023-3040734 (water) and P-2023-3040735 (wastewater);

PWSA's Petition to Implement Customer for Assistance Charge – Docket Nos. P-2023-3040578 (water, wastewater, stormwater); and

PA PUC v. PWSA (Rate Case) – Docket Nos. R-2023-3039920 (water), R-2023-3039921 (wastewater) and R-2023-3039919 (stormwater)

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Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Pittsburgh Water and Sewer Authority's Petition to Consolidate DSIC Increase Petition and Customer Assistance Charge Petition with Baes Rate Case Filings for Water, Wastewater and Stormwater with regard to the above-referenced matters. 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 to Consolidate DSIC Increase Petition and Customer Assistance Charge Petition and the Base Rate Filings 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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Deanne M. O’Dell, Esq.

Dated: May 23, 2023

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The Pittsburgh Water and Sewer Authority for Waiver of Provisions of Act 11 to Increase the Water and Wastewater DSIC :	:	Docket Nos. P-2023-3040734 (Water)
	:	P-2023-3040735 (Wastewater)
Petition of The Pittsburgh Water and Sewer Authority to Implement Customer for Assistance Charge :	:	Docket No. P-2023-3040578 (Water,
	:	Wastewater, Stormwater)
Pennsylvania Public Utility Commission :	:	Docket Nos. R-2023-3039920 (Water)
	:	R-2023-3039921 (Wastewater)
v. :	:	R-2023-3039919 (Stormwater)
The Pittsburgh Water and Sewer Authority :	:	

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**THE PITTSBURGH WATER AND SEWER AUTHORITY’S  
PETITION TO CONSOLIDATE DSIC INCREASE PETITION AND CUSTOMER  
ASSISTANCE CHARGE PETITION WITH BASE RATE CASE FILINGS FOR WATER,  
WASTEWATER, AND STORMWATER**

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Pursuant to Section 5.41 and 5.81 of the regulations of the Pennsylvania Public Utility Commission (“Commission”), 52 Pa. Code §§ 5.41, 5.81(a), The Pittsburgh Water and Sewer Authority (“Authority” or “PWSA”) respectfully requests that the Commission formally consolidate PWSA’s Petition for Authorization to Increase Water and Wastewater Distribution System Improvement Charge (“DSIC”) Cap to 7.5% and its Petition for Authorization to Implement a Customer Assistance Charge (“CAC”) with its water, wastewater, and stormwater rate case proceedings<sup>1</sup> because the request for approval to increase its DSIC and the implementation of the CAC are integral components of the base rate increase request. All of the supporting factual basis and financial analysis related to PWSA’s DISC and CAC Petition have

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<sup>1</sup> On May 9, 2023, PWSA is also filed a Petition to Consolidate the water, wastewater, and stormwater rate cases and for authority to use combined water, wastewater, and stormwater revenue requirements.

been included with PWSA's rate case filing made on May 9, 2023 so that the impacts of PWSA's proposals can be comprehensively considered within the context of its overall rate case proposals. Thus, consolidating the dockets enables interested stakeholders and the Commission to address the integrally related issues in one comprehensive proceeding. In support thereof, PWSA represents the following:

## **I. Background**

1. On May 9, 2023, PWSA filed its Petition for Authorization to Increase Water and Wastewater Distribution System Improvement Charge Cap to 7.5% ("DSIC Petition"). Pursuant to the DSIC Petition, PWSA asks that the Commission: (1) authorize a Water DSIC Cap of 7.5% of intrastate revenue permitted by Section 1358(b) of the public utility code; and (2) waive the provisions of Section 1358(a) of the Public Utility Code and authorize PWSA to implement a 7.5% cap for its Wastewater DSIC.

2. Also, on May 9, 2023, PWSA filed its Petition for Authorization to Implement a Customer Assistance Charge ("CAC Petition"). Pursuant to the CAC Petition, PWSA asks that the Commission authorize PWSA to implement a proposed Customer Assistance Charge pursuant to 66 Pa. C.S. § 1307 under the circumstances of PWSA's cash-flow utility ratemaking and the legislature's express authority for the Commission to waive or suspend any portion of Title 66 found at 66 Pa. C.S. §3202.

3. Finally, on May 9, 2023, PWSA filed its base rate request at Docket Nos. R-2023-3039920 (water), R-2023-3039921 (wastewater), and R-2023-3039919 (stormwater) ("Rate Filing"). Pursuant to the Rate Filing, PWSA is asking the Commission for approval of a multi-year total overall rate revenue increase of \$146.1 million, which is inclusive of the proposed 7.5% DSIC increase. The Rate Filing 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. This total

amount of rate increases includes assessment of a 7.5% DSIC in 2024 and the implementation of the CAC in 2025 to coincide with PWSA's proposal to remove the minimum allowance included within its current rate structure. Relatedly and included with the Rate Filing, is PWSA's proposal to implement an Infrastructure Improvement Charge ("IIC") also in 2024 to recover PENNVEST and Federal (WIFIA) loan expenses between rate cases. Taken together, all of these proposals are intended to balance the revenue needs of PWSA to appropriately invest in infrastructure, which has suffered from years of deferred maintenance, to maintain and improve its safety, reliability and customer service levels with prior directives to remove the minimum allowance from its rate structure taking into appropriate consideration the impact of the requests on its ratepayers.

4. On May 9, 2023, PWSA also filed a Petition to consolidate the water, wastewater, and stormwater proceedings and to utilize combined water, wastewater, and stormwater revenue requirements.

## **II. Request for Consolidation of Proceedings**

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

6. Section 5.81(a) of the Commission's regulations states that "[t]he 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 [also] may make orders concerning the conduct of the proceeding as may avoid unnecessary costs or delay." 52 Pa. Code § 5.81(a).<sup>2</sup>

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<sup>2</sup> See *PAPUC et al v. PWSA*, Docket No. R-2021-3024773 et al, Prehearing Order issued June 8, 2023 (Consolidating PWSA's R-2021 Rate Case Proceedings). 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 October 28, 2014)

7. 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 the proceedings; (g) whether consolidation will unduly delay the resolution of one of the proceedings; and (h) whether supporting data in both proceedings will be repetitive.<sup>3</sup> 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.<sup>4</sup>

8. PWSA's DSIC Petition, CAC Petition, and Rate Filings are interrelated and raise common issues of law and fact. PWSA's Rate Filings comprehensively address PWSA's overall financing plan which includes revenue received from base rates as well as from an increased DSIC and CAC and takes into consider shifts in revenues anticipated to be collected with the removal of the minimum allowance. The Rate Filings set forth PWSA's views about how each of these proposals can be best leveraged to provide overall long-term benefits for ratepayers by utilizing the various funding sources to their full potential. PWSA's Rate Filings present a substantial amount of financial data in support of its proposals (including base rates, increased DSIC cap, and CAC) and detailed explanations about how all of these proposals are designed to work together to balance the revenue needs of the Authority with the financial impacts on ratepayers. Streamlining

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

<sup>4</sup> *Id.* at 3.

the review of all these issues in one proceeding is in the public interest because consolidation of the proceedings will ensure a more comprehensive record is developed and will allow interested parties to concentrate resources in one litigation rather than several.

9. As explained above, PWSA's DSIC Petition and CAC Petition are interrelated with its Rate Filing. Direct Testimony included with PWSA's Rate Filing addresses the justification and development of PWSA's requested DSIC as well as how approval of the increased DSIC will support PWSA's overall financing plan. Similarly, Direct Testimony has been included with the Rate Filings in support of and on the basis of PWSA's need to implement the CAC and how implementation of the CAC will better support the ability of PWSA to provide just and reasonable service. The Rate Filing also details PWSA's proposals for a multi-year rate plan which includes the later year implementation of the CAC to coincide with the removal of the minimum allowance and present more rate stability for ratepayers. Given the interrelatedness of these issues within PWSA's overall proposed rate plan, consolidating the DSIC Petition and CAC Petition with the Rate Filing will offer the opportunity for a broader overview of how the proposed increase in DSIC and future implementation of the CAC fit within PWSA's overall plans to address years of deferred maintenance on infrastructure and remove a rate structure feature consistent with prior settlement commitments within the overall framework of presenting a just and reasonable rate increase proposal for the benefit of all PWSA's ratepayers.

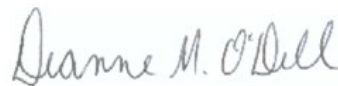
10. If consolidation were not to occur, then the DSIC Petition and CAC Petition would likely be assigned to the Office of Administrative Law Judge for an on-the-record proceeding. Such an assignment would require the parties to essentially duplicate the efforts of the Rate Filings and then present the Commission with three separate dockets to decide the interrelated issues.

11. Thus, consolidation will reduce litigation costs and decision-making for the parties and the Commission; the issues in one proceeding go to the heart of the issues in the other proceedings; consolidation will produce an orderly record that can be used to adjudicate all three proceedings; and consolidation will not unduly delay the resolution of the proceedings.

12. In summary, consolidating these proceedings for hearing and decision would promote judicial economy and conserve valuable resources of the parties and the Commission. Since the proceedings involve the same issues of fact and law, no reason exists to have them litigated on separate paths.

WHEREFORE, on the basis of the foregoing, PWSA respectfully requests that the Commission consolidate Docket Nos. P-2023-3040734 (water DSIC), P-2023-3040735 (wastewater DSIC), P-2023-3040734 (CAC), and the previously requested to be consolidated rate filings at R-2023-3039920 (water), R-2023-3039921 (wastewater), and R-2023-3039919 (stormwater).

Respectfully submitted,



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Dated: May 23, 2023

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