



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

May 30, 2023

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
Pittsburgh Water and Sewer Authority
Docket Nos. P-2023-3040734 (Water)
P-2023-3040735 (Wastewater)

**I&E Answer to PWSA Petition for Authorization to Increase Water and
Wastewater DSIC Charge Caps to 7.5%**

Pennsylvania Public Utility Commission v.
Pittsburgh Water and Sewer Authority
Base Rate Case
Docket No. R-2023-3039920 (Water)

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the **Answer of the Bureau of Investigation and Enforcement to PWSA's Petition for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5%** for the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Michael Podskoch'.

Michael A. Podskoch, Jr.
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Bureau of Investigation and Enforcement
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MAP/jfm
Enclosures

cc: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.:
	:	P-2023-3040734 (Water)
v.	:	P-2023-3040735 (Wastewater)
	:	R-2023-3039920 (Water)
Pittsburgh Water and Sewer Authority	:	R-2023-3039921 (Wastewater)
Base Rate Case	:	R-2023-3039919 (Stormwater)

**ANSWER OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT
TO THE PITTSBURGH WATER AND SEWER AUTHORITY’S
PETITION FOR AUTHORIZATION TO INCREASE WATER AND
WASTEWATER DSIC CHARGE CAPS TO 7.5%**

I. INTRODUCTION

On May 9, 2023, the Pittsburgh Water and Sewer Authority (“PWSA” or the “Authority”) filed its base rate case at Docket Nos. R-2023-3039920 (Water); R-2023-3039921 (Wastewater); and, R-2023-3039919 (Stormwater) (collectively the “Rate Filing”). In its filing, PWSA is requesting the Commission approve a multi-year total overall revenue increase of \$146.1 million (inclusive of a Distribution System Infrastructure Charge (“DSIC”)).

Simultaneous with the filing of its Rate Filing, PWSA filed this Petition¹ for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5% (“DSIC

¹ Also simultaneously, PWSA filed three separate petitions asking for various forms of relief from the Commission. They are: (1) Petition of the Pittsburgh Water and Sewer Authority for Waiver of Statutory Definition of Fully Projected Future Test Year; (2) Petition of the Pittsburgh Water and Sewer Authority for Authorization to Implement a Customer Assistance Charge; and (3) 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. I&E has filed answers to each petition separately asking that they all be consolidated into the Rate Filing.

Petition”) requesting that the Pennsylvania Public Utility Commission (“Commission”) (1) authorize a water DSIC cap of 7.5% of intrastate revenue as 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. PWSA argues that increasing its water and wastewater DSIC caps is necessary and in the public interest because it will increase the amount of funding for its capital improvements, offset the current costs of inflation, reduce costs to ratepayers, and decrease its reliance on long-term debt.²

Pursuant to 52 Pa. Code Section 5.61(a) and (e), the Bureau of Investigation and Enforcement (“I&E”) hereby files this timely Answer requesting that the Commission grant in part and deny in part the relief requested in PWSA’s DSIC Petition.

In further support of I&E’s Answer, I&E avers the following:

II. ANSWER

A. Request to Increase Water and Wastewater DSIC Caps.

In requesting the authorization to increase its water and wastewater DSIC charge caps, PWSA relied on 66 Pa. C.S. § 1358(a) arguing that Section 1358 authorizes a DSIC charge of up to 7.5% for water utilities and gives the Commission the authority to authorize a DSIC charge for wastewater utilities that exceeds the 5% baseline cap in order to ensure that the utility provides safe, reliable, and reasonable service.³ PWSA also argued that the standard for judging its request to increase its existing DSIC cap to

² DSIC Petition, pp. 2-3.

³ DSIC Petition, p. 7.

the statutorily authorized level is whether the request is just, reasonable, and non-discriminatory.⁴

In consideration of the above, I&E requests that the Commission grant PWSA's request to increase its water DSIC cap to 7.5% and deny PWSA's request to increase its wastewater cap to 7.5%, or in the alternative, consolidate the issues raised in this DSIC Petition with the Rate Filing at Docket No. R-2023-3039920. I&E does not oppose PWSA's request to increase its water DSIC cap to 7.5% as that is the statutory cap authorized under Section 1358. However, I&E opposes PWSA's request to increase its wastewater cap to 7.5% as it exceeds the 5% statutory cap and requires Commission approval upon showing that waiver of the cap is necessary "in order to ensure and maintain adequate, efficient, safe, reliable and reasonable service."⁵ PWSA has stated that increasing its wastewater DSIC cap to 7.5% will enable it to implement the capital improvements authorized in its Second LTIP in a more cost-effective manner.⁶ PWSA does not argue that increasing its wastewater DSIC cap to 7.5% is necessary to ensure that it provides safe, reliable, and reasonable service.

Also, I&E notes, the Public Utility Code has built in consumer protections to protect responsible customers at 66 Pa. C.S. §§ 1401-1419 with a stated goal of providing protection against rate increases for timely paying customers. And while PWSA argues that raising its wastewater DSIC is "just," I&E asserts that it will result in unreasonable rate raises on PWSA's responsible customers.

⁴ DSIC Petition, p. 6.

⁵ 66 Pa. C.S. § 1358(a)(1).

⁶ DSIC Petition, pp. 7-11.

III. CONCLUSION

WHEREFORE, in consideration of the averments set forth in this I&E Answer, the Bureau of Investigation and Enforcement respectfully requests that the Commission grant PWSA's request to increase its water DSIC cap to 7.5% and deny PWSA's request to increase its wastewater DSIC cap to 7.5%, or in the alternative, consolidate this DSIC Petition into the Rate Filing at Docket No. R-2023-3039920.

Respectfully submitted,



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PA Attorney ID No. 330132

Bureau of Investigation and Enforcement
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Dated: May 30, 2023

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Base Rate Case	:	R-2023-3039919 (Stormwater)

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **I&E Answer to PWSA Petition** on May 30, 2023, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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