



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 No. P-2023-3040578
**I&E Answer to PWSA Petition for Authorization to Implement a
Customer Assistance Charge**

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 or Authorization to Implement a Customer Assistance Charge** 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 'Scott B. Granger'.

Scott B. Granger
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SBG/jfm
Enclosures

cc: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.:
	:	P-2023-3040578
v.	:	R-2023-3039920 (Water)
	:	R-2023-3039921 (Wastewater)
Pittsburgh Water and Sewer Authority	:	R-2023-3039919 (Stormwater)
Base Rate Case	:	

**ANSWER OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT
TO THE PITTSBURGH WATER AND SEWER AUTHORITY’S
PETITION FOR AUTHORIZATION
TO IMPLEMENT A CUSTOMER ASSISTANCE CHARGE**

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 Implement a Customer Assistance Charge (“CAC Petition”) requesting

¹ Also simultaneously, PWSA filed three separate petitions asking for various forms of relief from the Commission. They are: (1) Petition of 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; (2) Petition of Pittsburgh Water and Sewer Authority for Waiver of Statutory Definition of Fully Projected Future Test Year; and (3) Petition of the Pittsburgh Water and Sewer Authority for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5%. I&E has filed answers to each petition separately asking that they all be consolidated into the Rate Filing.

that the Pennsylvania Public Utility Commission (“Commission”) authorize PWSA to implement a reconcilable Customer Assistance Charge (“CAC”). In support of its request, PWSA first recognizes there is no statutory requirement for PWSA to offer customer assistance programs as there is for electric and natural gas distribution companies.² PWSA argues that it is proposing to implement the CAC in a manner which recognizes PWSA’s “cash flow” rate making methodology to ensure recovery of actual costs of the program, to support PWSA’s commitment to work toward enrolling as many eligible customers as possible by aggressively pursuing opportunities to increase enrollment which would include expanding eligibility from 150% of the Federal Poverty Level to 200% of the Federal Poverty Level.³

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

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

II. ANSWER

A. Request to Implement Customer Assistance Charge.

In requesting the implementation of the CAC, PWSA relied on 66 Pa. C.S. § 1307(a) arguing that Section 1307 allows for utilities to establish a sliding scale of rates or other automatic adjustment of rates, so long as they are subject to reconciliation.⁴

PWSA also recognizes that Pennsylvania appellate courts have explained that 66 Pa. C.

² CAC Petition, p. 1.

³ CAC Petition, p. 3.

⁴ CAC Petition, p. 6.

S. § 1307(a) permits utilities to establish a reconcilable rider to recover costs: (1) where expressly authorized by the General Assembly: or (2) where an expense is easily identifiable and beyond the utility's control.⁵

In consideration of the above, I&E requests that the Commission deny PWSA's request to implement a CAC, or in the alternative, consolidate the issues raised in this CAC Petition with the Rate Filing at Docket No. R-2023-3039920. As PWSA correctly states, it is under no statutory obligation to offer customer assistance programs as there is for electric and natural gas distribution companies. Further, the proposed CAC expenses are completely within PWSA's control and PWSA has stated that if they are allowed to implement the proposed CAC, they will aggressively seek to expand eligibility which will in turn drive expenses upward.⁶ Finally, the General Assembly has never expressly authorized a "sure to spiral upward" reconcilable CAC rider as proposed by PWSA, but rather, only granted the Commission the authority to consider sliding scale reconcilable rider proposals.

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. Further, PWSA states in its CAC Petition that if its plans to aggressively promote customer assistance programs were to produce a significant increase in participation over the levels anticipated, these additional, unanticipated [but clearly foreseen] costs could have significant negative

⁵ CAC Petition, p. 7.

⁶ CAC Petition, pp. 1-10.

effect on PWSA's cash flow and ability to fund its budget [not to mention the negative impact it would have on PWSA's responsible timely paying customers].⁷ The proposed CAC and related costs are clearly within PWSA's control.

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 deny PWSA's request to implement a Customer Assistance Charge, or in the alternative, consolidate this CAC Petition into the Rate Filing at Docket No. R-2023-3039920.

Respectfully submitted,



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(717) 425-7593

Dated: May 30, 2023

⁷ CAC Petition, p. 9.

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Pittsburgh Water and Sewer Authority	:	R-2023-3039919 (Stormwater)
Base Rate Case	:	

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:

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