

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

VOLUME I
(PART 1 OF 2)

RESPONSES TO FILING REQUIREMENTS

PITTSBURGH WATER & SEWER AUTHORITY
INITIAL TARIFF FILINGS AND RATE REQUESTS

DOCKET Nos. R-2018-3002645 and R-2018-3002647

JULY 2018

**Pittsburgh Water & Sewer Authority
Initial Tariff Filings and Rate Requests**

Docket Nos. R-2017-3002645 and R-2018-3002647

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THE PITTSBURGH WATER AND SEWER AUTHORITY

Initial Tariff Filings and Rate Requests Docket Nos. R-2018-3002645 and R-2018-3002647

STATEMENT OF REASONS

The Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”) has asked the Pennsylvania Public Utility Commission (“PUC” or “Commission”) to increase its rates by \$27 million per year. Although the new rates are proposed to become effective on August 31, 2018, the Authority expects that they will be suspended for investigation by the PUC until approximately March 31, 2019.

The main reasons PWSA is asking for an increase in rates are:

- Although the Authority has worked diligently to control operating costs, certain costs have increased. The largest driver of increased costs is increased debt service caused by the planned issuance of some \$150.2 million in additional long-term debt in 2019. The Authority is also facing increased expenses to implement a variety of programs and initiatives designed to improve the safety, efficiency and quality of PWSA’s water and sewer service.
- PWSA has revised its demand projections for 2018. Its original 2018 projections were developed using data from 2014-2016. However, PWSA experienced meter reading data collection and customer billing issues during 2014-2016, which resulted in demand projections that were higher than actual consumption. The revised 2018 demand forecast, based on 2017 consumption, is lower than previous expectations; however, it is likely a much more reasonable estimate of customer demand. The new set of consumption and demand units for 2018 was then used as the basis for the units for 2019.
- The Authority must be able to raise capital on reasonable terms. Unless adjusted, the Authority’s present rates will not ensure its current credit rating and its ability to attract the capital necessary to continue to make investments in infrastructure to maintain and improve its safety, reliability and customer service levels. PWSA has incorporated contributions to reserves and financial targets to strengthen the financial position of the utility going forward.

PWSA is filing all of the supporting data required by the PUC’s regulations, as well as the written statements of five witnesses and numerous exhibits. All of the data and other

information supporting PWSA's rate increase have been prepared in ways that the PUC has approved in the past for other utilities.

In summary, the proposed increase in revenues is the minimum necessary to enable the Authority to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer service levels.

THE PITTSBURGH WATER AND SEWER AUTHORITY

Initial Tariff Filings and Rate Requests Docket Nos. R-2018-3002645 and R-2018-3002647

STATEMENT OF SPECIFIC REASONS FOR PROPOSED INCREASE IN RATES

The Pittsburgh Water and Sewer Authority (“PWSA” or “Authority”) is filing to increase its rates by \$27 million per year, or 17.1% percent on a total user rate revenue basis.

In accordance with Section 1308 of the Public Utility Code, the tariff setting forth the Authority’s proposed rates bears an effective date of August 31, 2018. However, the Authority anticipates that its requested increase will be suspended and investigated by the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) and, therefore, the Authority does not expect that new Commission-approved rates will become effective until approximately March or April 2019.

The reasons for the Authority’s proposed increase are summarized below.

Rate Increase

The largest driver of the rate increase is increased debt service resulting from the planned issuance of some \$150.2 million in additional long-term debt in 2019 to fund its Capital Improvement Plan (“CIP”). PWSA anticipates issuing Revenue Bonds in the par amount of \$150.2 million in the first or second quarter of 2019. The exact timing of the issuance would be subject to market conditions. This new debt will require additional funds for debt service coverage.

The increase in debt service is directly attributable to increases in PWSA’s construction budget, reflected in its CIP. PWSA is committed to investing in its systems to replace aging infrastructure, to ensure safety, reliability and customer service levels. PWSA must construct

and replace infrastructure and equipment needed to provide high-quality service and continue to meet state and federal drinking water, wastewater and stormwater standards. PWSA's CIP is a comprehensive plan to improve the water, wastewater and stormwater infrastructure. Those efforts necessarily result in increased revenue requirement needs.

In addition, although the Authority works hard at controlling operating costs, certain operational costs have increased. The Authority is also facing increased expenses to implement a variety of programs and initiatives designed to improve the safety, efficiency and quality of PWSA's water and sewer service.¹ Only \$1.2 million of the rate increase is associated with these programs and initiatives. These costs may increase under PWSA's Compliance Plan, which is due by September 28, 2018. The Compliance Plan may detail additional actions that will need to be taken by PWSA in 2019 and beyond to bring its information technology, accounting, billing, collection and other operating systems and procedures into compliance with the requirements applicable to jurisdictional systems.

Another key factor causing the need for additional revenues is a decline in anticipated consumption in 2018 and 2019 compared to original projections of 2018 consumption. Its original 2018 projections were developed using data from 2014-2016. However, PWSA experienced meter reading data collection and customer billing issues during 2014-2016, which resulted in demand projections that were higher than actual consumption. The revised 2018 demand forecast, based on 2017 consumption, is lower than previous expectations; however, it is likely a much more reasonable estimate of customer demand. This is substantiated by five months of year-to-date actuals in 2018, showing that PWSA has experienced a difference in

¹ PWSA also manages stormwater that is conveyed both through its combined sewer systems and separate storm sewer systems. However, as previously explained, PWSA does not separately bill customers for stormwater, rather the costs associated with stormwater are recovered from customers through the sanitary sewer charges.

overall reduced usage by residential and non-residential customers compared to what was originally forecasted for 2018. PWSA has conducted a demand analysis to evaluate this issue, and the result is that PWSA believes that this recent reduction in usage will reflect performance in 2019 and beyond. Therefore, PWSA has adjusted its water and wastewater conveyance demand units to more accurately reflect anticipated year end usage and adjusted budgeted revenue downward for 2018 and future years. The new set of consumption and demand units for 2018 was then used as the basis for the units for 2019.

PWSA needs to maintain or improve its financial metrics. Without the requested rate relief, PWSA's financial results would deteriorate even further in 2019 and thereafter. This would jeopardize the Authority's ability to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and levels. It would also have an adverse impact on PWSA's credit-coverage ratios and negative implications with respect to maintaining the Authority's current credit ratings, which would increase its financing cost.

Supporting Data

PWSA is filing all of the supporting data required by the Commission's regulations,² including data for the historic test year ("HTY") ended December 31, 2017, the future test year ("FTY") ending December 31, 2018, and the fully projected future test year ("FPFTY") ending December 31, 2019. Because the Authority is basing its claim principally on the level of operations for the FPFTY, the discussion that follows will address FPFTY data.

To establish anticipated operating expenses and revenues under the proposed rates, operating expenses and revenue projections were derived from PWSA's budget for fiscal year

² PWSA's data is based on a fiscal year that begins on January 1 and ends on December 31. PWSA has, in the past, developed water and wastewater rates using combined revenue requirements. Simultaneously with the filing of the rate case, PWSA is filing petitions related to the use of the proposed FPFTY and the use of a consolidated revenue requirement.

2019. Adjustments to revenues and expenses are explained in the testimony of Ms. Lestitian (PWSA Statement No. 2).

As is evident from the foregoing and the extensive supporting data filed by the Authority, the proposed increase is just and reasonable and is necessary to maintain the integrity of its existing capital and to attract new capital.

Rate Structure and Rate Design

As Ms. Lestitian (PWSA Statement No. 2) explains, in developing its rate structure proposal, the Authority considered the results of a cost of service study performed by Mr. Smith (PWSA Statement No. 5).

In light of the limited amount of time available to prepare this filing, PWSA is proposing to continue its existing rate structure with minimal changes. PWSA may propose modifications to its existing rate structure in subsequent filings. PWSA's proposed Tariff-Water No. 1 and Tariff-Wastewater No. 1 contain rules and regulations that carry over PWSA's existing regulations as they exist in its "prior" tariff that was in place when it became subject to PUC regulation (April 1, 2018). It is important to note that, prior to that date, PWSA modified its Rules and Regulations in order to make them consistent with PUC Regulations reflected in Chapter 56.

CONCLUSION

The requested increase in revenues is necessary to enable the Authority to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer service levels; to maintain the integrity of its existing capital; and to attract additional capital at reasonable costs. The Authority's proposed revenue allocation and rate design are just,

reasonable and nondiscriminatory. For these and the other reasons set forth above, the Authority's proposed rates, rules and terms of service should be permitted to become effective as filed.

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

The Pittsburgh Water & Sewer Authority (PWSA) has filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your water and wastewater conveyance rates. This notice describes the Authority's rate request, the PUC's role, and what actions you can take.

RATE REQUEST

PWSA has requested an overall rate increase of \$27.0 million per year. If the Authority's entire request is approved, the total water and wastewater conveyance bill for a residential customer using 3,000 gallons per month would increase from \$63.62 to \$74.23 per month or by 16.7%.

PWSA's rate request is scheduled to go into effect on August 31, 2018; however, in most cases, the PUC suspends the increase for up to an additional seven (7) months.

The breakdown by water and wastewater conveyance bill component for a residential customer is provided in the tables below.

<u>Residential Monthly Bill</u>	<u>Present</u>	<u>Proposed</u>	<u>% Increase</u>
Water	\$42.07	\$49.83	18.4%
Wastewater Conveyance	<u>\$21.55</u>	<u>\$ 24.40</u>	<u>13.2%</u>
Total Monthly Bill	\$63.62	\$74.23	16.7%

The total bill for a commercial customer using 13,000 gallons per month would increase from \$234.00 to \$283.12 per month or by 21.0%.

<u>Commercial Monthly Bill</u>	<u>Present</u>	<u>Proposed</u>	<u>% Increase</u>
Water	\$148.02	\$187.09	26.4%
Wastewater Conveyance	<u>\$85.98</u>	<u>\$96.03</u>	<u>11.7%</u>
Total Monthly Bill	\$234.00	\$283.12	21.0%

Rates for an industrial customer using 680,000 gallons per month would increase from \$9,409.52 to \$12,064.79 per month or by 28.2%.

<u>Industrial Monthly Bill</u>	<u>Present</u>	<u>Proposed</u>	<u>% Increase</u>
Water	\$5,505.62	\$7,266.88	32.0%
Wastewater Conveyance	<u>\$3,903.90</u>	<u>\$4,797.91</u>	<u>22.9%</u>
Total Monthly Bill	\$9,409.52	\$12,064.79	28.2%

Rates for a health or education customer using 50,000 gallons per month would increase from \$1,031.30 to \$1,131.73 per month or by 9.7%.

Health or Education Monthly Bill	Present	Proposed	% Increase
Water	\$649.46	\$762.62	17.4%
Wastewater Conveyance	\$381.84	\$369.11	-3.3%
Total Monthly Bill	\$1,031.30	\$1,131.73	9.7%

To find out your customer class or how the requested increase may affect your water and wastewater conveyance bill, contact PWSA at 412-255-2423. The rates requested by the Authority may be found in the initial Tariff Water – PA. P.U.C. No.1 and Tariff Wastewater – PA. P.U.C. No.1. You may also examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of this material is kept at PWSA’s office. Upon request, the Authority will send you the Statement of Reasons for these Tariffs, explaining why the rate increase has been requested.

PUC ROLE

The state agency which now approves rates for PWSA is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Authority must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the Authority utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Authority as shown above.

ACTIONS YOU CAN TAKE

There are three ways to challenge PWSA’s request to change its rates:

1. You can be a witness at a public input hearing. Public input hearings are held if the PUC opens an investigation of the Authority’s rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and to the PWSA representatives. All testimony given “under oath” becomes part of the official rate case record. These hearings are held in the service area of the Authority.
2. You can send the PUC a letter telling why you object to the requested rate increase. At times there is information in these letters that makes the PUC aware of problems with the Authority’s service or management. This information can be helpful when the PUC investigates the rate request.

3. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before August 31, 2018. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge. Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

For more information, call the PUC's Bureau of Consumer Services at 1-800-692-7380. You may leave your name and address so you can be notified of any public input hearings that may be scheduled in this case. You may also contact the Pennsylvania Office of Consumer Advocate (OCA). The OCA represents the interests of consumers in cases before the PUC. You may contact the OCA with questions or requests for public input hearings at 1-800-684-6560 or by email at consumer@paoca.org.

The Pittsburgh Water and Sewer Authority
1200 Penn Avenue
Pittsburgh, PA 15222
412-255-2423



Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

§ 53.52. Applicability; public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(1) The specific reasons for each change.

RESPONSE:

Please see Statement of Reasons and testimony of PWSA, witnesses Weimer, Lestitian, and Smith for additional information. PWSA is proposing an increase in minimum charges and volumetric charges for all customer classes (Residential, Commercial, Industrial, Health & Education, and Private Fire) while maintaining the existing rate structure. Please see the testimony of PWSA witnesses Lestitian and Smith for an explanation of the minimum charge and volumetric charge increases/decreases in each customer rate class.

(2) The total number of customers served by the utility.

RESPONSE:

Please see the schedules attached to response § 53.52(b)(3).

(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

RESPONSE:

Please see the schedules attached to response § 53.52(b)(3).

(4) The effect of the change on the utility's customers.

RESPONSE:

Please see the schedules attached to response § 53.52(b)(3) and (b)(4).

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

(5) The direct or indirect effect of the proposed change on the utility's revenue and expenses.

RESPONSE:

Please see PWSA Statement No. 2 – Debbie Lestitian and accompanying schedules.

(6) The effect of the change on the service rendered by the utility.

RESPONSE:

The changes will have no effect on the service rendered by the utility.

(7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

RESPONSE: Not applicable.

(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.

RESPONSE: Not applicable.

(9) Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

RESPONSE:

No customer polls or other documentation regarding customer acceptance and desire for the proposed change exists.

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

(10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

RESPONSE:

The Company is notifying customers of the proposed changes as required by 53 Pa. Code § 53.45.

(11) FCC, FERC or Commission orders or rulings applicable to the filing.

RESPONSE:

There are no FCC, FERC, or Commission orders or rulings applicable to this filing.

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

(b) Whenever a public utility other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

(1) The specific reasons for each increase or decrease.

RESPONSE:

Please see Statement of Reasons and testimony of PWSA, witnesses Weimer, Lestitian, and Smith for additional information. PWSA is proposing an increase in minimum charges and volumetric charges for all customer classes (Residential, Commercial, Industrial, Health & Education, and Private Fire) while maintaining the existing rate structure. Please see the testimony of PWSA witnesses Lestitian and Smith for an explanation of the minimum charge and volumetric charge increases/decreases in each customer rate class.

(2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

RESPONSE:

Please see attached.

PWSA notes that the information provided by PWSA covers a 12-month time period, the end of which is more than 120 days prior to the filing. This information, however, is the most-recent information available that covers a 12-month period. PWSA can provide the Commission additional information upon request.

(3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

RESPONSE:

Please see attached.

(4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

RESPONSE:

Please see attached.

(5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

RESPONSE:

Please see the response to § 53.52(b)(3).

(6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

RESPONSE:

Please see the response to § 53.52(b)(3).

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

(c) If a public utility files a tariff, revision or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility—subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)—or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility—subsection (b)(3) divided by subsection (a)(2)—it shall submit to the Commission with the tariff, revision or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

(1) A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).

RESPONSE: Not applicable

(2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

RESPONSE:

Please see attached.

As mentioned previously, PWSA notes that the information provided by PWSA covers a 12-month time period, the end of which is more than 120 days prior to the filing. This information, however, is the most-recent information available that covers a 12-month period. PWSA can provide the Commission additional information upon request.

(3) A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

RESPONSE:

Please see attached.

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

(4) A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

RESPONSE:

Please see attached.

(5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).

RESPONSE:

Please see attached.

(6) A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)—(5).

RESPONSE:

There has not been any major change in the operating or financial condition of the utility since the balance sheet dated December 31, 2017.

It is important to note that PWSA is operating under two major orders: the Consent Order and Agreement dated November 17, 2017 on lead and an Administrative Order dated October 25, 2017 on water treatment. Both of these occurred before December 31, 2017 and are disclosed in PWSA's audited financial statements. As a result of the Consent and Administrative Orders and officially coming under PUC Jurisdiction Orders, PWSA re-forecasted the 2018 operating budget in April 2018. That budget is relied on for the purposes of this rate case filing.

One minor change since the December 31, 2017 Balance Sheet is the Consent Assessment of Civil Penalty dated May 18, 2018. It is for discharges of chlorinated water and sediments during two water main breaks. It includes a penalty of \$50,000, with \$10,000 paid, and payments of \$20,000 each in 2019 and 2020.

Pittsburgh Water and Sewer Authority Base Rate Filing

52 Pa. Code § 53.52

(d) If a utility renders more than one type of public service, such as electric and gas, information required by §§ 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.

RESPONSE: Not applicable.

PITTSBURGH WATER AND SEWER AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(Dollars expressed in thousands)

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Operating Revenues:		
Residential, commercial, and industrial water sales	\$ 128,488	\$ 113,818
Wastewater treatment	68,935	62,125
Other	5,573	4,784
Total operating revenues	<u>202,996</u>	<u>180,727</u>
Operating Expenses:		
Direct operating expenses	71,156	60,687
Wastewater treatment	75,107	62,125
Cooperation agreement operating expenses:		
Indirect cost allocation - sewer conveyance	2,250	2,846
Indirect cost allocation - water	3,113	4,304
Expense of water provided by other entities:		
Subsidy of customers located in the City	5,594	1,974
Depreciation	<u>16,172</u>	<u>16,657</u>
Total operating expenses	<u>173,392</u>	<u>148,593</u>
Operating Income	<u>29,604</u>	<u>32,134</u>
Non-operating Revenues (Expenses):		
Donated property	1,595	981
Interest revenue	460	383
Investment income (loss) - change in fair value of swap	835	1,690
Interest and amortization	(34,913)	(36,966)
Bond issuance costs	<u>(3,894)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(35,917)</u>	<u>(33,912)</u>
Net Income (Loss)	<u>(6,313)</u>	<u>(1,778)</u>
Net Position:		
Beginning of year	<u>(37,523)</u>	<u>(35,745)</u>
End of year	<u>\$ (43,836)</u>	<u>\$ (37,523)</u>

The notes to financial statements are an integral part of this statement.

**Pittsburgh Water & Sewer Authority
Rate Case 2018
Rate Revenue at Current Rates**

	FY 2019			PUC Approved Prior Tariff Rates		FY 2019		
	Number of Meters	Number of Annual Bills	Billable Usage (Kgal) (1)	Monthly Min. Charge	Volume Charge (Kgal)	Min. Charge Revenue (2)	Vol. Charge Revenue (2)	Total Rate Revenue
1 Water Revenues								
2 Residential								
3 5/8"	59,490	713,878	1,836,041	\$ 23.25	\$ 9.41	\$ 15,861,866	\$ 16,511,228	\$ 32,373,094
4 3/4"	2,578	30,934	123,071	37.83	9.41	1,118,355	1,106,757	2,225,113
5 1"	2,295	27,536	141,601	76.58	9.41	2,015,225	1,273,398	3,288,623
6 1 1/2"	-	-	-	149.47	9.41	-	-	-
7 2"	-	-	-	246.53	9.41	-	-	-
8 3"	-	-	-	546.96	9.41	-	-	-
9 4"	-	-	-	924.52	9.41	-	-	-
10 6"	-	-	-	2,181.24	9.41	-	-	-
11 8"	-	-	-	3,919.64	9.41	-	-	-
12 10" & Above	-	-	-	6,408.43	9.41	-	-	-
13 Total: Residential	64,362	772,348	2,100,713			\$ 18,995,446	\$ 18,891,384	\$ 37,886,830
14 Residential - CAP (3)								
16 5/8"	2,213	26,556	-	\$ 11.63	\$ 9.41	\$ 295,028	\$ -	\$ 295,028
17 3/4"	26	312	-	18.92	9.41	5,640	-	5,640
18 1"	2	24	-	38.29	9.41	878	-	878
19 1 1/2"	-	-	-	74.74	9.41	-	-	-
20 2"	-	-	-	123.27	9.41	-	-	-
21 3"	-	-	-	273.48	9.41	-	-	-
22 4"	-	-	-	462.26	9.41	-	-	-
23 6"	-	-	-	1,090.62	9.41	-	-	-
24 8"	-	-	-	1,959.82	9.41	-	-	-
25 10" & Above	-	-	-	3,204.22	9.41	-	-	-
26 Total: Residential - CAP	2,241	26,892	-			\$ 301,546	\$ -	\$ 301,546
27 Commercial								
29 5/8"	2,693	32,311	139,919	\$ 23.25	\$ 8.93	\$ 717,928	\$ 1,194,088	\$ 1,912,015
30 3/4"	682	8,184	48,170	37.83	8.93	295,876	411,092	706,968
31 1"	1,312	15,745	147,483	76.58	8.93	1,152,299	1,258,642	2,410,941
32 1 1/2"	870	10,439	254,591	149.47	8.93	1,491,146	2,172,713	3,663,860
33 2"	792	9,503	453,608	246.53	8.93	2,238,916	3,871,147	6,110,063
34 3"	241	2,893	396,230	546.96	8.93	1,512,207	3,381,475	4,893,682
35 4"	199	2,387	725,387	924.52	8.93	2,108,997	6,190,537	8,299,535
36 6"	85	1,017	649,134	2,181.24	8.93	2,119,980	5,539,789	7,659,769
37 8"	8	95	295,054	3,919.64	8.93	355,858	2,518,026	2,873,885
38 10" & Above	-	-	-	6,408.43	8.93	-	-	-
39 Total: Commercial	6,881	82,574	3,109,578			\$ 11,993,208	\$ 26,537,510	\$ 38,530,718
40 Industrial								
42 5/8"	22	258	504	\$ 23.25	\$ 7.51	\$ 5,733	\$ 3,617	\$ 9,350
43 3/4"	14	162	166	37.83	7.51	5,857	1,191	7,048
44 1"	28	335	3,468	76.58	7.51	24,517	24,886	49,404
45 1 1/2"	6	72	302	149.47	7.51	10,285	2,167	12,452
46 2"	16	187	15,272	246.53	7.51	44,057	109,608	153,665
47 3"	2	24	13,262	546.96	7.51	12,545	95,182	107,727
48 4"	8	98	61,543	924.52	7.51	86,586	441,699	528,285
49 6"	2	24	4,926	2,181.24	7.51	50,029	35,354	85,383
50 8"	4	48	63,099	3,919.64	7.51	179,802	452,866	632,668
51 10" & Above	-	-	-	6,408.43	7.51	-	-	-
52 Total: Industrial	101	1,208	162,541			\$ 419,411	\$ 1,166,572	\$ 1,585,983
53 Health or Education								
55 5/8"	34	408	1,358	\$ 23.25	\$ 12.21	\$ 9,065	\$ 15,846	\$ 24,912
56 3/4"	9	109	539	37.83	12.21	3,941	6,289	10,230
57 1"	26	308	3,877	76.58	12.21	22,541	45,240	67,781
58 1 1/2"	65	779	10,713	149.47	12.21	111,275	125,007	236,282
59 2"	160	1,921	81,396	246.53	12.21	452,589	949,786	1,402,375
60 3"	104	1,252	193,559	546.96	12.21	654,436	2,258,588	2,913,025
61 4"	73	877	381,066	924.52	12.21	774,860	4,446,554	5,221,414
62 6"	38	450	449,187	2,181.24	12.21	938,044	5,241,429	6,179,473
63 8"	3	36	59,591	3,919.64	12.21	134,852	695,350	830,202
64 10" & Above	2	29	106,338	6,408.43	12.21	177,606	1,240,828	1,418,433
65 Total: Health or Education	514	6,169	1,287,624			\$ 3,279,209	\$ 15,024,917	\$ 18,304,127
66 Fire System								
68 1" or Less	1,130	13,559	3,253	\$ 26.94	\$ 11.50	\$ 349,086	\$ 35,746	\$ 384,832
69 1 1/2"-3"	64	773	199	71.02	11.50	52,465	2,187	54,652
70 4"	6	66	3	151.40	11.50	9,549	33	9,582
71 6" or Greater	15	181	596	433.13	11.50	74,921	6,550	81,471
72 Total: Fire System	1,215	14,579	4,051			\$ 486,021	\$ 44,516	\$ 530,538
73								
74 Total: Water (Units & Sales)	75,314	903,770	6,664,507			\$ 35,474,843	\$ 61,664,899	\$ 97,139,741

(1) Represents billable customer usage above minimum allowance included in minimum charge
 (2) User charge revenues include an adjustment factor to reflect actual collections.
 (3) Residential CAP customers billable usage is included in the "Residential" class since there is no discount for volumetric charges

**Pittsburgh Water & Sewer Authority
Rate Case 2018
Rate Revenue at Proposed Rates**

	FY 2019			Proposed Rates		FY 2019		
	Number of Meters	Number of Annual Bills	Billable Usage (Kgal) (1)	Monthly Min. Charge	Volume Charge (Kgal)	Min. Charge Revenue (2)	Vol. Charge Revenue (2)	Total Rate Revenue
1 Water Revenues								
2 Residential								
3 5/8"	59,490	713,878	1,836,041	\$ 27.77	\$ 11.03	\$ 18,945,550	\$ 19,353,756	\$ 38,299,305
4 3/4"	2,578	30,934	123,071	45.79	11.03	1,353,674	1,297,294	2,650,968
5 1"	2,295	27,536	141,601	93.73	11.03	2,466,532	1,492,623	3,959,155
6 1 1/2"	-	-	-	183.87	11.03	-	-	-
7 2"	-	-	-	303.92	11.03	-	-	-
8 3"	-	-	-	675.49	11.03	-	-	-
9 4"	-	-	-	1,142.48	11.03	-	-	-
10 6"	-	-	-	2,696.91	11.03	-	-	-
11 8"	-	-	-	4,847.16	11.03	-	-	-
12 10" & Above	-	-	-	7,925.65	11.03	-	-	-
13 Total: Residential	64,362	772,348	2,100,713			\$ 22,765,756	\$ 22,143,673	\$ 44,909,428
14 Residential - CAP (3)								
16 5/8"	2,213	26,556	-	\$ 13.89	\$ 11.03	\$ 352,384	\$ -	\$ 352,384
17 3/4"	26	312	-	22.90	11.03	6,827	-	6,827
18 1"	2	24	-	46.87	11.03	1,075	-	1,075
19 1 1/2"	-	-	-	91.94	11.03	-	-	-
20 2"	-	-	-	151.96	11.03	-	-	-
21 3"	-	-	-	337.75	11.03	-	-	-
22 4"	-	-	-	571.24	11.03	-	-	-
23 6"	-	-	-	1,348.46	11.03	-	-	-
24 8"	-	-	-	2,423.58	11.03	-	-	-
25 10" & Above	-	-	-	3,962.83	11.03	-	-	-
26 Total: Residential - CAP	2,241	26,892	-			\$ 360,285	\$ -	\$ 360,285
27 Commercial								
29 5/8"	2,693	32,311	139,919	\$ 27.77	\$ 11.67	\$ 857,499	\$ 1,560,471	\$ 2,417,970
30 3/4"	682	8,184	48,170	45.79	11.67	358,132	537,228	895,360
31 1"	1,312	15,745	147,484	93.73	11.67	1,410,356	1,644,832	3,055,188
32 1 1/2"	870	10,439	254,591	183.87	11.67	1,834,328	2,839,369	4,673,697
33 2"	792	9,503	453,608	303.92	11.67	2,760,116	5,058,935	7,819,051
34 3"	241	2,893	396,230	675.49	11.67	1,867,561	4,419,016	6,286,576
35 4"	199	2,387	725,387	1,142.48	11.67	2,606,204	8,089,986	10,696,189
36 6"	85	1,017	649,134	2,696.91	11.67	2,621,167	7,239,568	9,860,735
37 8"	8	95	295,054	4,847.16	11.67	440,066	3,290,635	3,730,701
38 10" & Above	-	-	-	7,925.65	11.67	-	-	-
39 Total: Commercial	6,881	82,574	3,109,578			\$ 14,755,429	\$ 34,680,038	\$ 49,435,468
40 Industrial								
42 5/8"	22	258	504	\$ 27.77	\$ 10.04	\$ 6,847	\$ 4,836	\$ 11,683
43 3/4"	14	162	166	45.79	10.04	7,089	1,593	8,682
44 1"	28	335	3,468	93.73	10.04	30,008	33,270	63,278
45 1 1/2"	6	72	302	183.87	10.04	12,652	2,898	15,549
46 2"	16	187	15,272	303.92	10.04	54,314	146,533	200,847
47 3"	2	24	13,262	675.49	10.04	15,493	127,248	142,741
48 4"	8	98	61,543	1,142.48	10.04	107,000	590,500	697,499
49 6"	2	24	4,926	2,696.91	10.04	61,856	47,265	109,121
50 8"	4	48	63,099	4,847.16	10.04	222,349	605,429	827,779
51 10" & Above	-	-	-	7,925.65	10.04	-	-	-
52 Total: Industrial	101	1,208	162,541			\$ 517,608	\$ 1,559,571	\$ 2,077,179
53 Health or Education								
55 5/8"	34	408	1,358	\$ 27.77	\$ 13.90	\$ 10,828	\$ 18,039	\$ 28,867
56 3/4"	9	109	539	45.79	13.90	4,770	7,160	11,930
57 1"	26	308	3,877	93.73	13.90	27,589	51,501	79,090
58 1 1/2"	65	779	10,713	183.87	13.90	136,885	142,309	279,194
59 2"	160	1,921	81,396	303.92	13.90	557,948	1,081,247	1,639,195
60 3"	104	1,252	193,559	675.49	13.90	808,222	2,571,202	3,379,424
61 4"	73	877	381,066	1,142.48	13.90	957,537	5,062,007	6,019,544
62 6"	38	450	449,187	2,696.91	13.90	1,159,809	5,966,901	7,126,709
63 8"	3	36	59,591	4,847.16	13.90	166,762	791,595	958,357
64 10" & Above	2	29	106,338	7,925.65	13.90	219,655	1,412,572	1,632,227
65 Total: Health or Education	514	6,169	1,287,624			\$ 4,050,004	\$ 17,104,533	\$ 21,154,537
66 Fire System								
68 1" or Less	1,130	13,559	3,253	\$ 29.21	\$ 15.01	\$ 378,501	\$ 46,656	\$ 425,157
69 1 1/2"-3"	64	773	199	77.82	15.01	57,488	2,855	60,343
70 4"	6	66	3	166.46	15.01	10,499	43	10,542
71 6" or Greater	15	181	596	477.13	15.01	82,532	8,549	91,081
72 Total: Fire System	1,215	14,579	4,051			\$ 529,020	\$ 58,103	\$ 587,123
73								
74 Total: Water (Units & Sales)	75,314	903,770	6,664,507			\$ 42,978,102	\$ 75,545,919	\$ 118,524,020

(1) Represents billable customer usage above minimum allowance included in minimum charge
(2) User charge revenues include an adjustment factor to reflect actual collections.
(3) Residential CAP customers billable usage is included in the "Residential" class since there is no discount for volumetric charges

**Pittsburgh Water & Sewer Authority
Rate Case 2018
Rate Revenue at Current Rates**

	FY 2019			PUC Approved Prior Tariff Rates		FY 2019		
	Number of Meters	Number of Annual Bills	Billable Usage (Kgal) (1)	Monthly Min. Charge	Volume Charge (Kgal)	Min. Charge Revenue (2)	Vol. Charge Revenue (2)	Total Rate Revenue
1 Wastewater Revenues								
2 Residential								
3 5/8"	83,875	1,006,501	1,865,883	\$ 7.71	\$ 6.92	\$ 7,416,106	\$ 12,339,506	\$ 19,755,612
4 3/4"	2,603	31,234	122,845	15.62	6.92	466,247	812,403	1,278,650
5 1"	2,314	27,764	141,795	37.10	6.92	984,381	937,724	1,922,105
6 1 1/2"	-	-	-	76.62	6.92	-	-	-
7 2"	-	-	-	129.72	6.92	-	-	-
8 3"	-	-	-	295.88	6.92	-	-	-
9 4"	-	-	-	506.20	6.92	-	-	-
10 6"	-	-	-	1,213.27	6.92	-	-	-
11 8"	-	-	-	2,197.82	6.92	-	-	-
12 10" & Above	-	-	-	3,618.63	6.92	-	-	-
13 Total: Residential	88,792	1,065,499	2,130,523			\$ 8,866,734	\$ 14,089,633	\$ 22,956,367
14 Residential - CAP (3)								
16 5/8"	2,213	26,556	-	\$ 3.86	\$ 6.92	\$ 97,835	\$ -	\$ 97,835
17 3/4"	26	312	-	7.81	6.92	2,329	-	2,329
18 1"	2	24	-	18.55	6.92	425	-	425
19 1 1/2"	-	-	-	38.31	6.92	-	-	-
20 2"	-	-	-	64.86	6.92	-	-	-
21 3"	-	-	-	147.94	6.92	-	-	-
22 4"	-	-	-	253.10	6.92	-	-	-
23 6"	-	-	-	606.64	6.92	-	-	-
24 8"	-	-	-	1,098.91	6.92	-	-	-
25 10" & Above	-	-	-	1,809.32	6.92	-	-	-
26 Total: Residential - CAP	2,241	26,892	-			\$ 100,589	\$ -	\$ 100,589
27 Commercial								
29 5/8"	3,667	44,004	138,870	\$ 7.71	\$ 6.11	\$ 324,230	\$ 810,882	\$ 1,135,113
30 3/4"	801	9,611	49,327	15.62	6.11	143,469	288,029	431,497
31 1"	1,553	18,634	153,194	37.10	6.11	660,674	894,522	1,555,197
32 1 1/2"	908	10,892	256,339	76.62	6.11	797,549	1,496,797	2,294,346
33 2"	887	10,644	461,544	129.72	6.11	1,319,530	2,695,015	4,014,545
34 3"	239	2,864	396,049	295.88	6.11	809,834	2,312,584	3,122,418
35 4"	217	2,608	745,543	506.20	6.11	1,261,645	4,353,327	5,614,972
36 6"	106	1,267	671,265	1,213.27	6.11	1,469,066	3,919,610	5,388,676
37 8"	10	114	298,482	2,197.82	6.11	239,444	1,742,877	1,982,321
38 10" & Above	-	-	-	3,618.63	6.11	-	-	-
39 Total: Commercial	8,387	100,638	3,170,614			\$ 7,025,440	\$ 18,513,643	\$ 25,539,083
40 Industrial								
42 5/8"	20	240	506	\$ 7.71	\$ 5.57	\$ 1,768	\$ 2,693	\$ 4,462
43 3/4"	13	154	166	15.62	5.57	2,299	884	3,182
44 1"	28	335	3,468	37.10	5.57	11,878	18,458	30,335
45 1 1/2"	6	72	302	76.62	5.57	5,272	1,608	6,880
46 2"	18	210	15,607	129.72	5.57	26,034	83,076	109,110
47 3"	2	24	13,262	295.88	5.57	6,786	70,595	77,381
48 4"	9	108	61,898	506.20	5.57	52,246	329,490	381,736
49 6"	2	24	4,926	1,213.27	5.57	27,828	26,221	54,049
50 8"	4	48	63,099	2,197.82	5.57	100,819	335,881	436,699
51 10" & Above	-	-	-	3,618.63	5.57	-	-	-
52 Total: Industrial	101	1,215	163,234			\$ 234,929	\$ 868,905	\$ 1,103,834
53 Health or Education								
55 5/8"	34	408	1,358	\$ 7.71	\$ 7.64	\$ 3,006	\$ 9,915	\$ 12,921
56 3/4"	9	109	539	15.62	7.64	1,627	3,935	5,563
57 1"	26	308	3,877	37.10	7.64	10,920	28,307	39,227
58 1 1/2"	65	779	10,713	76.62	7.64	57,041	78,219	135,260
59 2"	160	1,921	81,396	129.72	7.64	238,145	594,297	832,442
60 3"	104	1,250	193,547	295.88	7.64	353,454	1,413,149	1,766,603
61 4"	73	876	388,561	506.20	7.64	423,773	2,837,006	3,260,779
62 6"	37	442	440,805	1,213.27	7.64	512,492	3,218,454	3,730,946
63 8"	3	36	59,591	2,197.82	7.64	75,614	435,092	510,706
64 10" & Above	2	29	106,338	3,618.63	7.64	100,288	776,407	876,695
65 Total: Health or Education	513	6,158	1,286,726			\$ 1,776,361	\$ 9,394,782	\$ 11,171,143
66 Fire System								
68 1" or Less	1,130	13,559	3,220	\$ -	\$ 9.17	\$ -	\$ 28,214	\$ 28,214
69 1 1/2"-3"	64	773	232	-	9.17	-	2,033	2,033
70 4"	6	66	3	-	9.17	-	26	26
71 6" or Greater	15	181	596	-	9.17	-	5,223	5,223
72 Total: Fire System	1,215	14,579	4,051			\$ -	\$ 35,497	\$ 35,497
73								
74 Total: Wastewater (Units & Sales)	101,248	1,214,981	6,755,147			\$ 18,004,053	\$ 42,902,459	\$ 60,906,513

(1) Represents billable customer usage above minimum allowance included in minimum charge
(2) User charge revenues include an adjustment factor to reflect actual collections.
(3) Residential CAP customers billable usage is included in the "Residential" class since there is no discount for volumetric charges

**Pittsburgh Water & Sewer Authority
Rate Case 2018
Rate Revenue at Proposed Rates**

	FY 2019			Proposed Rates		FY 2019		
	Number of Meters	Number of Annual Bills	Billable Usage (Kgal) (1)	Monthly Min. Charge	Volume Charge (Kgal)	Min. Charge Revenue (2)	Vol. Charge Revenue (2)	Total Rate Revenue
1 Wastewater Revenues								
2 Residential								
3 5/8"	83,875	1,006,501	1,865,883	\$ 11.28	\$ 6.56	\$ 10,850,023	\$ 11,697,567	\$ 22,547,589
4 3/4"	2,603	31,234	122,845	18.65	6.56	556,690	770,139	1,326,830
5 1"	2,314	27,764	141,795	40.27	6.56	1,068,491	888,941	1,957,432
6 1 1/2"	-	-	-	77.12	6.56	-	-	-
7 2"	-	-	-	128.21	6.56	-	-	-
8 3"	-	-	-	294.32	6.56	-	-	-
9 4"	-	-	-	509.61	6.56	-	-	-
10 6"	-	-	-	1,256.86	6.56	-	-	-
11 8"	-	-	-	2,318.86	6.56	-	-	-
12 10" & Above	-	-	-	3,888.48	6.56	-	-	-
13 Total: Residential	88,792	1,065,499	2,130,523			\$ 12,475,204	\$ 13,356,647	\$ 25,831,851
14 Residential - CAP (3)								
16 5/8"	2,213	26,556	-	\$ 5.64	\$ 6.56	\$ 143,136	\$ -	\$ 143,136
17 3/4"	26	312	-	9.33	6.56	2,780	-	2,780
18 1"	2	24	-	20.14	6.56	462	-	462
19 1 1/2"	-	-	-	38.56	6.56	-	-	-
20 2"	-	-	-	64.11	6.56	-	-	-
21 3"	-	-	-	147.16	6.56	-	-	-
22 4"	-	-	-	254.81	6.56	-	-	-
23 6"	-	-	-	628.43	6.56	-	-	-
24 8"	-	-	-	1,159.43	6.56	-	-	-
25 10" & Above	-	-	-	1,944.24	6.56	-	-	-
26 Total: Residential - CAP	2,241	26,892	-			\$ 146,378	\$ -	\$ 146,378
27 Commercial								
29 5/8"	3,667	44,004	138,870	\$ 11.28	\$ 6.97	\$ 474,361	\$ 925,016	\$ 1,399,377
30 3/4"	801	9,611	49,327	18.65	6.97	171,299	328,569	499,868
31 1"	1,553	18,634	153,194	40.27	6.97	717,125	1,020,429	1,737,554
32 1 1/2"	908	10,892	256,339	77.12	6.97	802,753	1,707,476	2,510,229
33 2"	887	10,644	461,544	128.21	6.97	1,304,170	3,074,347	4,378,516
34 3"	239	2,864	396,049	294.32	6.97	805,564	2,638,086	3,443,651
35 4"	217	2,608	745,543	509.61	6.97	1,270,144	4,966,070	6,236,214
36 6"	106	1,267	671,265	1,256.86	6.97	1,521,846	4,471,306	5,993,152
37 8"	10	114	298,482	2,318.86	6.97	252,631	1,988,192	2,240,823
38 10" & Above	-	-	-	3,888.48	6.97	-	-	-
39 Total: Commercial	8,387	100,638	3,170,614			\$ 7,319,893	\$ 21,119,491	\$ 28,439,384
40 Industrial								
42 5/8"	20	240	506	\$ 11.28	\$ 7.03	\$ 2,587	\$ 3,399	\$ 5,987
43 3/4"	13	154	166	18.65	7.03	2,745	1,115	3,860
44 1"	28	335	3,468	40.27	7.03	12,892	23,296	36,188
45 1 1/2"	6	72	302	77.12	7.03	5,306	2,029	7,335
46 2"	18	210	15,607	128.21	7.03	25,731	104,852	130,583
47 3"	2	24	13,262	294.32	7.03	6,751	89,099	95,849
48 4"	9	108	61,898	509.61	7.03	52,598	415,855	468,453
49 6"	2	24	4,926	1,256.86	7.03	28,827	33,095	61,922
50 8"	4	48	63,099	2,318.86	7.03	106,371	423,921	530,292
51 10" & Above	-	-	-	3,888.48	7.03	-	-	-
52 Total: Industrial	101	1,215	163,234			\$ 243,808	\$ 1,096,661	\$ 1,340,469
53 Health or Education								
55 5/8"	34	408	1,358	\$ 11.28	\$ 7.30	\$ 4,398	\$ 9,474	\$ 13,872
56 3/4"	9	109	539	18.65	7.30	1,943	3,760	5,703
57 1"	26	308	3,877	40.27	7.30	11,853	27,047	38,901
58 1 1/2"	65	779	10,713	77.12	7.30	57,413	74,738	132,151
59 2"	160	1,921	81,396	128.21	7.30	235,373	567,849	803,222
60 3"	104	1,250	193,547	294.32	7.30	351,590	1,350,260	1,701,850
61 4"	73	876	388,561	509.61	7.30	426,628	2,710,752	3,137,380
62 6"	37	442	440,805	1,256.86	7.30	530,905	3,075,225	3,606,129
63 8"	3	36	59,591	2,318.86	7.30	79,778	415,730	495,508
64 10" & Above	2	29	106,338	3,888.48	7.30	107,767	741,854	849,621
65 Total: Health or Education	513	6,158	1,286,726			\$ 1,807,649	\$ 8,976,689	\$ 10,784,338
66 Fire System								
68 1" or Less	1,130	13,559	3,220	\$ -	\$ -	\$ -	\$ -	\$ -
69 1 1/2"-3"	64	773	232	-	-	-	-	-
70 4"	6	66	3	-	-	-	-	-
71 6" or Greater	15	181	596	-	-	-	-	-
72 Total: Fire System	1,215	14,579	4,051			\$ -	\$ -	\$ -
73								
74 Total: Wastewater (Units & Sales)	101,248	1,214,981	6,755,147			\$ 21,992,932	\$ 44,549,488	\$ 66,542,420

(1) Represents billable customer usage above minimum allowance included in minimum charge
(2) User charge revenues include an adjustment factor to reflect actual collections.
(3) Residential CAP customers billable usage is included in the "Residential" class since there is no discount for volumetric charges

PITTSBURGH WATER AND SEWER AUTHORITY

STATEMENTS OF NET POSITION

(Dollars expressed in thousands)

DECEMBER 31, 2017 AND 2016

Assets	2017	2016
Current assets:		
Cash and cash equivalents	\$ 11,076	\$ 21,620
Accounts receivable, net:		
Water:		
Billed	9,335	6,388
Unbilled	6,760	5,886
Total water	16,095	12,274
Wastewater treatment:		
Billed	9,975	10,844
Unbilled	3,746	3,719
Total wastewater treatment	13,721	14,563
Other receivables	1,074	797
Total accounts receivable, net	30,890	27,634
Prepaid expenses	674	65
Inventory	3,777	2,218
Total current assets	46,417	51,537
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	18,264	11,900
Investments	11,684	14,437
Total restricted assets	29,948	26,337
Capital assets, not being depreciated	100,240	88,861
Capital assets, net of accumulated depreciation	589,567	587,937
Total noncurrent assets	719,755	703,135
Total Assets	766,172	754,672
Deferred Outflows of Resources		
Deferred charge on refunding	110,326	25,008
Accumulated decrease in fair value of hedging derivatives	3,279	70,897
Total Deferred Outflows of Resources	113,605	95,905

(Continued)

The notes to financial statements are an integral part of this statement.

PITTSBURGH WATER AND SEWER AUTHORITY

STATEMENTS OF NET POSITION

(Dollars expressed in thousands)

DECEMBER 31, 2017 AND 2016

(Continued)

	2017	2016
Liabilities		
Current liabilities:		
Bonds and loans payable	24,603	22,492
Accrued payroll and related obligations	1,217	924
Accounts payable wastewater treatment	17,863	15,283
Accounts payable and other accrued expenses	15,506	17,936
Accrued interest payable from restricted assets	3,773	10,650
Total current liabilities	62,962	67,285
Noncurrent liabilities:		
Unearned revenue	164	185
Accrued payroll and related obligations	594	575
Swap liability	18,319	86,772
Bonds and loans payable, net	841,574	733,283
Total noncurrent liabilities	860,651	820,815
Total Liabilities	923,613	888,100
Net Position		
Net investment in capital assets	(29,609)	(5,395)
Restricted	13,240	9,999
Unrestricted	(27,467)	(42,127)
Total Net Position	\$ (43,836)	\$ (37,523)

(Concluded)

The notes to financial statements are an integral part of this statement.