

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 23, 2021

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. R-2021-3024773 (Water)

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Luis M. Melendez
Luis M. Melendez
Assistant Consumer Advocate
PA Attorney I.D. # 329512
E-Mail: LMelendez@paoca.org

Enclosures:

cc: Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Office of Administrative Law Judge (**email only**)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*307620

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2021-3024773 (Water)
 :
 Pittsburgh Water and Sewer Authority :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 23rd day of April 2021.

SERVICE BY E-MAIL ONLY

Gina L. Miller, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

John R. Evans, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923

Deanne M. O'Dell, Esquire
Daniel Clearfield, Esquire
Karen O. Moury, Esquire
Eckert, Seamans, Cherin, & Mellott, LLC
213 Market Street
8th Floor
Harrisburg, PA 17101

/s/ Luis M. Melendez
Luis M. Melendez
Assistant Consumer Advocate
PA Attorney I.D. # 329512
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Erin L. Gannon
Senior Assistant Consumer Advocate
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Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: April 23, 2021
*307626

Christine Maloni Hoover
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50026
E-Mail: CHoover@paoca.org

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. COMPLAINT INFORMATION

Tanya J. McCloskey, Acting Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

2. FULL NAME OF UTILITY AUTHORITY:

Pittsburgh Water and Sewer Authority
Docket No. R-2021-3024773 (Water)

3. TYPE OF UTILITY:

Water

4. COMPLAINT:

- A.** On April 13, 2021, the Pittsburgh Water and Sewer Authority (PWSA or the Authority) filed Supplement No. 7 to Tariff Water – Pa P.U.C. No. 1. Through this filing, PWSA requests that the Commission approve its new tariffs pursuant to 52 Pa. Code § 53.52. PWSA is requesting a \$32.20 million, or 17.1%, total increase to base rates for 2022. The proposed increase includes the introduction of a new stormwater rate and adjustments to the wastewater conveyance rates where stormwater related costs are currently recovered. The Authority is proposing to phase-in the overall increase over a two year period with \$22.0 million to be recovered in 2022 and \$10.20 million to be recovered in 2023. Included in the total increases listed above, is the Authority’s proposed water rate revenue increase of \$23.3 million, or 19.7%.
- B.** PWSA is a municipal water and wastewater authority serving customers in the City of Pittsburgh and surrounding communities. PWSA provides water service to approximately 80,000 residential, commercial and industrial customers in: portions of

the City of Pittsburgh; the Borough of Millvale; and portions of Reserve, O’Hara, and Blawnox Townships, Allegheny County. PWSA also provides wastewater conveyance service to customers located in the City of Pittsburgh, Allegheny County, and also conveys sewage for portions of 24 neighboring communities. PWSA provides stormwater service to the City of Pittsburgh. PWSA became subject to regulation by the Pennsylvania Public Utility Commission on April 1, 2018, pursuant to Act 65 of 2017, 66 Pa. C.S. § 3201 *et seq.*

- C.** Under the Authority’s proposal, a typical residential water, wastewater conveyance, and stormwater service customer using 3,000 gallons per month and charged the base rate for stormwater services would see their total monthly bill increase from \$79.34 to \$87.19 per month or by 9.89% in 2022 and increase from \$87.19 to \$91.05 or by 4.43% in 2023. Specifically, a typical residential water customer using 3,000 gallons per month will see their monthly water rates raise from \$54.36 to \$58.09, or by 6.86%, in 2022 and to \$61.79, or 6.37%, in 2023.
- D.** In addition, the Authority is proposing enhancements to its low income customer assistance programs.
- E.** The Authority stated that its proposal is driven by a need to increase operations, a need to issue new long term bonds, and decreased collections and consumption caused by the COVID-19 pandemic.
- F.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General assembly, as amended, 71 P.A. C.S. §§ 309-1 *et seq.*
- G.** A preliminary examination of PWSA’s rate increase request indicates that PWSA’s present rates and proposed charges, increases and changes in rates, rules and regulations contained within PWSA’s proposed tariffs are or may be unjust, unreasonable, and in violation of 66 Pa. C.S. §§ 1301, *et seq.* and sound ratemaking principles. Additionally, the Acting Consumer Advocate avers that the Authority’s proposed base rates may be excessive, discriminatory, compensate PWSA for inadequate service, or otherwise contrary to the Public Utility Code, Commission regulations, or sound ratemaking policy.
- H.** The Acting Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether PWSA’s proposed tariff are just and reasonable, and are not unduly discriminatory or otherwise unlawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of the proposed tariffs, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against the proposed increase;
- C. Hold full evidentiary hearings examining the reasonableness of the PWSA’s proposed increases in rates;
- D. After providing the public with adequate notice, hold remote or virtual public input hearings, in lieu of “in-person” public input hearings held in the Company’s service territory, as early as feasible, in order to provide customers with an opportunity to be heard on the record;
- E. Deny any rate, rule, or regulation in PWSA’s proposed tariffs that are unjust, unreasonable, unduly discriminatory, or inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of PWSA’s current and proposed rates and tariff; and
- G. Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or 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).

/s/ Tanya J. McCloskey
(Signature)

April 23, 2021
(Date)

7. **LEGAL REPRESENTATION**

Christine Maloni Hoover, Sr. Assistant Consumer Advocate, PA Bar No. 50026

Erin L. Gannon, Sr. Assistant Consumer Advocate, PA Bar No. 83487

Lauren E. Guerra, Assistant Consumer Advocate, PA Bar No. 323192

Luis M. Melendez, Assistant Consumer Advocate, PA Bar No. 329512

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**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the PUC involving the proposed residential water, wastewater conveyance, and stormwater service increases requested by the Pittsburgh Water and Sewer Authority (PWSA).

The objective of the Acting Consumer Advocate in filing a Formal Complaint in this matter is to protect the interests of PWSA's customers. The Acting Consumer Advocate will seek to ensure that PWSA is permitted to implement only a level of rates that is fully justified and in accordance with sound ratemaking principles. The Acting Consumer Advocate will strive to prevent PWSA from collecting from ratepayers all alleged costs that cannot be justified, or are unreasonable or unduly discriminatory, or otherwise violative of the Public Utility Code. The Acting Consumer Advocate submits that the rates sought by PWSA may be unjustifiable and unlawful based upon information filed by PWSA in support of its claim.

The Acting Consumer Advocate has filed this Formal Complaint and will, in the course of the proceeding, investigate PWSA's proposed tariffs and proposed annual rate increase of \$22.0 million to be recovered in 2022 and \$ 10.20 million to be recovered in 2023. Under PWSA's proposal, a typical residential water, wastewater conveyance, and stormwater service customer using 3,000 gallons per month and charged the base rate for stormwater services would see their total monthly bill increase from \$79.34 to \$87.19 per month or by 9.89% in 2022 and increase from \$87.19 to \$91 .05 or by 4.43% in 2023.

PWSA serves customers in the City of Pittsburgh and surrounding communities. PWSA provides water service to approximately 80,000 residential, commercial and industrial customers in: portions of the City of Pittsburgh; the Borough of Millvale; and portions of Reserve, O'Hara, and Blawnox Townships, Allegheny County. PWSA also provides wastewater conveyance service to customers located in the City of Pittsburgh, Allegheny County, and also conveys sewage for portions of 24 neighboring communities. PWSA provides stormwater service to the City of Pittsburgh.