

COMMONWEALTH OF PENNSYLVANIA



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April 29, 2021

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

Re: Implementation of Chapter 32 of the Public Utility Code
Regarding Pittsburgh Water and Sewer Authority – Stage 2
Docket Nos. M-2018-2640802
M-2018-2640803

Petition of The Pittsburgh Water and Sewer
Authority for Approval of Its Long-Term
Infrastructure Improvement Plan
Docket Nos. P-2018-3005037
P-2018-3005039

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in the above-referenced proceedings.

Copies have been served per the attached Certificate of Service.

Very truly yours,

/s/ Christine Maloni Hoover
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Enclosures:

cc: The Honorable Mark A. Hoyer (**email only**)
The Honorable Conrad A. Johnson (**email only**)
Certificate of Service

*307895

CERTIFICATE OF SERVICE

Re: Implementation of Chapter 32 of the : Docket Nos. M-2018-2640802
Public Utility Code Regarding Pittsburgh : M-2018-2640803
Water and Sewer Authority – Stage 2 :
:
Petition of The Pittsburgh Water and Sewer : Docket Nos. P-2018-3005037
Authority for Approval of Its Long-Term : P-2018-3005039
Infrastructure Improvement Plan :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Comments, 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 29th day of April 2021.

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I. INTRODUCTION

On December 21, 2017, Governor Wolf signed Act 65 of 2017 into law. Act 65 amended the Public Utility Code by adding new language to 66 Pa. C.S. § 1301 and creating a new Chapter 32, which had the effect of bringing the Pittsburgh Water and Sewer Authority (PWSA or the Authority) under the jurisdiction of the Pennsylvania Public Utility Commission (Commission). A full procedural history is provided in the Stage 2 Compliance filing. See Stage 2 Compliance Plan: Chapters 14 & 56, DSLPA and Collections at 1-12.

The Commission issued a Secretarial Letter on November 28, 2018 and established two stages for review of the PWSA Compliance Plan with Stage 2 covering Chapter 14 and Chapter 56 customer service issues and the development of a stormwater tariff. November 8, 2018 Secretarial Letter. On February 4, 2021, the Commission entered an Order on Stage 1 of the Compliance Proceeding. In the February 4, 2021 Order, the Commission also initiated Stage 2 of the Compliance proceeding. As a result, PWSA filed Stage 2 Compliance Plan: Chapters 14 & 56, DSLPA and Collections (Stage 2 Compliance Plan) and its Stormwater Compliance Plan (Stage 2 Stormwater Compliance Plan) on April 9, 2021.

On the same date, PWSA also filed a Petition for Amendment of the Commission's February 4, 2021 Final Order Regarding Procedural Process for Customer Service and Collections Issues (Petition) seeking a modified procedural process for customer service issues in the Stage 2 proceeding. On April 28, 2021, the Office of Consumer Advocate (OCA) submitted an Answer to PWSA's Petition stating that the OCA did not oppose a short extension (30-45 days) before the proceeding was referred to the Office of Administrative Law Judge. On April 28, 2021, PWSA also filed a Motion to Hold in Abeyance the Stage 2 Stormwater Compliance Plan (Stormwater Motion) asking that the stormwater issues in Stage 2 be held in abeyance while similar issues are being addressed in the PWSA rate filings that are pending at Docket Nos. R-2021-3024773

(Water), R-2021-3024774 (Wastewater) and R-2021-3024779 (Stormwater). On April 28, 2021, the OCA submitted an Answer supporting the Stormwater Motion.

The OCA appreciates the opportunity to submit comments on the Stage 2 Compliance Plan filings. In general, the OCA notes that its comments below are preliminary in nature or serve to highlight some, but not necessarily all, of the OCA's concerns, given the short comment period. The OCA looks forward to working with the Commission, PWSA, and stakeholders as part of the Stage 2 proceeding, to resolve the full range of important issues that may arise and are to be addressed in the proceeding.

II. COMMENTS

A. Customer Service Issues

As discussed below there are a number of issues that the OCA has preliminarily identified upon reviewing the Stage 2 Compliance Plan. The OCA specifically reserves the right to address other issues not identified below.

1. Section 56.1: Preliminary Provisions for Utilities and Customers Subject to Chapter 14 of the Public Utility Code

In its Stage 2 Compliance Plan, PWSA states that it is in compliance with “most” of the requirements of this regulation due to changes in billing practices, the Stage 1 result and stakeholder workshops convened by BCS. Stage 2 Plan at 29. PWSA contends that the major reason that the PWSA tariff definitions differ from Chapter 14 and Chapter 56 is because they reflect PWSA’s right to pursue a lien for payment of its bills. In addition to this issue, the OCA also sees a number of other issues to be addressed including definitions that are not contained in PWSA’s tariff, (for example, billing month and billing period), and clarification of notice requirements.

2. Sections 56.11 – 56.25: Billing and Payment Standards

The OCA will review billing frequency, electronic billing bill estimates, PWSA’s Non-Access program, its read rate, itemization of non-basic charges, catch up bills and partial payments practices. According to PWSA, there are certain things that cannot be implemented by PWSA due to technology constraints and that is not expected to be resolved until August 2022. The OCA will review those issues. Also, a number of collections issues are raised due to PWSA’s policies and processes, which the OCA will be reviewing.

3. Sections 56.31 – 56.58: Credit and Deposit Standards Policy

There are a number of PWSA policies regarding prior unpaid balances and lien authority that are reflected in its tariff provisions that need to be reviewed as discussed above. PWSA appears to recognize the confusion that its current tariff provisions create and proposes to delete certain provision to come into compliance with Commission requirements. See Stage 2 Compliance Plan at 47. The OCA will review the proposed deletions, as well as other PWSA practices regarding the time frame for providing service.

4. Section 56.71: Interruption and Discontinuance of Service

As discussed above, PWSA's practices and processes, including those related to interruption and discontinuance of service, are driven by its use of liens and other legacy practices. The OCA will review the issues related to discontinuance of service, including notices, and tariff language.

5. Discontinuance of Service to Leased Premises Act, 66 Pa. C.S. §§ 1521-1533 (DSLPA)

Again, as discussed above, PWSA's practices and processes are driven by its use of liens and other legacy practices. The OCA will review the specific issues related to the DSLPA including customer notices, tariff language, and the need to recognize the potential conflicts and possible confusion about the implementation of PWSA's lien authority in these situations that reflect significant PUC oversight.

6. Sections 56.81 – 56.118: Termination of Service

A major issue is the requirement of personal contact immediately prior to termination as required by 52 Pa. Code § 56.94. The OCA will review the interim procedure agreed upon in Stage 1 Compliance Plan, PWSA's plan to issue a request for proposal seeking a contractor to make personal contract immediately prior to termination, and other information regarding personal

contact. The OCA also will review other PWSA practices and processes related to the regulations, including medical certificates and related tariff provisions.

7. Sections 56.140 – 56.181: Disputes; Termination Disputes; Informal and Formal Complaints

The OCA will review the actions taken by PWSA related to customer satisfaction surveys, the PUC Compliance Analyst, and its follow up on infractions.

B. Lead Service Line Replacements

Preliminarily, the OCA has identified a number of issues upon reviewing this section of the Stage 2 Compliance Plan. The OCA specifically reserves the right to address other issues not identified herein. In its Stage 2 Compliance Plan, PWSA discusses the options to prevent termination where a landlord or purported property owner refuses or neglects to respond to lead service line replacement communications from PWSA. It has included tariff language that provides PWSA with step-in rights to prevent termination of service. The OCA will review the tariff language.

C. Collections

Preliminarily, the OCA has identified a number of issues upon reviewing this section of the Stage 2 Compliance Plan. The OCA specifically reserves the right to address other issues not identified herein. PWSA continues to use liens to collect unpaid debt. The OCA will review the issues related to PWSA's use of liens, particularly with regard to PWSA's disclosures and customer information about its lien authority and how it relates to the PUC regulated collection practices. In addition, PWSA has sought to collect unpaid charges, including those that had been referred to Jordan Tax Service and were then transferred back to PWSA. The OCA will review the Standard Operating Procedures – Lien Process document and other information related to PWSA's collections practices and processes.

D. Stormwater Issues

As indicated above, the OCA supports PWSA's Stormwater Motion that requests that the stormwater issues in Stage 2 be held in abeyance until the conclusion of the pending rate cases. At that time, the parties will be able to determine what issues, if any, remain to be addressed in the Stage 2 Stormwater proceeding. This proposed path recognizes that many stormwater-related issues will need to be addressed in the rate filings in order to establish the initial stormwater tariff and rates. To the extent that some stormwater issues are not necessary to resolve or are not resolved in the rate proceedings, those issues can be addressed in a Stage 2 proceeding following the resolution of the rate filings.

Preliminarily, some issues related to stormwater include but are not limited to the proper identification of stormwater costs, the proper cost allocation among water, wastewater and stormwater, proper rate design to recover the costs of stormwater service, outreach to customers to provide information about the new stormwater rates, how the proposed rates were developed, and credits. Collecting stormwater charges from current PWSA customers and those who are not currently receiving a PWSA bill will also be important policies to review, particularly in light of PWSA's stated intent to rely on its lien authority for these unpaid charges. The development of reasonable tariff rules is important before an initial tariff is approved. In addition, the issue of a separate assessment for stormwater service will need to be addressed. If PWSA establishes a separate stormwater tariff and rate as discussed above, then there should be a separate stormwater assessment by the Commission, the Office of Consumer Advocate, and the Office of Small Business Advocate so that each agency's costs are properly allocated to PWSA's stormwater customers. The OCA specifically reserves the right to address other stormwater issues not identified above.

III. CONCLUSION

The Office of Consumer Advocate appreciates the opportunity to provide comments as the Commission begins Stage 2 of the Compliance Plan. The OCA respectfully submits that the above comments will help to ensure that completing PWSA's transition to Commission jurisdiction results in full regulatory compliance and ensures that customers receive high quality water, wastewater and stormwater service at reasonable costs.

Respectfully Submitted,

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