



COMMONWEALTH OF PENNSYLVANIA

May 28, 2021

E-FILED

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

Re: Pittsburgh Water and Sewer Authority 2021 Rate Filing: Docket Nos. R-2021-3024773 (water), R-2021-3024774 (wastewater); R-2021-3024779 (stormwater)

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceedings.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Erin K. Fure

Erin K. Fure
Assistant Small Business Advocate
Attorney ID No. 312245

Enclosures

cc: Parties of Record
Brian Kalcic

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2021-3024773 (water)
v.	:	Docket No. R-2021-3024774(wastewater)
Pittsburgh Water & Sewer Authority	:	Docket No. R-2021-3024779(stormwater)

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Erin K. Fure. Please address all correspondence as follows:

Erin K. Fure, Esquire
Office of Small Business Advocate
Forum Place
555 Walnut St., 1st Floor
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
efure@pa.gov

II. FILING BACKGROUND

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 (“Supplement No. 7W”), Supplement No. 6 to Tariff Wastewater PA P.U.C. No. 1 (“Supplement No. 6WW”), and Tariff Storm Water Pa. P.U.C. No. 1 (“Tariff No. 1SW”) (collectively “Tariffs”). The proposed Tariffs are seeking approval of a multi-year rate plan which, if approved by the Commission, would increase the Authority’s overall rates by approximately \$22 million per year in 2022, and an additional \$10.2 million in 2023. On April 13, 2021, the Authority also filed (1) a Petition for Waiver of Statutory Definition of Fully Projected Future Test Year and (2) a Motion for Consolidation of Water, Wastewater and Stormwater Rate Proceedings and for Authorization to Use Combined Water, Wastewater and Stormwater Revenue Requirements.

The Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance on April 14, 2021.

A formal complaint was filed by the Office of Consumer Advocate (“OCA”) on April 23, 2021.

On April 26, 2021, the OSBA filed a Complaint alleging that PWSA’s proposed rates, rate design, and cost and revenue allocation may be insufficient to justify the rate increase requested and that the Company’s present and proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers, in violation of, *inter alia*, Sections 1301 and 1304 of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304, and may be contrary to appropriate public policy and sound ratemaking considerations, and may not be supported by the materials filed by PWSA.

A Petition to Intervene and Answer was filed by Pittsburgh United on April 26, 2021.

By Orders entered May 20, 2021, the proposed Tariffs were suspended by operation of law until January 12, 2022. The Commission ordered an investigation into the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Tariffs. The Commission also ordered an investigation into the reasonableness of PWSA's existing rates, rules, and regulations.

Administrative Law Judge ("ALJ") Eranda Vero was assigned to this proceeding. A Prehearing Notice was issued and a Prehearing Conference Order was entered on May 25, 2021, scheduling a telephonic prehearing conference in this matter for June 1, 2021.

III. WITNESS

Assisting in the development and presentation of OSBA's position in this proceeding will be:

Brian Kalcic
Excel Consulting
225 S. Meramec Avenue, Suite 720 T
St. Louis, MO 63105
(314) 725-2511
excel.consulting@sbcglobal.net

The OSBA requests that all parties provide courtesy copies of all documents, including discovery, testimony and briefs, upon Mr. Kalcic, simultaneously with service upon the OSBA.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in this case to ensure that the interests of small business customers of PWSA are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of PWSA and other parties, primarily

through discovery, cross-examination of witnesses appearing for those parties, filing of testimony, and briefing of the issues that arise in this proceeding.

The OSBA will particularly focus on issues where the impact upon the interests of PWSA's small business customers would be unjustifiably different from or disproportionate to the impact on other classes of customers, or is otherwise lacking in reasonableness or basic fairness.

At this time, the OSBA is concentrating on the following issues:

1. Whether PWSA's proposed allocation of its total claimed revenue requirement between water, wastewater and stormwater service is appropriate;
2. Whether the methodology employed in PWSA's water cost-of-service study (WCOSS) is appropriate;
3. Whether the customer class demand factors used in PWSA's WCOSS are reasonable;
4. Whether PWSA's proposed class revenue allocation for water service customers is cost based;
5. Whether the methodology used in PWSA's wastewater cost-of-service study (WWCOSS) is appropriate;
6. Whether PWSA's proposed class revenue allocation for wastewater service customers is cost based;
7. Whether the methodology used in PWSA's stormwater cost-of-service study (SWCOSS) is appropriate;
8. Whether PWSA's proposed class revenue allocation for stormwater service customers is cost based;
9. Whether PWSA's proposed water service rate design is reasonable and appropriate;
10. Whether PWSA's proposed wastewater service rate design is reasonable and appropriate; and
11. Whether PWSA's proposed stormwater service rate design is reasonable and appropriate.

The OSBA reserves the right to pursue additional issues as they may arise throughout the course of the proceeding.

V. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement. The OSBA requests that electronic copies be provided to its witness identified above. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witnesses identified above.

VI. DISCOVERY

Discovery is ongoing. The OSBA will work with the Presiding Officers and the other parties to develop any mutually acceptable discovery modifications.

VII. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

VIII. PROCEDURAL SCHEDULE

The OSBA will work with the Presiding Officers and the other parties to develop a mutually acceptable procedural schedule.

Respectfully submitted,

/s/ Erin K. Fure

Erin K. Fure, Esquire
Attorney ID No. 312245
Assistant Small Business Advocate

For:
The Small Business Advocate

Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: May 28, 2021

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : **Docket No. R-2021-3024773 (water)**
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: **Docket No. R-2021-3024779(stormwater)**
Pittsburgh Water & Sewer Authority :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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DATE: May 28, 2021