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April 1, 2022

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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:

In accordance with Section III.9.A.6 of the Joint Petition for Settlement that was filed on September 7, 2021 and approved by Commission Order on November 18, 2021, the Pittsburgh Water and Sewer Authority ("PWSA") agreed to file a report on a quarterly basis beginning April 2022 providing updates regarding the specific issues identified below as set forth in the Settlement. Pursuant to that commitment, please accept this filing as PWSA's Post Rate Case Quarterly Report for April 2022.

PENNVEST Grants (Section III.9.A.6.b)

Regarding PENNVEST grants, the report will include the following:

- i. Information about any awarded PENNVEST grants which impact the revenue requirements developed as part of this proceeding*
- ii. The information provided will include:*
 - (a) The amount of the award granted; and*
 - (b) An analysis of how the awarded grant impacts PWSA's revenue requirement and debt service coverage.*

RESPONSE: For this report, PWSA is providing information regarding the grants¹ that have been closed on since the Commission's final order in November. Note that there is often a time lag between the announcement by PENNVEST of a grant award and the closing on the grant and the final closing may vary from the award announcement.

¹ Any loans from PENNVEST that are closed upon are reported to the Commission and registered pursuant to the provisions of 66 Pa C.S. §1903 and 52 Pa. Code §3.602 regarding Securities Certificates. See, e.g., Docket Nos. S-2020-3019059, S-2021-3024057, S-2021-3028238, S-2021-3025592, S-2021-3029726, S-2021-3029722, and S-2021-3029725.

For this reporting report, below are the PENNVEST grants that PWSA closed on.

1. Project: 2021 Small Diameter Water Main Replacement

- Amount of Grant: \$2,976,450
- Analysis of how the grant impacts PWSA's revenue requirement and debt service coverage ratio: No impact. This grant was incorporated into PWSA's rate model used in the last rate tariff.

2. Project: 2022 Lead Service Line Replacement

- Amount of Grant: \$1,830,833
- Analysis of how the grant impacts PWSA's revenue requirement and debt service coverage ratio: This grant reduces PWSA's revenue requirement by \$44,998 in FY 2022 and \$89,996 in FY 2023. However, this grant does not change PWSA's debt service coverage ratios.

COVID-19 Funding (Section III.9.A.6.c)

Regarding COVID-19 Funding, the report will provide any available status update about the COVID-19 Funding awards to be reported pursuant to Section III, D.2 below.

RESPONSE: The PWSA did not receive any COVID-19 funding during quarter 1 of 2022.

Customer Service (Section III.9.A.6.d)

Regarding Customer Service issues, the quarterly reporting will include the following:

- Updates regarding the status of its root cause analysis of informal and formal complaints; and,*
- Once completed, details regarding the reforms adopted.*

RESPONSE: PWSA has commissioned Raftelis Financial Consultants, Inc. ("Raftelis") to perform the root cause analysis of Formal and Informal Complaints to the Commission by PWSA customers. Raftelis personnel have reviewed the data recorded by the PWSA PUC Compliance team and have interviewed various PWSA personnel from multiple departments. On February 25, 2022, Raftelis presented their preliminary findings to PWSA's Senior PUC Compliance Manager and Director of Customer Service, who offered clarification and direction for the remainder of the investigatory period. Raftelis indicated that their final report will be available in Q2 2022.

Stormwater Issues (Section III.9.A.6.e)

Regarding Stormwater issues, the quarterly reporting will include the following:

- An update of the status of the collaborative process to develop data points to be tracked for the Stormwater Credit Program as detailed in Section III,C.1.a.ii below; and,*
- Updates on enrollment in the stormwater fee credit program.*

RESPONSE to (i):

As of January 10, 2022, PWSA and the parties agreed that PWSA will track and report on the following data points regarding the stormwater credit program: (1) the customer class of the participant; (2) whether the customer is enrolled in the Bill Discount Program or otherwise identified as a confirmed low income customer; (3) the location of the properties receiving a credit, including the 9-digit zip code of the property; (4) the property's stormwater fee tier or number of ERUs; (5) the amount of and basis for the credit for each property; and (6) whether the property has residential tenants. PWSA will track these data points and report on them as part of its next stormwater rate filing.

RESPONSE to (ii):

One approval for Stormwater Fee Credit has been issued to date. (1) The customer class is Non-Single family Condominium development (2) who are not enrolled in the Bill Discount Program; (3) Mt. Washington neighborhood (4) With 30 ERUs Total (5) 88% Credit reduction based on control of 1.46" storm (6) Property has residential tenants.

Valve Record-Keeping and Prioritization (Section III.9.A.6.f)

Regarding valve issues as explained more fully in Section III, E.1 below, the quarterly reporting will include the following:

- i. Status of the planning to develop a record-keeping procedure for valve maintenance; and,*
- ii. Status regarding the development of a prioritization plan.*

RESPONSE to (i):

Pursuant to Section III.E.1.a.i of the Settlement, PWSA agreed to create a plan to implement a record-keeping procedure for valve maintenance for all new valve installations beginning in 2022. Further, PWSA committed to incorporating information about existing valves to the extent such information is attainable as part of PWSA's normal operating processes. To facilitate these efforts, PWSA agreed in Section III.E.1.a.iii of the Settlement to meet with the parties to discuss the feasibility of recording information for new and existing valves. The meeting was held on September 29, 2021 with a follow-up meeting on October 29, 2021.

As to new valve installations, PWSA committed during those discussion to record the following information:

- Valve Location (GPS Coordinates)
- Age
- Size
- Manufacturer
- Model Number
- Installed Date
- Number of Rotations to Fully Open and Fully Close Valve
- Overall Condition of Valves

The recordkeeping plan for new valve installations will not include serial numbers because the manufacturers have indicated that they do not provide them.

When new valves are being installed, PWSA agreed to identify surrounding valves and gather the following data points to include in its recordkeeping plan for existing valves:

- Size
- Number of Rotations to Fully Open and Fully Close Valve
- Overall Condition of Valves

PWSA already maintains locations of existing valves in its geographic information system by asset identification. The manufacturer will not be included because it is either not available or not readily accessible. In addition, for the same reason as with new valves, serial numbers will not be recorded because they are not provided by the manufacturer. As to age, this data point cannot be determined through a visual inspection of the valve, and therefore will not be included in the recordkeeping plan.

PWSA staff has created work orders in Spry Mobile (the PWSA work order system) to capture the information for new/replaced valves, valve inspections and hydrant flushing/inspections. Senior Management in Field Operations are going to work with staff to make sure that the appropriate fields are marked mandatory so that field operations capture the required information.

RESPONSE to (ii):

In Section III.9.E.1.b, PWSA agreed to work with a third party expert for assistance with any necessary modeling, GIS layers, Standard Operating Procedures (SOPs) and planning efforts to develop a prioritization plan to be implemented in 2022. PWSA also agreed to file a progress report once a formal timeline has been developed. Finally, PWSA agreed, with at least 30 days advance notice, to coordinate a meeting with interested parties to discuss the final plan and to ensure that members of I&E's Safety Division will be able to attend.

Currently, PWSA staff members are discussing internally how best to proceed.

Valve Ownership (Section III.9.E.1.a.iii)

In Section III.9.E.1.a.iii, PWSA agreed to meet with the parties in the base rate proceeding to provide more detail about privately-owned isolation valves. This provision in the Settlement was triggered by a change made by PWSA during the base rate proceeding to the total number of isolation valves that it must exercise. The meeting was held on September 29, 2021 with a follow-up meeting on October 29, 2021.

During those meetings, PWSA explained the discrepancy in the number of isolation valves it must exercise and agreed to provide this explanation as part of this filing. PWSA had originally indicated that it was responsible for maintenance of a total of 26,344 isolation valves. Upon further review, PWSA discovered that although 26,344 isolation valves are recorded in the Authority's geographic information system ("GIS"), it is responsible for exercising only 19,265 isolation valves. Although

PWSA was at all times fully aware of the abandoned and privately-owned valves recorded in its GIS, the Authority had mistakenly provided the total number of valves without subtracting them. PWSA further explained to the parties that the private valves are not part of Authority's distribution system, that PWSA does not rely on these valves to operate its system and that its system is not impacted by the private ownership of isolation valves.

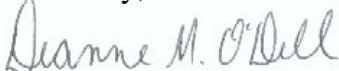
In the table set forth below, PWSA shows the breakdown of all 26,344 isolation valves recorded in its GIS:

| Type of Valve | Number |
|--------------------------------------|--------|
| Abandoned Butterfly Valves | 19 |
| Abandoned Gate Valves | 2,603 |
| Abandoned Private Gate Valves | 340 |
| Active Private Gate Valves | 4,276 |
| Active PWSA Butterfly Valves | 159 |
| Active PWSA Gate Valves | 19,106 |
| Total Isolation Valves in PWSA's GIS | 26,344 |

In Table 2-1 of PWSA's existing Long-Term Infrastructure Improvement Plan ("LTIP"), the Authority reported that it had approximately 25,000 isolation valves recorded in its GIS, as of June 2018. In its Annual Asset Optimization Plan ("AAOP") for the 12-Month Period Ended December 31, 2021 filed on February 25, 2022, PWSA clarified that it has 26,344 valves recorded in its GIS, and further that 6,719 of those valves are either abandoned or privately-owned. As PWSA has no responsibility to maintain those 6,719 valves, the Authority guarantees that neither PWSA's LTIP nor its Distribution System Improvement Charge ("DSIC") currently contemplates any spend for abandoned or privately-owned valves. Further, PWSA commits to correcting the number of isolation valves for which it has maintenance responsibility in its next LTIP and DSIC filings. Finally, PWSA agrees to incorporate any Commission directive that may be issued regarding this matter.

Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww

cc: Hon. Eranda Vero w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PWSA's Post Rate Status Report for Quarter 1 of 2022 upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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