

COMMONWEALTH OF PENNSYLVANIA



PATRICK M. CICERO
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

April 7, 2023

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

Re: Petition of Pennsylvania-American Water Co. for
Approval of Wastewater LTIP II for 2024-2028
Docket No. P-2023-3038874

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in this matter.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

A handwritten signature in blue ink that reads "Erin L. Gannon".

Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
EGannon@paoca.org

Enclosures:

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

CERTIFICATE OF SERVICE

Petition of Pennsylvania-American Water Co. :
for Approval of Wastewater LTIIIP II : Docket No. P-2023-3038874
for 2024-2028 :

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. This document was filed electronically on the Commission's electronic filing system.

Dated this 7th day of April 2023.

SERVICE BY E-MAIL ONLY

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
rkanaskie@pa.gov
Counsel for I&E

NazAarah Sabree, Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
ra-sba@pa.gov
Counsel for OSBA

Erin K. Fure, Esquire
Teresa K. Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
erin.fure@amwater.com
teresa.harrold@amwater.com
Counsel for PAWC



Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
EGannon@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: April 7, 2023

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Pennsylvania-American Water Co. :
for Approval of Wastewater LTIIIP II for : Docket No. P-2023-3038874
2024-2028 :

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE

Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
EGannon@paoca.org

Counsel for:
Patrick M. Cicero
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: April 7, 2023

I. INTRODUCTION

On March 8, 2023, Pennsylvania-American Water Company (PAWC) filed a proposed Long-Term Infrastructure Improvement Plan for the 5-year period 2024 through 2028, related to its wastewater operations (LTIIIP II). This LTIIIP will follow the expiration of PAWC's current wastewater LTIIIP on December 31, 2023. The OCA submits these Comments on LTIIIP II for the Commission's consideration.

II. COMMENTS

The OCA submits that some additional information may be necessary for the Commission to determine that the proposed improvements are cost-effective, represent an acceleration of improvements, and will maintain safe, reliable and reasonable service as required by 66 Pa. C.S. §§ 1352(a)(5), (a)(6) and 1353.

A. Rate of Infrastructure Replacement

PAWC states that it plans to increase its infrastructure spending for 2024-2028 compared to historical spending for 2019-2023. *See* Exhibit 1, Tables 13 and 14. PAWC indicates that its wastewater customer base increased by 68%, from 65,139 to 109,701 (including customers from the potential Butler System acquisition) since the current LTIIIP was filed. *Id.* at 5. On a per customer basis, average annual spending under the current LTIIIP compared to LTIIIP II would increase by 3%, from \$468 to \$483.¹ With regard to infrastructure replacements, the proposed LTIIIP provides information for 2024-2028 about the quantities of property to be improved (Exhibit 1, Table 12) but does not provide the same data for the historic period for purposes of

¹ \$30.54 million ÷ 65,319 customers = \$468 per customer. \$53 million ÷ 109,701 = \$483 per customer. *See* Exhibit 1 at 5, 41. If the potential Butler customers are excluded, the percentage increase in average annual spending per customer from the current LTIIIP to LTIIIP II is 19%. \$53 million ÷ 94,909 = \$558 per customer.

comparison. This information can be pieced together from annual Asset Optimization Plan filings, however, the OCA submits that PAWC should provide this data in one table to facilitate review by the Commission and its Staff. Specifically, the OCA suggests that PAWC populate the information in Table 12 with actual information for 2019-2023 to date. Table 12 is pasted below for reference.

Table 12 – Projected Wastewater DSIC Eligible Properties to Be Replaced / Rehabilitated for 2024 to 2028

Year	Gravity/Pressure Pipe (LF)	Manholes (ea.)	Service Laterals (ea.)	Lift Stations (ea.)
2024	83,375	278	834	1
2025	66,890	223	669	2
2026	76,668	256	767	4
2027	74,800	250	748	2
2028	87,847	240	720	2

B. Projected Spending

PAWC provides its projected annual expenditures for each of the five years of LTIIIP II, however, the filing does not tie the projected annual expenditures to individual districts or to the priorities identified in the overview of each district. The OCA submits that a table showing the projected annual expenditures by eligible plant categories and by district would provide necessary information and assist the Commission in assessing the cost-effectiveness of PAWC’s plan and its prioritization of DSIC-eligible projects. Specifically, the OCA recommends that PAWC update Exhibit 3, attached to the Joint Petition for Settlement approved in Docket No. P-2014-2431005 (2019 Settlement), for the 2019-2023 period.² A copy of Exhibit 3 is attached to these Comments for reference.

Also, the DSIC eligible property included in LTIIIP II includes wastewater assets associated with both combined and sanitary systems. *See* Exhibit 1, Tables 2 and 3. In paragraph

² PAWC *Petition for LTIIIP Modification*, Docket No. P-2014-2431005 (settlement filed August 15, 2019).

14 of the 2019 Settlement, PAWC committed to separately identify expenditures for combined and sanitary systems in future AAOPs and LTIIIP-related filings.³ That commitment can be met by marking the combined systems with an asterisk or highlighting, as shown in Exhibit 3 attached to these Comments.

The 2019 Settlement also provided PAWC’s commitment that:

[i]n future water and wastewater LTIIIP and AAOP filings, if projected quantities or projected expenditures are higher for systems acquired under 66 Pa. C.S. § 1329 and lower for other service areas – compared to its approved LTIIIP – the Company will include an explanation why the shift was appropriate and does not re-prioritize existing commitments in other service areas.

2019 Settlement ¶ 17. To assist in the Commission’s review of this filing, PAWC should confirm that no such shift was made in this proposed LTIIIP or provide an explanation why the shift was appropriate.⁴

³ “In future AAOPs and other LTIIIP-related filings, the Company will continue to distinguish between non-regulatory and regulatory investments and will separately identify expenditures for combined and sanitary systems.” 2019 Settlement ¶ 17.

⁴ The McKeesport, Dravosburg and Duquesne systems were acquired under Section 1329 (Docket No. A-2017-2606103, Order entered October 26, 2017) and are included in PAWC’s currently approved LTIIIP.

III. CONCLUSION

The OCA submits that, while it is not requesting a hearing in this proceeding at this time, PAWC should provide additional information with its filing to allow the Commission to determine if the Company's proposed wastewater LTIP II accelerates infrastructure repair and replacement in a cost-effective manner as required by Act 11.

Respectfully submitted,



Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
EGannon@paoca.org

Counsel for:
Patrick M. Cicero
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: April 7, 2023

Joint Petition for Settlement Exhibit No. 3

Waste Water LTIP		2019					2020					2021					2022					2023					2019-2023				
DISTRICT		Linear Footage	Manholes	Laterals	Lift Stations	Investment	Linear Footage	Manholes	Laterals	Lift Stations	Investment	Linear Footage	Manholes	Laterals	Lift Stations	Investment	Linear Footage	Manholes	Laterals	Lift Stations	Investment	Linear Footage	Manholes	Laterals	Lift Stations	Investment	Linear Footage	Manholes	Laterals	Lift Stations	Investment
2447-PA-Clarion WW	DSIC Qualified	7,378	38	72		\$1.47	2,500	4	12	1	\$1.61	5,000	21	43	1	\$1.64	7,500	32	98	1	\$1.91	10,800	42	34		\$2.22	33,178	137	259	3	\$8.84
2458-PA-Pocono WW		2,245	17	0		\$0.61	2,415	17	0		\$0.64	2,510	19	0		\$0.66	2,700				\$0.70	2,800				\$0.75	12,670	53	0	0	\$3.36
2467-PA-Coatesville WW		1,524	9	32	0	\$0.71	3,901	14	37		\$1.54	4,647	22	74		\$2.37	7,783	20	58		\$2.15	8,406	19	127		\$2.35	26,261	84	328	0	\$9.11
2469-PA-Lehman Pike WW		0	0	150		\$0.23	0	0	200		\$0.30	0	0	200		\$0.38	0	0	200		\$0.38	0	0	200	1	\$0.60	0	0	950	1	\$1.88
2426-PA-Claysville WW		1,600	2	2		\$0.18	1,600	2	3	1	\$0.24	2,200	0	0	0	\$0.26	0	0	0	0	\$0.04	0	0	0	0	\$0.05	5,400	4	5	1	\$0.77
2476-PA-Pocono BlueMtn WW		0	0	0		\$0.00	0	0	0		\$0.00	0	0	0	1	\$0.23	0	0	0		\$0.00	0	0	0		\$0.00	0	0	0	1	\$0.23
Subtotal		12,747	66	256	0	\$3.18	10,416	37	252	2	\$4.33	14,357	62	317	2	\$5.54	17,983	52	356	1	\$5.17	22,006	61	361	1	\$5.96	77,509	278	1,542	6	\$24.19

2435-PA-Koppel WW	Future-DSIC Qualified	1,000	6	20		\$0.38	1,500	8	10		\$0.41	1,750	5	20		\$0.46	2,500	15	40		\$0.52	2,750	15	35		\$0.71	9,500	49	125	0	\$2.47	
2438-PA-Point Elk Twp WW		2,400	11	19	0	\$0.46	0	0	0	4	\$1.36	3,200	12	25		\$0.99	5,300	27	58		\$1.01	5,900	27	50		\$1.08	16,800	77	152	4	\$4.89	
2460-PA-Fairview WW - NORTH		6,125	10	60	1	\$1.04	6,550	10	60		\$0.93	8,300	10	80		\$1.21	10,000	9	88		\$1.45	12,700	8	110		\$1.83	43,675	47	398	1	\$6.46	
2460-PA-Fairview WW-SOUTH		0			1	\$0.15	1,000				\$0.41	1,500		15		\$0.37	2,000		20		\$0.28	2,500		25		\$0.35	7,000	0	60	1	\$1.56	
2487-PA-New Cumberland WW		100			1	\$0.10	12,435	10	150		\$2.00	13,450	14	175		\$1.91	14,100	19	180		\$2.11	16,500	18	200		\$2.45	56,585	61	705	1	\$8.58	
2492-PA-Scranton WW		9,126	62	67		\$5.32	7,185	51	135		\$5.35	11,495	69	62		\$5.33	18,305	102	103		\$5.38	19,220	115	178		\$5.83	65,331	399	545	0	\$27.20	
2412-PA-McKeesport		3,800	36	20	2	\$1.00	18,145	50	20		\$4.85	19,300	57	25		\$4.52	20,850	62	25		\$4.37	23,125	74	30		\$4.38	85,220	279	120	2	\$19.11	
2436-PA-Cln Trtmt WW																												0	0	0	0	\$0.00
2483-PA-Franklin WW		0	6	11		\$0.00	5,000	6	5		\$0.33	10,434	11	28		\$0.61	0	17	18		\$0.00	0	74	82		\$0.00	15,434	114	144	0	\$0.94	
2485-PA-McEwensville WW		0			1	\$0.06	300			1	\$0.10	0			1	\$0.05	0			1	\$0.05	0			1	\$0.05	300	0	0	5	\$0.31	
Subtotal		22,551	131	197	6	\$8.50	52,115	135	380	5	\$15.75	69,429	178	430	1	\$15.44	73,055	251	532	1	\$15.17	82,695	331	710	1	\$16.67	299,845	1,026	2,249	14	\$71.53	

Total		35,298	197	453	6	\$11.68	62,531	172	632	7	\$20.07	83,786	240	747	3	\$20.98	91,038	303	888	2	\$20.34	104,701	392	1,071	2	\$22.63	377,354	1,304	3,791	20	\$95.71
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Regulatory

Consent Order-McKeesport		21,044	55	100		\$9.55																				3,000				\$1.21	24,044	55	100	0	\$10.76
CMP - Coatesville WW		14,955	50	13	1	\$9.26																						14,955	50	13	1	\$9.26			

Total		71,297	302	566	7	\$30.50	62,531	172	632	7	\$20.07	83,786	240	747	3	\$20.98	91,038	303	888	2	\$20.34	107,701	392	1,071	2	\$23.84	416,353	1,409	3,904	21	\$115.73
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Longterm Control-Scranton WW						\$14.60																													\$30.93
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*combined sewer systems