

EXHIBIT AA

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

AQUA PENNSYLVANIA WASTEWATER, INC.

DOCKET NO. A-2023-3041695

AQUA STATEMENT NO. 5

**DIRECT TESTIMONY OF
RITA BLACK**

**With Regard To
Customer Assistance Programs**

November 2023

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Rita F. Black and my business address is located at 375 North Shore Drive,
4 Pittsburgh, Pennsylvania 15212.

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Essential Utilities, Inc. (“Essential”) as the Director of Community
8 Assistance Programs. In this role, I lead assistance programs for Aqua Pennsylvania, Inc.
9 (“Aqua PA”) and Aqua Pennsylvania Wastewater, Inc. (“Aqua” or the “Company”); and
10 Peoples Natural Gas Company LLC (“Peoples Natural Gas”) (including the Peoples Gas
11 Company LLC which was merged into Peoples Natural Gas in January 2023) (collectively
12 “the Peoples Companies”); and Essential’s regulated utilities operating in other states.

13

14 **Q. Please describe your educational and professional background.**

15 A. Following receipt of a Bachelor of Science Degree in Accounting from Robert Morris
16 University, I joined Peoples Natural Gas and began a career spanning more than 30 years
17 across the areas of customer service, rates and regulatory affairs, and income-based
18 programming. From 2001 through 2014, I worked in the Rates and Regulatory Affairs
19 department of Peoples Natural Gas as an analyst. My responsibilities as an analyst in the
20 Rates and Regulatory Affairs department included the development and administration of
21 the Universal Service Rider and preparation of the Universal Service Energy and
22 Conservation Plan (“USECP”), as well as preparation of tariff filings testimony, along with
23 other analytical projects. In 2014, I was promoted to Manager, Customer Relations for

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1 Peoples Natural Gas and was responsible for oversight of all income-based programming,
2 including its Customer Assistance Program (“CAP”), Low Income Usage Reduction
3 Program (“LIURP”), Emergency Repair Program, Hardship Fund, and Customer
4 Assistance, Referral and Evaluation Services (“CARES”). In addition to oversight of
5 income-based programming, I was also responsible for compliance on customer-related
6 issues for Pennsylvania, West Virginia, and Kentucky. I was promoted to Director,
7 Customer Relations in 2016 and was subsequently promoted to Director, Community
8 Assistance Programs in April of this year with responsibility for all regulated states under
9 the Essential footprint, including Aqua and Aqua PA. In this role, my oversight of income-
10 based programming has expanded to include Essential’s water and wastewater entities. I
11 retain responsibility for natural gas income-based programming and customer service
12 compliance across Essential’s natural gas footprint.

13
14 **Q. Have you testified previously in any regulatory proceeding?**

15 A. Yes. I have testified in hearings conducted by the Pennsylvania Public Utility Commission
16 (“PUC” or the “Commission”) related to formal customer complaints. I have also
17 submitted direct and rebuttal testimony in base rate proceedings for Aqua PA, Aqua, and
18 Peoples Natural Gas.¹

19
20 **Q. What is the purpose of your Direct Testimony in this case?**

21 A. In my current role, I provide leadership and guidance on low and limited income issues,
22 including development and design of income-based programming for Essential’s water and

¹ See Docket Nos. R-2021-3027385 and R-2021-3027386; R-2010-2201702; and R-2012-2285985.

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1 wastewater subsidiaries, including for Aqua PA and Aqua. In my Direct Testimony, I will
2 describe Aqua PA's and Aqua's current programming, the methodology used to develop
3 enhanced programs and support for low and limited income households, and lessons
4 learned from the Peoples Companies' experience in low and limited income programming
5 that will be utilized to assist water and wastewater customers, and which will become
6 available to the Greenville Sewer Authority ("GSA") customers as a result of the Proposed
7 Acquisition.

8
9 **Q. Are you sponsoring any Exhibits with your Direct Testimony?**

10 A. No, I am not.

11
12 **II. AQUA'S CUSTOMER ASSISTANCE PROGRAMS**

13 **Q. Does Aqua offer programs to assist limited income customers?**

14 A. Yes. Aqua offers a suite of programs designed to support limited income families and
15 seniors in the Company's service territory.² These programs are designed to address
16 affordability in a number of ways, including discounted wastewater services; a leak repair
17 program for minor household leaks that lead to high water bills and thereby increase
18 wastewater charges; conservation kits to reduce water and wastewater usage charges; and
19 a hardship fund for customers who need assistance with arrears. The most comprehensive

² On January 24, 2020, the Commission approved the acquisition of the Peoples Companies by Essential. Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063 (Order entered Jan. 24, 2020) ("*Aqua-Peoples Acquisition Order*"). As part of the settlement agreement approved by the Commission in that case, a provision was included regarding Aqua PA's low-income customer assistance programming. *See Aqua-Peoples Acquisition Order, Settlement Agreement*, at ¶ 108. Aqua PA submitted a universal service proposal in its 2021 base rate case proceeding and received approval in that proceeding for a suite of programs as described in the settlement agreement approved in the Aqua-Peoples Acquisition Order.

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1 of these programs is Aqua’s CAP, which provides monthly discounts based on income
2 eligibility, along with credits towards pre-program arrearages to reduce those balances over
3 time.

4

5 **Q. Please describe the CAP in more detail.**

6 A. Aqua’s CAP provides three benefits to participants: 1) discounted monthly bills; 2) \$25
7 credits towards pre-program arrearages for each timely monthly payment; and 3) protection
8 from late payment charges. Discounts are offered on a tiered basis, providing the deepest
9 discounts to those with the lowest incomes. Any balance a customer may owe when joining
10 the program is frozen and eligible for elimination through \$25 credits that are posted to the
11 account each month when the reduced monthly bill is paid. And, while participating in
12 CAP, if the customer misses the due date of their bill, no late payment fees are applied.

13

14 **Q. Who is eligible to participate?**

15 A. Customers with incomes at or below 200% of the Federal Poverty Level (“FPL”) are
16 eligible to participate in the CAP. For context, a family of four with an annual income at
17 or below \$60,000 would qualify for enrollment in the CAP.

18

19 **Q. Please describe the discounts available through the CAP.**

20 A. Discounts are provided at three benefit levels: 1) incomes at or below 100% FPL; 2)
21 incomes between 101 and 150% of the FPL; and 3) incomes between 151 and 200% FPL.
22 Aqua’s bills include a Fixed Base Facility Customer Charge and a Consumption Charge.

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1 Using the tiers I've described, discounts are applied to each component of the bill as
2 follows:

Residential Wastewater Customers			
	At or Below 100% FPL	101%-150% FPL	151%-200% FPL
Fixed Base Facility Customer Charge	75% discount	65% discount	50% discount
Consumption Charge (first 2,000 gallons)	100% discount	50% discount	0% discount

3

4 **Q. Please summarize the current cost of the CAP to Aqua's current customer base.**

5 A. The CAP provides discounts between 25% and 71% to customers with a 200% FPL or less,
6 the cost of which represents a small impact on Aqua's wastewater customers bills each
7 month. The monthly bill impact is \$1.69 for the average residential customer, based on the
8 dollars approved in Aqua's last base rate case.

9

10 **Q. How do customers enroll in the CAP?**

11 A. Aqua has partnered with Dollar Energy Fund, a western Pennsylvania, non-profit, to
12 administer the CAP, which includes handling enrollment of customers. This ensures
13 Aqua's customers have easy access to participate in the CAP, for which they can complete
14 an online application through Dollar Energy Fund's website, provide verbal information to
15 begin their application via phone, or apply at a local participating agency. Customers must
16 provide income documentation to establish their eligibility to participate, which can

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1 include pay stubs or benefit statements. Once enrolled, customers can participate for up to
2 three years, before recertifying their income status, depending on the type of income the
3 household maintains.

4

5 **Q. How do customers access the leak repair and conservation kit programs you**
6 **described?**

7 A. High water users may be identified by Aqua or customers may self-refer for assistance.
8 Customers can obtain information on these programs through various channels, including
9 via Aqua’s website, by contacting the customer service call center, or from interaction with
10 field employees who provide cards about the leak repair programs to customers when
11 appropriate. The Community Assistance team also has a dedicated phone line and email
12 address for customer use.

13

14 **Q. Please describe the hardship fund.**

15 A. The hardship fund is available to customers with a high bill or arrearages in need of
16 assistance. For example, a leaking toilet may have caused a high water bill, resulting in a
17 high wastewater bill for a limited income senior. The hardship fund is an option that can
18 be used to relieve the high bill burden for that customer. It can also be used for customers
19 who have fallen behind on payments and need assistance to get current on their bills.

20

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1 **III. BENEFITS TO THE GSA CUSTOMERS**

2 **Q. Does the GSA currently have any income-based assistance programs?**

3 A. No.

4
5 **Q. How will the customers of the GSA benefit from Aqua's ownership and the assistance**
6 **they can receive through Aqua's income-based programs?**

7 A. Families and seniors with limited incomes reside throughout Pennsylvania. In Greenville,
8 the need for programs such as these is even more pronounced. Census data shows that
9 roughly 15% of students in Greenville School District, aged 5 to 17, are living in poverty.³
10 This demonstrates a need in the area that can be assisted through Aqua's programs, which
11 provide benefits to customers with incomes up to twice the FPL. Aqua's programs will
12 provide clear and specific public benefits to the GSA customers that would not be present
13 absent this transaction. The customers of the GSA do not currently have access to an
14 income-based discount program, and the GSA has not taken steps to implement such
15 programs.

16 Not only has Aqua developed and implemented comprehensive programs that
17 increase affordability for low and limited income households, but its programs also provide
18 important safety nets for customers. These safety nets, such as leak repair program and
19 hardship fund, are critical for limited income households that are often not financially
20 prepared to handle the negative impacts of life stressors, such as a plumbing leak or the
21 loss of a job that leads to arrears on utility bills. Aqua has provided education to its

³ [https://www.census.gov/data-tools/demo/saipe/#/?s_state=42&s_county=42085&s_district=4211160&s_geography=district&s_measures=5_17_fam&%3D-=-](https://www.census.gov/data-tools/demo/saipe/#/?s_state=42&s_county=42085&s_district=4211160&s_geography=district&s_measures=5_17_fam&%3D-=)

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1 customer service representatives and field personnel regarding these programs, which is
2 important to ensure customers in need are informed of the existence of these resources and
3 connected with the individuals who can help them. The Essential Community Assistance
4 Team has years of experience with limited income programming across the Essential
5 footprint and works with vulnerable customers on a daily basis to help them enroll in
6 programs that would benefit them. All of these resources will be brought to bear to the
7 benefit of the GSA customers as part of the Essential family as a result of Aqua's
8 acquisition and ownership of the GSA System.

9
10 **Q. Will the GSA customers be eligible to receive the CAP discounts and other benefits?**

11 A. Yes, they will, provided that they meet the income eligibility requirements.

12
13 **Q. Will there be a significant cost impact to the CAP costs by the addition of eligible GSA**
14 **customers?**

15 A. It is not anticipated that the costs related to administration of the CAP will increase as a
16 result of enrollment by eligible GSA customers post-acquisition. While it is not known
17 today how many of the GSA customers will enroll in the CAP, it is anticipated that any
18 cost impact to Aqua's non-CAP residential customer base will be minimal and, in any
19 event, would be more than offset by the benefits afforded to those low-income customers
20 receiving needed assistance.

21

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1 IV. **CONCLUSION**

2 Q. **Does this conclude your Direct Testimony?**

3 A. I reserve the right to submit supplemental testimony if additional issues arise during the
4 course of this proceeding.