



DEPARTMENT OF LAW

City Hall | 340 North Washington Avenue | Scranton, PA 18503 | 570.348.4105

April 2, 2024

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

RE: Pennsylvania Public Utility Commission v.
Pennsylvania-American Water Company
Docket Nos. R-2023-3043189 (Water)
R-2023-3043190 (Wastewater)
COS Letter/Brief

Dear Secretary Chiavetta,

Enclosed please find a copy of the e-filed Letter/Brief and Certificate of Service demonstrating our compliance with responding to the above-referenced interrogatories. Please be advised that I was unable to file these documents until today due to illness (COVID-19), but I did have my office submit the letter/brief via email last week. I appreciate the Administrative Law Judges forwarding the letter/brief to the active parties last week due to my illness/absence. Should you have any questions, please do not hesitate to contact me.

Respectfully,

Katie Kennedy, Esq.
First Assistant City Solicitor for the City of Scranton

Enclosures

cc: Counsel/All Parties Per Certificate of Service



DEPARTMENT OF LAW

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March 26, 2024

VIA EMAIL ONLY:

Administrative Law Judge John M. Coogan
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

Administrative Law Judge Christopher P. Pell
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
801 Market Street, Suite 4063
Philadelphia, PA 19107

RE: City of Scranton's Brief for Cases Docketed to
Nos. R-2023-3043189 (W) & R-2023-3043190 (WW)

Your Honors,

In lieu of a formal brief, please accept this correspondence as the City of Scranton's final brief on the above-referenced matters. Please be further advised that the City of Scranton is uniquely situated in these cases, as the City of Scranton is opposed to rate increases for both water and wastewater consumers due to concerns of affordability on behalf of her residents. Yet, the City of Scranton is also opposed to a shift for higher wastewater prices/rates as offered and opined by the OCA throughout this case.

Please be advised that the City of Scranton opposes the recommendations of Mr. Kubas, as it is the City's understanding that his recommendations include higher rates for the City of Scranton than those originally proposed by the Company. Stacey D. Gress is Director of Rates and Regulatory for PAWC. As noted by Ms. Gress, PAWC proposed that Scranton CSS rates remain consistent with the purchase agreement for that system. The City of Scranton agrees with this proposition and further pleads that the PUC refrain from increasing costs for the City of Scranton, especially due to the terms of the Asset Purchase Agreement, which the City entered into the record at the evidentiary hearings and has discussed by and through her submitted testimonies. The City agrees with the PAWC that if the PUC is to entertain any increase in wastewater rates for Scranton CSS rate payers, that said increase should be just and reasonable and consistent with the concept of gradualism to avoid rate shock.

The City of Scranton also opposes an increase in rates as offered by the Bureau of Investigation and Enforcement and concurs with PAWC that CSS rates remain consistent with the purchase agreement for that system.

During the course of these matters, the City of Scranton learned that ratepayers were charged a late fee on ratepayers' bills for tardiness not ascribed to PAWC or the City's rate payers. PAWC has agreed to automatically credit a late fee charge assessed in January to any Scranton area customer who did not have any late fees in the last quarter of 2023. Any Scranton area customers who do not meet these requirements for an automatic credit, and who may have been assessed a late fee in January due to postal service delays, may still call and request that the late fee be credited. The City greatly appreciates this, as Former City Council President William "Bill" King testified that "Unless you call and complain you're going to eat that late fee. That's a punch in the face. It's an insult." The City of Scranton appreciates the PAWC's efforts to avoid further insult to her residents.

The Office of Consumer Advocate ("OCA") has stated in its Formal Complaint on page 6 that:

"However, the OCA submits that shifting so much of its wastewater revenue requirement to water customers is unfair to PAWC water customers, most of whom are not PAWC wastewater customers and receive no benefit from PAWC's wastewater service. There must be a balance between mitigating the impact of PAWC's sizeable municipal acquisitions and accumulative growth of its overall cost of providing wastewater service, and shifting so much revenue requirement that it eliminates rate impact and mutes the signal that costs are excessive. The OCA contends that PAWC's proposed shift of wastewater costs to water customers likely would not produce just and reasonable rates." *Please see Off. of the Consumer Advoc. 's Formal Comp/. And Pub. State., p. 6 (Nov. 17, 2023) .*

Further, the OCA states in its brief "the OCA recommends an increase of 4.7% for Scranton, which is consistent with the OCA's recommended increase for all CSS Wastewater and less than the OCA's recommended increase for Wastewater SSS." However, an increase at the rate of 4.7% for the City of Scranton is damning. Just last year, the PAWC raised its rate so that a wastewater bill for a typical residential customer rose by an average of \$30.00 per bill. This increase was higher than the original proposal of PAWC which is why the City was compelled to intervene and plead the PUC to refrain from increasing the cost of living for the City of Scranton yet again, especially as the parties are suggesting to each other.

Rather, the City of Scranton respectfully requests that the Commission deny the request for a water tariff increase, and if the PUC is unable to do so, the City further respectfully requests that the Commission refrain from shifting more of a burden onto wastewater consumers. Please review the submitted testimonies of the Honorable Paige Cagnetti and Ms. Teri Ooms, and consider the City of Scranton's unique position within this hearing and issues.

Our residents are already struggling to make ends meet, this additional burden, whether by and through water, wastewater, or an increase to both, would make meeting those ends even harder for a population that frankly deserves a break from rate increases.

Respectfully,
Katherine M. Kennedy, Esq
Katherine M. Kennedy, Esq.
Asst. City Solicitor

Katherine Kennedy

From: Coogan, John <jcoogan@pa.gov>
Sent: Wednesday, March 27, 2024 4:59 PM
To: Gannon, Erin L.; Lazaroff, Mark A.; Liz R Triscari; Teresa Harrold; erin.fure@amwater.com; ken.kulak@morganlewis.com; brooke.mcglinn@morganlewis.com; catherine.vasudevan@morganlewis.com; abakare@mcneeslaw.com; carwright@pa.gov; sgray@pa.gov; relyttle@pa.gov; jlvullo@bvrrlaw.com; pulp@putilitylawproject.org; kboehm@bkllawfirm.com; jkylercohn@bkllawfirm.com; smgallagher@gallagher.legal; jlondon@kozloffstoudt.com; Mincavage, Charis; Block, Ryan; chadwick@schneelegal.com; rralls73@yahoo.com; kyle.23.donahue@gmail.com; Moury, Karen; Lauren Burge; Jessica Eskra; Katherine Kennedy; Stark, Ken; El Atieh, Melanie J.; Zerby, Andrew J.; Evrard, David T.
Cc: Pell, Christopher
Subject: FW: [External] PAWC Water Rate Case
Attachments: City of Scranton's Brief; R-2023-3043189 (W) & R-2023-3043190(WW).pdf

Forwarding the attached and below message to the active service list.

John M. Coogan
Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

From: Dhruvi Patel <dhpattel@scrantonpa.gov>
Sent: Wednesday, March 27, 2024 4:45 PM
To: Pell, Christopher <cpell@pa.gov>; Coogan, John <jcoogan@pa.gov>
Cc: Claypool, Alicia <alclaypool@pa.gov>; Wright, Carrie <carwright@pa.gov>; Katherine Kennedy <kkennedy@scrantonpa.gov>; Jessica Eskra <jeskra@scrantonpa.gov>; Denise Nytch <dnytch@scrantonpa.gov>
Subject: [External] PAWC Water Rate Case

ATTENTION: This email message is from an external sender. Do not open links or attachments from unknown senders. To report suspicious email, use the [Report Phishing button in Outlook](#).

Good evening,

Ms. Kennedy sincerely apologizes to the administrative law judges, counsel, and parties. She unexpectedly fell ill with COVID over the weekend and is still not cleared to return to work. Please accept this brief on behalf of the City of Scranton, which I am sending on behalf of Attorney Kennedy. She said she could file and send a certificate of service out upon her return to work. Please also find a copy of her doctor's note to support the same.

Please direct any questions to our office in the meantime.

Respectfully,

Dhruvi Patel

she/her/hers
Confidential Secretary- City Hall

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
:
v. : Docket Nos. R-2023-3043189 (Water)
:
:
Pennsylvania-American Water Company :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **The City of Scranton's Letter/Brief** dated March 26, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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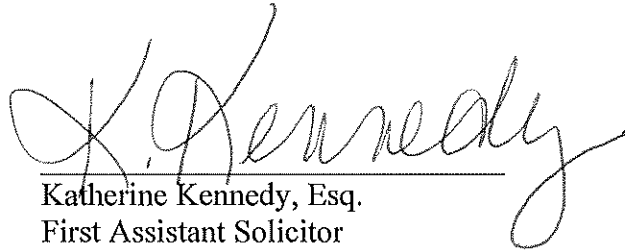
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A handwritten signature in cursive script that reads "K. Kennedy". The signature is written in black ink and is positioned above a horizontal line.

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