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June 4, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water –
Water – R-2025-3055010;
The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water –
Wastewater – R-2025-3055011;
The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water –
Stormwater – R-2025-3055012

Dear Secretary Homsher:

Enclosed for electronic filing please find The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water's Petition for Consolidation of Water, Wastewater and Stormwater Rate Proceedings and for Authorization to Use Combined Water, Wastewater and Stormwater Revenue Requirements with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/jls
Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Pittsburgh Water’s Petition for Consolidation of Water, Wastewater and Stormwater Rate Proceedings and for Authorization to Use Combined Water, Wastewater and Stormwater Revenue Requirements upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email Only

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Deanne M. O’Dell, Esq.

Dated: June 4, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	Docket Nos. R-2025-3055010 (Water)
	:	R-2025-3055011 (Wastewater)
V.	:	R-2025-3055012 (Stormwater)
	:	
PITTSBURGH WATER AND SEWER AUTHORITY d/b/a Pittsburgh Water	:	

PETITION OF PITTSBURGH WATER FOR CONSOLIDATION OF WATER, WASTEWATER, AND STORMWATER RATE PROCEEDINGS AND FOR AUTHORIZATION TO USE COMBINED WATER, WASTEWATER, AND STORMWATER REVENUE REQUIREMENTS

Pursuant to Section 1311(c) and 3202(b) of the Public Utility Code, 66 Pa. C.S. §§ 1311(c), 3202(b), and 52 Pa. Code §§ 5.41, 5.81, Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water (hereinafter Pittsburgh Water) respectfully requests that the above-captioned proceedings be formally consolidated into a single proceeding and that the Pennsylvania Public Utility Commission (“Commission”) authorize (or grant a waiver) so as to permit the use of a consolidated, water/wastewater/stormwater revenue requirement by Pittsburgh Water, in the above-captioned proceedings for the requested base rate increases.

In support of this Petition, Pittsburgh Water states as follows:

I. Background

1. Pittsburgh Water is a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania that is regulated as a public utility by the Commission.¹ Pittsburgh Water is responsible for producing and supplying water along with maintaining and operating the water and sewage infrastructure in most of the City of Pittsburgh. Pittsburgh Water

¹ See 66 Pa. C.S. §§ 102, 3201, 3202(a).

also manages stormwater that is conveyed both through its combined sewer systems and separate storm sewer systems.

2. The contact information for Pittsburgh Water’s counsel is as follows:

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3. On February 14, 2012, Act 11 was signed into law. That Act, *inter alia*, amends Chapter 13 (Rates and Distribution Systems) of the Public Utility Code and establishes an exemption from the general prohibition on utilities combining different types of utility service for ratemaking purposes.² The benefits of this provision are that the costs of necessary upgrades to wastewater systems to maintain safe and reliable service, which can be substantial on a stand-alone basis, can be spread among the common customer base of the water and wastewater utilities.

4. In its Final Implementation Order, issued on August 2, 2012, the Commission clarified that 66 Pa. C.S. § 1311(c) applies to both a single company that provides water and wastewater service, as well as utilities owned by a single parent company that provide water and wastewater service separately.³

² 66 Pa. C.S. § 1311(c); *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order entered August 2, 2012. Act 11 went into effect on April 16, 2012.

³ *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order entered August 2, 2012, at p. 9; *see, e.g., Petition of the York Water Co. for Authorization to Present Combined Filings for Gen. Rate Increases under 66 Pa. C.S. § 1308(d) Covering Both Its Water and Wastewater Revenue Requirements Pursuant to 66 Pa. C.S. § 1311(c)*, Docket No. P-2017-2582839, Opinion and Order entered February 10, 2017.

5. Pittsburgh Water is simultaneously filing with this Petition its base rate case filing, docketed at Docket Nos. R-2025-3055010 (water); R-2025-3055011 (wastewater); and R-2025-3055012 (stormwater) (“Rate Filing”). Pittsburgh Water is requesting a multi-year overall rate increase of \$84.4 million, inclusive of an increase in the Distribution System Improvement Charge (“DSIC”) cap to 7.5% and expansion of the PENNVEST charge. This includes a \$63.7 million or 25.9% increase in the Fully Projected Future Test Year (“FPFTY”) (FY 2026) and \$20.7 million or 6.7% in FY 2027. Pittsburgh Water is also proposing to remove the minimum water and wastewater charge to be effective January 1, 2027, and to expand the PENNVEST Surcharge starting in FY 2026. The proposed increase in revenues is the minimum necessary to enable Pittsburgh Water to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability, and customer service levels.

II. Request for Consolidation of Proceedings

6. For the reasons set forth herein, Pittsburgh Water requests that the above-captioned proceedings be formally consolidated into a single proceeding.

7. 52 Pa. Code § 5.81(a) provides that:

The Commission or presiding officer, with or without motion, may order proceedings involving a common question of law or fact to be consolidated. The Commission or presiding officer may make orders concerning the conduct of the proceeding as may avoid unnecessary costs or delay.⁴

⁴ See *Pa. Pub. Util. Comm'n v. Pittsburgh Water and Sewer Auth.*, Docket No. R-2021-3024773, Prehearing Order issued June 8, 2021 (Consolidating Pittsburgh Water’s R-2021 Rate Case Proceedings to use combined water, wastewater, and stormwater revenue requirements.). See, e.g., additional cases that have been consolidated for adjudication, *Re Middletown Taxi Co.*, 50 Pa. PUC 263 (1976); for hearing, *City of York v. York Telephone and Telegraph Co.*, 43 Pa. PUC 240 (1967); for briefing, *Clepper Farms, Inc. v. Grantham Water Co.*, 41 Pa. PUC 749 (1965); or for all purposes, *Commonwealth of Pa. v. Respond Power LLC*, Docket No. C-2014-2427659 and *Pa. Pub. Util. Comm'n v. Respond Power LLC*, Docket No. C-2014-2438640 (Interim Order dated Oct. 28, 2014).

8. Among the considerations for consolidation are: (a) whether additional issues exist that could cloud the determination of common issues; (b) whether consolidation will reduce litigation costs and decision-making for the parties and the Commission; (c) whether the issues in one proceeding go to the heart of an issue in the other proceeding; (d) whether consolidation will unduly protect a hearing or produce a disorderly or unwieldy record; (e) whether different statutory and legal issues are involved; (f) whether the party with the burden of proof differs in the proceedings; (g) whether consolidation will unduly delay the resolution of one of the proceedings; and (h) whether supporting data in both proceedings will be repetitive.⁵ As the Commission has previously determined, no single consideration, nor group of these considerations, is dispositive of consolidation. Rather, all factors must be evaluated, and a balancing of those favoring and disfavoring consolidation is required.⁶

9. The above-captioned proceedings are interrelated and raise common issues of law and fact. Pittsburgh Water tariff filings and rate requests contain coordinated plans, rate design changes, and tariffs for Pittsburgh Water's water, wastewater conveyance, and stormwater services. In recognition of this, Pittsburgh Water is also requesting as part of this Petition that the Commission permit it to use a combined revenue requirement under 66 Pa. C.S. § 1311(c). As explained further below in Section III, Pittsburgh Water has, in the past, developed water, wastewater, and stormwater rates using combined revenue requirements (while still calculating individual revenue requirements for each utility); and the use of Section 1311(c) continues the prior accounting and ratemaking practice of Pittsburgh Water.

⁵ See *Pa. Pub. Util. Comm'n v. City of Lancaster Sewer Fund*, Docket No. R-2012-2310366, at 3-4 (Second Prehearing Order Nov. 26, 2012) (“*Lancaster Sewer Fund Prehearing Order*”).

⁶ *Id.* at 3.

10. Formal consolidation of the above-captioned proceedings for all purposes is warranted and in the public interest, the interest of the parties, and the interest of the Commission. Consolidation of the above-captioned proceedings will promote the efficient use of the time and resources of the parties and the Commission and will not delay the resolution of the proceedings. The above-captioned water, wastewater, and stormwater proceedings share the same full suspension period.⁷ Within that shared timeframe, consolidation will advance administrative economy. For example, consolidation for purposes of the discovery and hearing will avoid the need for the parties to submit testimony in three different proceedings. Similarly for purposes of briefing and adjudication, consolidation will avoid the need for three briefs to be filed, three initial decisions to be served and three Commission orders to be entered. Thus, consolidation of the above-captioned proceedings will avoid unnecessary costs or delay and is plainly in the public interest.

III. Request for Consolidated Revenue Requirement

11. For the reasons set forth herein, Pittsburgh Water further requests that the Commission authorize a combined revenue requirement by Pittsburgh Water under 66 Pa. C.S. § 1311(c) **or** grant a waiver under Section 3202(b)⁸ so as to permit the use of a consolidated revenue requirement by Pittsburgh Water for the purposes of this general rate increase request.

12. Pittsburgh Water provides water, wastewater conveyance, and stormwater service as a single entity and, therefore, is eligible to combine its revenue requirements under 66 Pa. C.S.

⁷ The rate case was filed on June 4, 2025. The application of the full suspension period (60 days plus 7 months) will end on March 3, 2026. Since rates could be placed into effect before the end of March 2026, the first month that rates could be placed in effect is March 2026. *See* 66 Pa. C.S. § 315(e).

⁸ Under Section 3202(b) of the Public Utility Code, “[u]pon request of [Pittsburgh Water], the Commission may suspend or waive the applicability of any provision of [the Public Utility Code] to [Pittsburgh Water], except for [Section 3202].” 66 Pa. C.S. § 3202(b).

§ 1311(c).⁹ Stormwater and wastewater operations are recognized as being intertwined in the Public Utility Code¹⁰ and there is no specific regulation that requires stormwater data to be presented in any particular manner.

13. This is Pittsburgh Water’s fifth rate case filing with the Commission. The Commission granted Pittsburgh Water’s request to consolidate its water, wastewater, and stormwater proceedings and authorized Pittsburgh Water to use a consolidated, water/wastewater/stormwater revenue requirement in all its previous rate case filings.¹¹ The Commission also affirmed combined revenue requirements to include stormwater revenue requirements by Secretarial Letter dated January 20, 2023 approving Pittsburgh Water’s Second Revised Stage 2 Compliance Plan: Stormwater.¹² As explained therein, if Pittsburgh Water “were required to use separate revenue requirements for each of its utilities, the timing and costs

⁹ See footnote 3, *supra*. See also *Implementation of Chapter 32 of the Pub. Util. Code Re Pittsburgh Water And Sewer Auth.*, Docket No. M-2018-2640802 and M-2018-2640803, Final Implementation Order entered March 15, 2018, adopting, Tentative Implementation Order entered January 18, 2018, at p. 5, 16–17, 18 (suggesting that Pittsburgh Water’s revenue requirements are subject to petition for a combined revenue requirement under 66 Pa. C.S. § 1311(c)).

¹⁰ The Public Utility Code defines wastewater as including stormwater that flows into the wastewater system, such as a combined sewer system. 66 Pa. Code § 102. The majority of the Pittsburgh Water wastewater/stormwater system is a combined system.

¹¹ See *Pa. Pub. Util. Comm’n v. Pittsburgh Water and Sewer Auth.*, Docket No. R-2023-3039919, Order Granting the Petition of the Pittsburgh Water and Sewer Authority for Consolidation of Water, Wastewater and Stormwater Rate Proceedings and for Authorization to Use Combined Water, Wastewater And Stormwater Revenue Requirements, dated July 10, 2023 (“July 23 2023 Consolidation Order”). See also prior approvals *Pa. Pub. Util. Comm’n v. Pittsburgh Water and Sewer Auth.*, Docket No. R-2021-3024773, Prehearing Order issued June 8, 2021; Prehearing Order issued July 20, 2018, in *Pa. Pub. Util. Comm’n v. Pittsburgh Water and Sewer Auth. – Water*, Docket No. R-2018-3002645 et al.; *Pa. Pub. Util. Comm’n v. Pittsburgh Water and Sewer Auth. – Wastewater*, Docket No. R-2018-3002647 (approving Petition of Pittsburgh Water for consolidation of proceedings and to use combined water and wastewater revenue requirements); Prehearing Order issued May 19, 2020 in *Pa. Pub. Util. Comm’n v. Pittsburgh Water and Sewer Auth. – Water*, Docket No. R-2020-3017951 et al.; *Pa. Pub. Util. Comm’n v. Pittsburgh Water and Sewer Auth. – Wastewater*, Docket No. R-2020-3017970 (approving Petition of Pittsburgh Water for consolidation of proceedings and to use combined water and wastewater revenue requirements).

¹² *Re: Implementation of Chapter 32 of the Public Utility Code Pittsburgh Water and Sewer Auth.*; Stage 2 Compliance Plan, Docket Nos. M-2018-2640802 and M-2018-2640803, Second Revised Stage 2 Stormwater Compliance Plan dated October 24, 2022 and approved by Secretarial Letter dated January 20, 2023.

associated with submitting entirely separate base rate filings for the water, wastewater and/or stormwater utilities would be extremely burdensome to the point of being nearly impossible.”¹³

14. Pittsburgh Water has, in the past, always determined water, wastewater, and stormwater revenue requirement and rates using combined information. The use of Section 1311(c) in this manner continues the prior accounting and ratemaking practice of Pittsburgh Water.

15. Moreover, Pittsburgh Water’s bonds and other financial instruments apply to the combined water/wastewater/stormwater conveyance system and are evaluated by bond rating agencies on a consolidated company basis. There is no practical way in which to fully separate Pittsburgh Water’s bonds or its revenue requirement between water, wastewater conveyance and stormwater without creating risks of violating Pittsburgh Water’s bond covenants which require that Pittsburgh Water attain certain financial metrics on an integrated system basis. Pittsburgh Water’s capital improvement plan includes projects for all three systems.

16. In Pittsburgh Water’s last rate case, a concern about consolidating revenue requirements on statutory grounds was based on the lack of reference to stormwater in Section 1311(c).¹⁴ The reasoning of the decision of the *July 23, 2023 Consolidation Order* to grant Pittsburgh Water’s request notwithstanding the objection continues to remain solid. First, as noted above, Pittsburgh Water’s capital improvement plan includes projects for all three systems, including stormwater. Second, if Pittsburgh Water’s Petition to combine revenue requirements were denied, then all parties would be required to litigate the cases separately, including the revenue requirements, cost allocations, and rate designs.¹⁵

¹³ Second Revised Stormwater Compliance Plan at 27.

¹⁴ See *July 23, 2023 Consolidation Order* at 5–6.

¹⁵ *July 23, 2023 Consolidation Order* at 7.

17. Importantly, Pittsburgh Water’s testimony and cost of service model all provide significant detail regarding the revenue requirements for all three utilities as well as the operational revenue requirements shared across all three utilities. The proposed allocation of shared revenue requirements among the three utilities is set forth in significant detail in the supporting testimony.¹⁶ If Pittsburgh Water were directed to design a new methodology for determining its stormwater revenue requirements separate and apart from water and wastewater revenue requirements, then it would need to reconfigure its books of accounts and its cost of service model which form the basis for its entire base rate case. This would be a significant and costly undertaking.

18. Pittsburgh Water is not seeking any determination at this time as to the reasonableness or prudence of any specific costs, but instead requesting an increase in water, wastewater conveyance, and stormwater charges. Pittsburgh Water intends to present specific costs and revenue requirements for each of the water, wastewater conveyance, and stormwater utilities, in the combined general base rate proceeding before the Commission. Therefore, no party will be prejudiced by the granting of this Petition.

IV. Request for Expedited Approval

19. Pittsburgh Water is proposing that the Commission grant the requested relief in an expedited manner. This relief is integral to the rate case, which Pittsburgh Water anticipates will be subject to extensive informal and/or formal discovery and, if a suspension and investigation order is issued, must be fully decided before March 3, 2026.¹⁷

¹⁶ See, R-2025-3055010, et. seq., Pittsburgh Water St. No. 8 (Testimony of Harold Smith).

¹⁷ The rate case was filed on June 4, 2025. The application of the full suspension period (60 days plus 7 months) will end on March 3, 2026. Since rates could be placed into effect before the end of March 2026, the first month that rates could be placed in effect is March 2026. See 66 Pa. C.S. § 315(e).

20. If, despite clear Commission precedent to the contrary, this issue were to remain unresolved in favor of consolidating it with the case, then significant uncertainty would be injected into the proceeding. As noted above, any directed redesign would be a significant and costly undertaking that would have an impact on the evaluation of Pittsburgh Water's bonds and other financial instruments. If direction to proceed in a different manner were delayed until the end of the proceeding, considerable time and resources will have been wasted and Pittsburgh Water ability to implement the needed rate requests will be seriously compromised.

21. Thus, Pittsburgh Water respectfully requests an expedited decision on this Petition and, if the Commission were to deny it, then Pittsburgh Water respectfully requests that the Commission permit it to revise its financial presentation. While the data to do this is being submitted with the rate case filing package, such revision would require the expenditure of extensive time and resources and would not make a material change to Pittsburgh Water's financial statistics nor change its revenue requirement or overall rate increase request. For these reasons, Pittsburgh Water submits that this alternative is not the best use of resources and urges the Commission to grant the relief in this Petition as requested.

22. Pittsburgh Water has served copies of this Petition on the following: the Pennsylvania Office of Consumer Advocate, the Pennsylvania Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, the Commission's Office of Special Assistants, and the Commission's Bureau of Technical Utility Services. If the Commission concludes that additional notice is necessary, Pittsburgh Water will provide such additional notices as the Commission may direct.

V. Conclusion

WHEREFORE, Pittsburgh Water respectfully requests that the Commission:

(1) consolidate the above-captioned proceedings into a single proceeding; (2) authorize (or grant a waiver) so as to permit Pittsburgh Water to use a consolidated revenue requirement in the above-captioned proceeding; and (3) take any other action deemed to be in the public interest.

Respectfully submitted,



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Dated: June 4, 2025

Counsel for
The Pittsburgh Water and Sewer Authority

VERIFICATION

I, William J. Pickering, am the Chief Executive Officer for Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water, and I hereby state that the facts set forth in the foregoing Petition for Consolidate of Rate Cases and Revenue Requirement are true and correct to the best of my knowledge, information and belief and that I expect Pittsburgh Water to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

Date: June 4, 2025



William J. Pickering
Chief Executive Officer
The Pittsburgh Water and Sewer Authority