

June 4, 2025

Via Electronic Filing

Matthew 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 the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water's Petition For Waiver of Statutory Definition of Fully Projected Future Test Year 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/lww

Enclosure

cc: Cert. of Service w/enc.

**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 WAIVER OF STATUTORY
DEFINITION OF FULLY PROJECTED FUTURE TEST YEAR**

Pursuant to Section 3202(b) of the Public Utility Code and 52 Pa. Code § 5.41, Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water respectfully submits this Petition requesting that the Pennsylvania Public Utility Commission (“Commission”) waive the application of the statutory definition of the fully projected future test year (“FPFTY”) so as to permit Pittsburgh Water to use a FPFTY beginning on January 1, 2026 in the above-captioned proceedings.

Simultaneously with the filing of this Petition, Pittsburgh Water has filed a base rate case pursuant to 66 Pa. C.S. § 1308(d). Consistent with its mandatory budget process, the base rate case is using a historic test year (“HTY”) ending December 31, 2024, a future test year (“FTY”) comprised of the period from January 1, 2025 through December 31, 2025, and a FPFTY comprised of the period from January 1, 2026 through December 31, 2026. However, an interpretation of the statutory definition of FPFTY¹ would require that the FPFTY commence on March 3, 2026² and continue for 12 months.

¹ See Paragraph 4 of this Petition.

² 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).

Use of the FPFTY commencing on January 1, 2026 (as opposed to March 3, 2026) is reasonable because: (a) it comports with Pittsburgh Water’s fiscal year and budgetary requirements; (b) it would result in ease of administration as it would eliminate the potential confusion of having projections and data that span more than one forecasted fiscal year of Pittsburgh Water; and (c) would reduce Pittsburgh Water’s administrative costs of compliance.

I. Background

1. Pittsburgh Water is a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania that is now regulated as a public utility by the Commission.³ Pittsburgh Water is responsible for producing and supplying water along with maintaining and operating the water and sewage infrastructure in much of Pittsburgh, Pennsylvania. Pittsburgh Water also manages stormwater that is conveyed both through its combined sewer systems and separate storm sewer systems.

2. The names, addresses and telephone number of Pittsburgh Water’s counsel are:

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³ See 66 Pa. C.S. §§ 102, 3201, 3202(a).

3. On February 14, 2012, Act 11 was signed into law. That Act, *inter alia*, allows utilities to utilize a FPFTY as its baseline for setting new base rates.⁴ The key provisions regarding the use of a FPFTY were codified in Chapters 3 and 13 of the Public Utility Code.⁵

4. Certain statutory definitions are included in Act 11. Specifically, it defines the FPFTY as “the 12-month period beginning with the first month that the new rates will be placed in effect after application of the full suspension period permitted under section 1308(d) (relating to voluntary changes in rates).”⁶ The Commission has stated that, under this approach, the new rates will be consistent with the test year used to establish those rates for at least the first year.⁷

5. Simultaneously with this Petition, Pittsburgh Water is filing a general rate case pursuant to 66 Pa. C.S. § 1308(d). The statutory suspension period for this filing will end on March 3, 2026.

6. Pittsburgh Water’s filing is based on a FPFTY that begins on January 1, 2026. This date is consistent with Pittsburgh Water’s existing and historical fiscal years.

⁴ 66 Pa. C.S. § 315(e).

⁵ 66 Pa. C.S. §§ 315(e), 1350–60. On August 2, 2012, the Commission issued its Final Implementation Order establishing procedures and guidelines to carry out the ratemaking provisions of Act 11. *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order entered Aug. 2, 2012 (“Final Implementation Order”). The Final Implementation Order is a policy statement setting forth how the Commission intends to interpret Act 11 in future adjudications and rulemakings. *See Petition of PPL Electric Utilities Corporation for Approval of a Distribution System Improvement Charge*, PUC Docket No. P-2012-2325034, Recommended Decision dated July 25, 2014 at 18–19, modified (on other grounds) in part by Opinion and Order entered April 9, 2015. With respect to the FPFTY, the Commission entered its Final Form Rulemaking Order on January 8, 2025. That Order was amended by Errata Orders on January 30, 2025 and April 11, 2025. *Use of Fully Projected Future Test Year 52 Pa. Code Chapter 53*, PUC Docket No. L-2012-2317273. The final-form regulations will become effective upon publication in the Pennsylvania Bulletin, and compliance will be required nine months after the effective date. The final-form regulations have not been published in the Pennsylvania Bulletin as of Saturday, May 31, 2025.
<https://www.irrc.state.pa.us/regulations/RegSrchRslts.cfm?ID=3367>.

⁶ 66 Pa. C.S. § 315(e).

⁷ Final Implementation Order at p.5.

7. 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 this section [Section 3202].”⁸

II. The Requested Waiver

8. For the reasons set forth herein, pursuant to Section 3202(b) of the Public Utility Code, Pittsburgh Water requests a waiver of the application of the statutory definition of FPFTY so as to permit Pittsburgh Water to use a FPFTY beginning on January 1, 2026 in this proceeding.⁹ Strict application of the requirements of Section 315(e) would require that the FPFTY begin in March 2026 rather than January 2026, as Pittsburgh Water is proposing.

9. Pittsburgh Water operates on a fiscal year (FY) basis with years running (operating) from January through December.

10. Use of the FPFTY comprised of the period from January 1, 2026 through December 31, 2026, is reasonable because: (a) it is consistent with Pittsburgh Water’s fiscal year and the data required for budgetary and other purposes for municipal regulatory purposes; (b) would result in ease of administration and facilitate review and comparison of the test year information with the data submitted in other forums; and (c) would avoid the potential confusion of having projections and data that span more than one forecasted fiscal year of Pittsburgh Water.

11. Recalculation of the FPFTY to commence on March 3, 2026 (as opposed to January 1, 2026) would increase administrative costs by requiring Pittsburgh Water to draw

⁸ 66 Pa. C.S. § 3202(b).

⁹ Consistent with this request, Pittsburgh Water is also seeking a waiver of a Commission regulation that would conflict with this requested relief. *See* 52 Pa. Code § 1.91. The regulation to be waived is 52 Pa. Code § 53.53(b), which relates to the definitions of HTY and FTY.

data from more than one forecasted FY of Pittsburgh Water. The expense of reconfiguring data that spans more than one forecasted FY, and casting new projections, would be excessive and unnecessary.

12. Permitting Pittsburgh Water to utilize a FPFTY that begins in January 2026 rather than in March 2026 will not prejudice any party. The intent of requiring that the FPFTY begin in the month that the base rate increase suspension ends was to reduce regulatory lag. A difference of one month in the beginning of the FPFTY will not have a material impact on Pittsburgh Water's financial projections or make them materially less current. Moreover, "regulatory lag," if any, would inure to the detriment of Pittsburgh Water.

13. Pittsburgh Water filed a Petition for Waiver seeking waiver of the application of the statutory definition of the FPFTY simultaneous with the filing of its 2018, 2021, and 2023 rate cases. The Commission granted Pittsburgh Water's prior Petitions for Waiver.¹⁰ The Commission should grant the instant Petition as it is substantially similar to the Petition for Waiver that was granted in Pittsburgh Water's prior rate cases

14. The Commission has also previously employed the discretion the Legislature has afforded it under the Public Utility Code to waive the application of the statutory definition of the FPFTY for other utilities.¹¹

¹⁰ *Pennsylvania Pub. Util. Comm'n v. Pittsburgh Water and Sewer Auth.*, Docket No. R-2023-3039919, Scheduling Order dated July 10, 2023; *Pennsylvania Pub. Util. Comm'n v. Pittsburgh Water and Sewer Auth.*, Docket No. R-2021-3024773, Prehearing Order issued June 8, 2021; *Pennsylvania Pub. Util. Comm'n v. Pittsburgh Water and Sewer Auth.*, Docket No. R-2018-3002645, Prehearing Order issued July 20, 2018.

¹¹ *See, e.g., Pennsylvania Pub. Util. Comm'n v. PGW*, Docket No. R-2020-3017206, Corrected Prehearing Order dated May 15, 2020, granting PGW's Petition for Waiver of Statutory Definition of FPFTY; *Pennsylvania Pub. Util. Comm'n v. PGW*, Docket No. R-2017-2586783, Prehearing Order #1 dated March 30, 2017, granting Petition of PGW for Waiver of Statutory Definition of FPFTY. In addition, Pittsburgh Water notes that the Commission, as part of a settlement, accepted the non-conforming FPFTY of Ambler Borough. *See Pennsylvania Pub. Util. Comm'n v. Borough of Ambler Water Dept.*, R-2014-2400003, Opinion and Order entered December 4, 2014 adopting Recommended Decision dated October 17, 2014.

15. It is, therefore, reasonable to waive the application of the statutory definition of FPFTY so as to permit Pittsburgh Water to use a FPFTY beginning on January 1, 2026 in this proceeding.

III. Expedited Approval

16. Pittsburgh Water is proposing that the Commission grant the requested waiver 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, 2026.¹²

17. Alternatively, if the Commission does not choose to grant the waiver, Pittsburgh Water respectfully requests that the Commission permit Pittsburgh Water to revise its financial presentation. Much of the data to do this will already be in the record. Such a revision, while requiring the expenditure of extensive time and resources, will not make a material change to Pittsburgh Water's financial statistics nor change its revenue requirement.

18. 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.

¹² See footnote 2.

IV. Conclusion

WHEREFORE, Pittsburgh Water respectfully requests that the Commission: (1) waive the application of the statutory definition of FPPTY so as to permit Pittsburgh Water to use a FPPTY beginning on January 1, 2026, in this proceeding; and (2) 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
d/b/a Pittsburgh Water

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 Waiver of Statutory Definition 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).

Dated: June 4, 2025



William J. Pickering
Chief Executive Officer
The Pittsburgh Water and Sewer Authority d/b/a
Pittsburgh Water

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Pittsburgh Water's Petition For Waiver of Statutory Definition of Fully Projected Future Test Year 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