



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

June 24, 2025

Via Hand-Delivery

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

RCVD PUC SEC BUR  
JUN 24 2025 PM 3:25

Re: Petition of the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water to Increase its Water and Wastewater Distribution System Improvement ("DSIC") Caps to 7.5%  
Docket No. P-2025-3055650  
**I&E Answer to PWSA Petition**

Dear Secretary Homsher:

Enclosed for electronic filing please find the **Answer of the Bureau of Investigation and Enforcement to Pittsburgh Water's Petition for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5%** in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Michael A. Podskoch, Jr.  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney ID No. 330132  
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MAP/ac  
Enclosures

cc: Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water to Increase its Water and Wastewater Distribution System Improvement ("DSIC") Caps to 7.5% : : Docket No. P-2025-3055650

**RECEIVED**

JUN 24 2025

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**ANSWER OF THE BUREAU OF INVESTIGATION AND ENFORCEMENT TO PITTSBURGH WATER'S PETITION FOR AUTHORIZATION TO INCREASE WATER AND WASTEWATER DSIC CHARGE CAPS TO 7.5%**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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**I. INTRODUCTION**

On June 4, 2025, the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water ("Pittsburgh Water") filed its base rate case at Docket Nos. R-2025-3055010 (Water); R-2025-3055011 (Wastewater); and R-2025-3055012 (Stormwater) (collectively the "Rate Filing"). In its Rate Filing, Pittsburgh Water is requesting that the Pennsylvania Public Utility Commission ("Commission") approve a multi-year overall rate increase of \$84.4 million, inclusive of an increase in its Distribution System Infrastructure Charge ("DSIC").

Simultaneously with its Rate Filing, Pittsburgh Water filed the instant Petition for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5% ("DSIC Petition") requesting that the Commission (1) authorize a water DSIC cap of 7.5% of intrastate revenue as permitted by Section 1358(b) of the Public Utility Code ("Code"); and (2) waive the provisions of Section 1358(a) of the Code and authorize Pittsburgh Water to implement a 7.5% cap for its wastewater DSIC. Pittsburgh Water argues that increasing its water and wastewater DSIC caps is necessary and in the public interest because it will increase the amount of funding for its

capital improvements, offset the current costs of inflation, reduce costs to ratepayers, and decrease its reliance on long-term debt.<sup>1</sup>

The Commission's Bureau of Investigation and Enforcement ("I&E") serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge.<sup>2</sup> By representing the public interest in rate proceedings before the Commission, I&E works to balance the interests of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.<sup>3</sup>

Pursuant to 52 Pa. Code § 5.61, I&E hereby files this timely Answer requesting that the Commission deny the relief requested in Pittsburgh Water's DSIC Petition.

In further support of I&E's Answer, I&E avers the following:

## **II. ANSWER**

### **A. Request to Increase Water and Wastewater DSIC Caps**

In requesting the authorization to increase its water and wastewater DSIC charge caps, Pittsburgh Water relies on 66 Pa. C.S. § 1358(a) arguing that Section 1358 of the Code authorizes a DSIC charge of up to 7.5% for water utilities and gives the Commission the authority to authorize a DSIC charge for wastewater utilities that exceeds the 5% statutory cap in order to ensure that the utility provides safe, reliable, and reasonable service.<sup>4</sup> Pittsburgh Water also argues that the standard for judging its request to increase its existing DSIC cap to the statutorily authorized level is whether the request is just, reasonable, and nondiscriminatory.<sup>5</sup>

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<sup>1</sup> DSIC Petition, pp. 2-3.

<sup>2</sup> *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852, p. 5 (Order Entered August 11, 2011).

<sup>3</sup> See 66 Pa. C.S. §§ 1301(a), 1304.

<sup>4</sup> DSIC Petition, p. 7.

<sup>5</sup> *Id.*

In consideration of the above, I&E requests that the Commission deny Pittsburgh Water's request to increase its water DSIC cap to 7.5% and deny Pittsburgh Water's request to increase its wastewater cap to 7.5%, or alternatively, consolidate the issues raised in this DSIC Petition with the Rate Filing.

I&E opposes Pittsburgh Water's request to increase its water and wastewater DSIC caps to 7.5%. The DSIC cap for a water utility may be increased to 7.5% only if the request is just and reasonable.<sup>6</sup> Pittsburgh Water has not presented sufficient evidence to demonstrate its request is just and reasonable. Further, I&E opposes Pittsburgh Water's request to increase its wastewater DSIC cap to 7.5% as it exceeds the 5% statutory cap and requires a showing that waiver of the cap is necessary "in order to ensure and maintain adequate, efficient, safe, reliable and reasonable service."<sup>7</sup> Pittsburgh Water has stated that increasing its wastewater DSIC cap to 7.5% will enable it to implement the capital improvements authorized in its Second Long-Term Infrastructure Improvement Plan ("LTIP") in a more cost-effective manner.<sup>8</sup> Pittsburgh Water does not argue that increasing its water and wastewater DSIC caps to 7.5% is necessary to ensure that it provides safe, reliable, and reasonable service.

I&E also notes that the Code has built-in consumer protections to protect responsible customers at 66 Pa. C.S. §§ 1401-1419 with a stated goal of providing protection against rate increases for timely paying customers. While Pittsburgh Water argues that raising its water and wastewater DSIC cap is "just," I&E asserts that it will result in unreasonable rate increases on Pittsburgh Water's responsible customers.

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<sup>6</sup> 66 Pa. C.S. § 1301; 66 Pa. C.S. § 1358(a)(2).

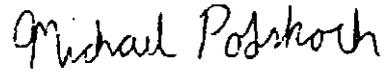
<sup>7</sup> 66 Pa. C.S. § 1358(a)(1).

<sup>8</sup> DSIC Petition, pp. 8-12.

**III. CONCLUSION**

**WHEREFORE**, in consideration of the averments set forth in this Answer, the Bureau of Investigation and Enforcement respectfully requests that the Commission deny Pittsburgh Water's request to increase its water DSIC cap to 7.5% and deny Pittsburgh Water's request to increase its wastewater DSIC cap to 7.5%, or alternatively, consolidate the instant DSIC Petition into the Rate Filing at Docket Nos. R-2025-3055010; R-2025-3055011; and R-2025-3055012.

Respectfully submitted,



Michael A. Podskoch, Jr.  
Prosecutor  
PA Attorney ID No. 330132

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Dated: June 24, 2025

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of the Pittsburgh Water and Sewer :  
Authority d/b/a Pittsburgh Water to Increase its : Docket No. P-2025-3055650  
Water and Wastewater Distribution System :  
Improvement ("DSIC") Caps to 7.5% :

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**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Answer to Petition** dated June 24, 2025,  
in the manner and upon the persons listed below:

**Served via Electronic Mail Only**

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