



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

July 11, 2025

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
The Pittsburgh Water and Sewer Authority
Docket Nos. R-2025-3055010 (Water);
R-2025-3055011 (Wastewater);
R-2025-3055012 (Stormwater)

I&E Prehearing Memorandum

Dear Secretary Homsher:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement 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,

A handwritten signature in black ink that reads 'Michael Podskoch'.

Michael A. Podskoch, Jr.
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 330132
(717) 783-6151
mpodskoch@pa.gov

MAP/ac
Enclosures

cc: Administrative Law Judge Emily I. DeVoe (via email – edevoe@pa.gov)
Administrative Law Judge Ann Quimby (via email – aquimby@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : Docket Nos. R-2025-3055010 (Water)
: R-2025-3055011 (Wastewater)
: R-2025-3055012 (Stormwater)
The Pittsburgh Water and Sewer Authority :

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGES EMILY DEVOE AND ANN QUIMBY:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutors in this proceeding will be Scott B. Granger and Michael A. Podskoch, Jr. Contact information is as follows:

By mail: Scott B. Granger
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Bureau of Investigation and Enforcement
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Harrisburg, PA 17120

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By telephone: (717) 425-7593
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I. INTRODUCTION

On June 4, 2025, the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water (“Pittsburgh Water” or the “Authority”) filed proposed Supplement No. 16 Tariff Water – Pa. P.U.C. No. 1 (“Supplement No. 16”), with a proposed effective date of August 8, 2025. Pittsburgh Water’s base rate case was docketed 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 the Commission approve a multi-year total overall revenue increase of \$84.4 million, inclusive of a Distribution System Infrastructure Charge (“DSIC”) cap increase.¹ 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 2027.² 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 2026.³

On June 12, 2025, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. That same day, I&E entered its Notice of Appearance. On June 24, 2025, OSBA filed its Formal Complaint and Public Statement. On June 25, 2025, the Office of Consumer Advocate (“OCA”) filed its Formal Complaint, Public Statement, and Notice of Appearance. That same day, Pittsburgh United Our Water Table (“OWT”) filed a Petition to Intervene.

¹ Rate Filing, Responses to Filing Requirements, Vol. I, Statement of Reasons, p. 1.

² *Id.*

³ *Id.*

On July 10, 2025, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates by operation of law until March 8, 2026, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference is scheduled on July 14, 2025 at 11:00 a.m. before Administrative Law Judges (“ALJs”) Emily DeVoe and Ann Quimby.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in this proceeding:

1. Multi-Year Rate Increase
2. Budgeting Process
3. Low Income Programs
4. Salaries, Wages, and Benefits
5. Chemicals
6. Equipment
7. Materials
8. Operating Contracts
9. Repairs and Maintenance
10. Misc. Operating
11. Inventory
12. Fees
13. Freight and Postage
14. Leases and Rents
15. Professional Services
16. Supplies
17. Travel and Entertainment
18. Utilities
19. Misc. Admin

20. Taxes Other than Income
21. Proxy Group Selection
22. Financial Metrics Comparison
23. Credit Ratings
24. Debt Service Coverage Ratio
25. Number of Days Cash on Hand
26. Debt Capitalization Ratio
27. Internally Generated Fund
28. Capital Expenditure Financing
29. PENNVEST Charge Expansion
30. Annual Depreciation
31. Accrued Depreciation
32. Plant in Service
33. Plant Additions
34. Plant Deductions
35. Materials and Supplies
36. Capital Improvements Projects
37. Projected Customer Usage
38. Unaccounted For Water
39. Purchased Power and Chemicals
40. Contract Rates
41. PENNVEST Surcharge
42. Customer Charges
43. Water, Wastewater and Stormwater Rates
44. Water, Wastewater and Stormwater Cost Allocation
45. Scale-back of Rates

The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues as it deems appropriate if any such relevant issues arise.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

1. Vanessa Okum, Fixed Utility Financial Analyst
2. D. C. Patel, Fixed Utility Financial Analyst
3. Eryan Sakaya, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Mr. Granger and Mr. Podskoch. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding.

Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the Authority's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources, and other public documents and reports. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

I&E supports the following discovery modifications proposed by OCA:

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served

in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.

- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within five (5) business days of service of written objections.
- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served, the OCA proposes that the deadlines should be reduced as follows:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections.

- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VI. CONSOLIDATION

I&E supports the consolidation of Pittsburgh Water’s DSIC Petitions (Docket Nos. P-2025-3055650 (Water) and P-2025-3055652 (Wastewater)) and its Petitions to Waive the Application of the Statutory Definition of the FPPTY (Docket Nos. P-2025-3055587 (Water); P-2025-3055588 (Wastewater); and P-2025-3055588 (Stormwater)) with its Rate Filings (Docket Nos. R-2025-3055010 (Water); R-2025-3055011 (Wastewater); and R-2025-3055012 (Stormwater)).

VII. SCHEDULE

As of this date, the parties have agreed to the following proposed litigation schedule:

Non-Company Direct Testimony	September 5, 2025
Rebuttal Testimony	September 30, 2025
Surrebuttal Testimony	October 14, 2025
Hearings (w/ Oral Rejoinder)	October 21-23, 2025
Main Briefs	November 10, 2025
Reply Briefs	November 21, 2025

VIII. PUBLIC INPUT HEARINGS

I&E proposes the use of telephonic public input hearings to encourage increased participation by ratepayers.

IX. SERVICE OF DOCUMENTS

I&E requests that all documents in this proceeding be served on:

Scott B. Granger, Esq.
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400 North Street
Harrisburg, PA 17120
sgranger@pa.gov
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For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to both only serve and accept electronic delivery of documents.

X. ALTERNATIVE DISPUTE RESOLUTION

Pursuant to the Suspension Order issued on July 10, 2025, the Commission assigned this matter to the Office of Administrative Law Judge for Alternative Dispute Resolution, if possible. I&E does not take a position regarding whether this matter proceeds through litigation or the mediation process and will support the Authority's decision.

XI. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



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

Scott B. Granger
Prosecutor
PA Attorney ID No. 63641

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: July 11, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2025-3055010 (Water)
v.	:	R-2025-3055011 (Wastewater)
	:	R-2025-3055012 (Stormwater)
The Pittsburgh Water and Sewer Authority	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated July 11, 2025, in the manner and upon the persons listed below:

Served via Electronic Mail Only

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