

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2025-3055010 (water)
Office of Small Business Advocate	:	C-2025-3056056
Office of Consumer Advocate	:	C-2025-3055943

v.

The Pittsburgh Water and Sewer Authority

Pennsylvania Public Utility Commission	:	R-2025-3055011(wastewater)
Office of Small Business Advocate	:	C-2025-3056054
Office of Consumer Advocate	:	C-2025-3055944

v.

The Pittsburgh Water and Sewer Authority

Pennsylvania Public Utility Commission	:	R-2025-3055012 (stormwater)
Office of Small Business Advocate	:	C-2025-3056058
Office of Consumer Advocate	:	C-2025-3055942

v.

The Pittsburgh Water and Sewer Authority

Petition of the Pittsburgh Water and Sewer Authority for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5%	:	P-2025-3055650 (water)
	:	P-2025-3055652 (wastewater)

Petition of the Pittsburgh Water and Sewer Authority for Waiver of Statutory Definition of Fully Projected Future Test Year	:	P-2025-3055587 (water)
	:	P-2025-3055588 (wastewater)
	:	P-2025-3055589 (stormwater)

**INTERIM ORDER
GRANTING PWSA PETITION FOR WAIVER OF
STATUTORY DEFINITION OF FPFTY**

On June 4, 2025, Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water (Pittsburgh Water, PWSA, or the Authority) filed Tariff Water – PA P.U.C. No. 1, Supplement No. 16, Tariff Wastewater PA P.U.C. No. 1, Supplement No. 15 and Tariff Storm Water PA P.U.C. No. 1, Supplement No. 7 (collectively, Rate Filing) with the Commission. The Authority proposes a multi-year rate increases to produce additional overall revenues by approximately \$84 million over two years – an initial rate increase of \$63.7 million (an increase of 25.9%) in 2026 and another rate increase of \$20.7 million (6.7%) in 2027. Pittsburgh Water’s request for approval of multi-year rates increases is a request for approval of “alternative ratemaking” under Section 1330 of the Public Utility Code.

PWSA serves approximately 81,000 water customers, 29,000 wastewater customers, and 4,300 stormwater customers, primarily in the City of Pittsburgh, the Boroughs of Millvale, McKees Rocks, Sharpsburg, Swissvale, Wilkinsburg and Blawnox, and portions of Reserve, O’Hara, Ross, Penn Hills and Shaler Townships in Allegheny County. It provides wastewater service and stormwater service in the City of Pittsburgh. The Authority’s wastewater system is a collection and conveyance system only. It does not include treatment; wastewater is conveyed to the regional Allegheny County Sanitary Sewer Authority for treatment.

Also on June 4, 2025, the Authority filed four Petitions in conjunction with its base rate filing: (1) a Petition for Authorization to Increase Water and Wastewater DSIC Charge Caps to 7.5% (DSIC Petition), docketed at P-2025-3055650 (water) and P-2025-3055652 (wastewater); (2) a Petition for Consolidation of Water, Wastewater and Stormwater Rate Proceedings and for Authorization to Use Combined Water, Wastewater and Stormwater Revenue Requirements (Consolidation Petition); (3) a Petition for Waiver of Statutory Definition of Fully Projected Future Test Year (FPFTY Petition) docketed at P-2025-3055587 (water), P-2025-30555878 (wastewater), and P-2025-3055589 (stormwater); and (4) a Petition to Consolidate the DSIC Petition with Base Rate Filings for Water, Wastewater and Stormwater (DSIC Consolidation Petition).

On June 12, 2025, the Commission's Bureau of Investigation & Enforcement (I&E) filed a Notice of Appearance.

On June 12, 2025, the Office of Small Business Advocate (OSBA) filed its Notice of Appearance, and on June 25, 2025, OSBA filed its Formal Complaints, Notice of Intervention, and Public Statement. The Formal Complaints filed by OSBA are docketed as follows: C-2025-3056056 (water), C-2025-3056054 (wastewater), and C-2025-3056058 (stormwater).

Also on June 25, 2025, the Office of Consumer Advocate (OCA) filed Formal Complaints, Public Statement, and Notice of Appearance, and Pittsburgh United Out Water Table (Our Water Table or OWT) filed a Petition to Intervene and Answer. The Formal Complaints filed by OCSA are docketed as follows: C-2025-3055943 (water), C-2025-3055944 (wastewater), and C-2025-3055942 (stormwater).

On July 10, 2025, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code in each of the three Rate Filing docket numbers, suspending each of PWSA's proposed Tariffs by operation of law until March 8, 2026; instituting an investigation to determine the lawfulness, justness, and reasonableness of the proposed and existing rates, rules, and regulations; and assigning the Rate Filing to the Office of Administrative Law Judge (OALJ) for the prompt scheduling of hearings as may be necessary culminating in the issuance of a recommended decision.

On July 10, 2025, the Telephonic Prehearing Conference Notice was issued in the Rate Filing, scheduling a Prehearing Conference for July 14, 2025, and the matter was assigned to the undersigned. Also on July 10, 2025, a Prehearing Conference Order was issued, which directed, *inter alia*, that parties file a Prehearing Memorandum by July 11, 2025.

On July 11, 2025, in accordance with the Prehearing Conference Order, Prehearing Memoranda were filed by PWSA, I&E, OCA, OSBA, and OWT.

On July 14, 2025, a Prehearing Conference was held as scheduled. The following parties were represented by counsel: PWSA, I&E, OCA, OSBA, and OWT. The parties discussed a variety of matters which will be more fully addressed and memorialized in a subsequent order.

One matter discussed at the Prehearing Conference was the Authority's FPFTY Petition. As of the date of the Prehearing Conference, the FPFTY Petition was assigned to another bureau of the Commission, not OALJ. No party objected to consolidating the FPFTY Petition with the Rate Filing.

Therefore, after the Prehearing Conference, OALJ requested the FPFTY Petition be reassigned to OALJ, which it was on July 16, 2025.

It is now appropriate to rule on the FPFTY Petition.

APPLICABLE LAW

Act 11, 66 Pa. C.S. § 315(e), *inter alia*, allows utilities to utilize a FPFTY as its baseline for setting new base rates. The key provisions regarding the use of a FPFTY were codified in Chapters 3 and 13 of the Public Utility Code. *See* 66 Pa. C.S. §§ 315(e), 1350–60.

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).” 66 Pa. C.S. § 315(e) (Section 315(e)). 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. *See Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order entered Aug. 2, 2012 (Final Implementation Order).

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

DISCUSSION

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, rather than March 2026, which would be required under a strict application of Section 315(e). FPFTY Petition ¶ 8. It is also seeking a waiver of 52 Pa. Code § 53.53(b), which relates to the definitions of Historic Test Year (HTY) and Future Test Year (FTY). *Id.* at ¶ 8, fn. 9.

PWSA explains that it operates on a fiscal year (FY) basis with years running (operating) from January through December. FPFTY Petition ¶ 9. It argues that 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. *Id.* at ¶ 10.

PWSA maintains that 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 data from more than one forecasted FY of Pittsburgh Water. It submits that the expense of reconfiguring data that spans more than one forecasted FY, and casting new projections, would be excessive and unnecessary. *Id.* at ¶ 11.

PWSA further avers that granting the FPFTY Petition will not prejudice any party, and the Commission has previously granted substantially similar petitions filed by PWSA in rate filings made in 2018, 2021, and 2023. *Id.* at ¶¶ 12-13.

Under the Commission’s rules, answers to petitions shall be filed with the Commission within 20 days after the date of service. 52 Pa. Code § 5.61(a). Therefore, answers were due by June 24, 2025.

On June 24, 2025, OCA filed correspondence with the Commission indicating it does not oppose the Authority’s FPPTY Petition. Also on June 24, 2025, OSBA filed a Notice of Intervention, but did not indicate an opposition to the FPPTY Petition in its filing. In its Prehearing Memoranda filed in the Rate proceeding, OWT indicated it did not oppose the FPPTY Petition.

In consideration of the lack of opposition to the FPPTY Petition, as well as the history of the Commission granting substantially similar petitions in prior PWSA rate filings, the lack of prejudice to any party in this proceeding, and the benefits to PWSA detailed in the Petition, the FPPTY Petition shall be granted.

THEREFORE,

IT IS ORDERED;

1. The Petition for Waiver of Statutory Definition Fully Projected Future Test Year docketed at P-2025-3055587 (water), P-2025-30555878 (wastewater), and P-2025-3055589 (stormwater), filed by Pittsburgh Water and Sewer Authority on June 4, 2025 is granted.

Date: July 24, 2025

/s/
Emily I. DeVoe
Administrative Law Judge

/s/
Ann Quimby
Administrative Law Judge

R-2025-3055010, C-2025-3056056, C-2025-3055943 – PENNSYLVANIA PUBLIC UTILITY COMMISSION, OFFICE OF SMALL BUSINESS ADVOCATE, OFFICE OF CONSUMER ADVOCATE v. THE PITTSBURGH WATER AND SEWER AUTHORITY (WATER); R-2025-3055011, C-2025-3056054, C-2025-3055944 - PENNSYLVANIA PUBLIC UTILITY COMMISSION, OFFICE OF SMALL BUSINESS ADVOCATE, OFFICE OF CONSUMER ADVOCATE v. THE PITTSBURGH WATER AND SEWER AUTHORITY (WASTEWATER); R-2025-3055012, C-2025-3056058, C-2025-3055942 - PENNSYLVANIA PUBLIC UTILITY COMMISSION, OFFICE OF SMALL BUSINESS ADVOCATE, OFFICE OF CONSUMER ADVOCATE v. THE PITTSBURGH WATER AND SEWER AUTHORITY (STORMWATER); P-2025-305650 (WATER), P-2025-3055652 (WASTEWATER) PETITION OF THE PITTSBURGH WATER AND SEWER AUTHORITY FOR AUTHORIZATION TO INCREASE WATER AND WASTEWATER DSIC CHARGE CAPS TO 7.5%; P-2025-3055587 (WATER), P-2025-3055588 (WASTEWATER), P-2025-3055589 (STORMWATER)

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