

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

@pa_oca
/pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

June 25, 2025

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

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JUN 25 2025 AM 11:02

Re: Pennsylvania Public Utility Commission v.
Pittsburgh Water and Sewer Authority
d/b/a Pittsburgh Water
Docket No. R-2025-3055010 (Water)
R-2025-3055011 (Wastewater)
R-2025-3055012 (Storm Water)

Dear Secretary Homsher:

Enclosed for filing, please find the Office of Consumer Advocate's Formal Complaint and Public Statement in this proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAppleby@paoca.org

Enclosures

cc: The Honorable Charles E. Rainey, Jr. (Email Only: crainey@pa.gov)
Office of Special Assistants (Email Only: ra-OSA@pa.gov)
Paul Diskin, TUS (Email Only: pdiskin@pa.gov)
Daniel Searfoorce, TUS (Email Only: dsearfoorc@pa.gov)
Sean Donnelly, TUS (Email Only: sdonnelly@pa.gov)
Paul Zander, TUS (Email Only: pzander@pa.gov)
Certificate of Service

PENNSYLVANIA PUBLIC UTILITY COMMISSION

FORMAL COMPLAINT

1. COMPLAINANT INFORMATION

Darryl A. Lawrence, Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone: 717-783-5048

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

2. FULL NAME OF UTILITY COMPANY:

Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water
Docket No. R-2025-3055010 (Water)
Docket No. R-2025-3055011 (Wastewater)
Docket No. R-2025-3055012 (Storm Water)

3. TYPE OF UTILITY:

Water, Wastewater and Stormwater

4. COMPLAINT:

A. On June 4, 2025, Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water (Pittsburgh Water or 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 to become effective August 8, 2025. A full suspension by the Public Utility Commission (Commission) would delay the increase until March 4, 2026. Through these filings, the Authority requests that the Commission approve general distribution rate increases to its water, wastewater and stormwater rates pursuant to sections 1308, 1311(c) and 1330 of the Public Utility Code, 66 Pa. C.S. §§ 1308, 1311(c) and 1330. Pittsburgh Water's proposed tariffs would increase the Authority's overall operating revenues by approximately \$84.4 million in two steps – an increase of \$63.7 million (25.9%) in 2026 and an increase of \$20.7 million (6.7%) in 2027, based on a fully projected future test year (FPFTY) ending December 31, 2026. Pittsburgh Water's proposed increases include an increase in the cap on its Distribution System Improvement Charge (DSIC) from 5% to 7.5% of total water and/or wastewater charges. The Authority also proposes to expand its current PENNVEST Charge to recover all current and future PENNVEST loan costs through the Charge beginning March 3, 2026.

- B.** Pittsburgh Water serves approximately 81,000 water customers, 29,000 wastewater customers and 4,300 stormwater customers, primarily in the City of Pittsburgh. Pittsburgh Water provides water service 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.
- C.** The customer notices included in Pittsburgh Water's filing indicate that Residential Customers would be impacted by the rate increase as follows:

For a typical Residential customer using 3,000 gallons of water per month with a 5/8-inch meter and who generates stormwater runoff from 1 Equivalent Residential Unit (ERU).

Residential	Current Rates	2026 Rates	2027 Rates
Water	\$64.30	\$73.18	\$78.75
Wastewater	\$21.61	\$23.75	\$26.16
Stormwater	\$10.06	\$12.34	\$12.62
DSIC	\$4.30	\$7.72	\$8.57
PVC	-	\$6.03	\$9.39
Total	\$100.27	\$123.02	\$135.49

For a typical Residential customer enrolled in the Bill Discount Program using 3,000 gallons of water per month with a 5/8-inch meter and who generates stormwater runoff from 1 ERU.

Residential Bill Discount	Current Rates	2026 Rates	2027 Rates
Water	\$32.76	\$33.84	\$36.94
Wastewater	\$13.36	\$12.88	\$13.17
Stormwater	\$ 1.51	\$ 1.85	\$ 1.89
DSIC	\$ 2.31	\$ 3.73	\$ 4.11
PVC	-	\$ 3.01	\$ 4.70
Total	\$49.94	\$55.31	\$60.81

The OCA is investigating the basis for and calculation of the estimated bill increases to ensure that they are consistent with applicable standards and will produce just and reasonable rates.

- D. The proposed water and wastewater rate changes noted above do not reflect the changes that will be experienced by all customers; rather they only reflect changes for customers using what Pittsburgh Water has asserted is the "typical" usage for residential customers. In the OCA's experience, the increases reflected above (and on the notices sent to customers) often underestimate the impact of the rate increase for many customers.
- E. Pittsburgh Water is proposing to eliminate the minimum usage allowances built into their water and wastewater minimum charges beginning January 1, 2027, and shifting recovery of the costs associated with those allowances to volumetric rates. The elimination of the allowances will reduce the minimum charges for water and wastewater in 2027. This is contrary to certain testimony in the Authority's filing which suggests that the minimum charges will be eliminated along with the minimum allowances. Pittsburgh Water should clarify this testimony. For 2026, Pittsburgh Water is proposing a \$1.80 (5.7%) increase in the minimum water charge and a \$0.12 (1.5%) increase in the minimum wastewater charge. Beginning in 2027, the minimum charge will thereafter be referred to as the service charge.
- F. Pittsburgh Water is proposing enhancements to its customer assistance programs, including: extending the Bill Discount Program recertification requirement from two years to five years for customers on fixed incomes of Social Security and/or retirement benefits; automatically enrolling customers into the Bill Discount Program who apply for and receive a Hardship Grant through one of the community-based organizations partnering with Dollar Energy Fund; converting the Line Repair and Water Conservation Pilot Program into a permanent low-income assistance program; making enhancements to the Arrearage Forgiveness Program; and proposing to reduce usage charges related to undetected water leaks.
- G. It is Pittsburgh Water's expectation that approval of the full or a substantial portion of the proposed rate increase will improve a number of its key financial metrics including its debt service coverage, its days cash on hand, its ability to pass an Additional Bonds Test (necessary to implement its capital improvement plan), enable it to fund its Rate Stabilization Fund and allow it to maintain its credit ratings.

The proposed rates may produce revenues in excess of what is needed to achieve sufficient and satisfactory levels of debt service coverage, days of cash on hand and other PW financial metrics and, if granted, could result in rates that are unjust and unreasonable in violation of chapter 13 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §1301, *et seq.*, sound ratemaking principles, and public policy.

- H. In reaching a decision on whether to grant Pittsburgh Water's rate increase as well as its various rule and tariff changes, the Public Utility Commission must give "due consideration to the interests of consumers." 71 Pa. Stat. Ann. §309-5(2).
- I. A preliminary examination of Pittsburgh Water's general rate increase request indicates that the rates requested, including specific elements of its request may not be just and reasonable and otherwise may be in violation of the law.

5. RELIEF

The Consumer Advocate respectfully requests that the Commission take the following actions:

- A. Suspend and investigate the operation of the proposed tariff supplements, Pittsburgh Water Tariff Water- PA P.U.C. No. 1, Supplement No. 16, Pittsburgh Water Tariff Wastewater – PA P.U.C. No. 1, Supplement No. 15, and Pittsburgh Water Tariff Storm Water – PA P.U.C. No.1, Supplement No. 7, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. §1308(d);
- B. Enter a suspension order at the next scheduled Public Meeting following the date of this Complaint, which is July 10, 2025, in order to expedite this matter being assigned to the Office of Administrative Law Judge, which would allow the commencement of necessary procedural steps for purposes of developing a reasonable procedural schedule in which the parties may litigate;
- C. Direct the Office of Administrative Law Judge to use the February 19, 2026, Public Meeting as the deadline for a final Commission determination in this matter and for purposes of setting a deadline for a Recommended Decision and developing a litigation schedule in this matter;
- D. Consolidate all complaints filed against the proposed increases for water, wastewater and stormwater service;
- E. Ensure that Pittsburgh Water has provided appropriate and adequate notice in accordance with the Public Utility Code and the Commission's Regulations;
- F. Hold full evidentiary hearings examining the reasonableness of Pittsburgh Water's current rates and its proposed increases;
- G. After providing the public with adequate notice, and as early in the proceeding as possible, hold in-person public input hearings in the Authority's service territory, as well as by telephone or virtually, in order to provide Pittsburgh Water's customers with an opportunity to be heard on the record;

- H. Deny any charges or changes contained in the proposal which would result in unjust and unreasonable rates, or cannot be fully justified by Pittsburgh Water, or otherwise are contrary to the Public Utility Code, sound ratemaking principles, and public policy; and
- I. Grant such other relief that the Commission may deem appropriate.

6. VERIFICATION AND SIGNATURE

I, Darryl A. Lawrence, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect 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 unsworn falsification to authorities).

Darryl Lawrence
Signature

6-25-2025
Date

7. Legal Representation

Christy A. Appleby, Senior Assistant Consumer Advocate, PA Bar No. 85824
Harrison W. Breitman, Assistant Consumer Advocate, PA Bar No. 320580
David T. Evrard, Assistant Consumer Advocate, PA Bar No. 33870
Katie Kennedy, Assistant Consumer Advocate, PA Bar No. 317237

555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County
Phone: 717-783-5048

E-mail: OCAPWSA2025@paoca.org

**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. Section 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the Commission involving the proposed water, wastewater and stormwater rate increase by Pittsburgh Water and Sewer Authority, d/b/a Pittsburgh Water (Pittsburgh Water).

On June 4, 2025, Pittsburgh Water filed a general rate increase request seeking the Commission's approval to increase its overall operating revenue by approximately \$84.4 million in two steps – an increase of \$63.7 million (25.9%) in 2026 and an increase of \$20.7 million (6.7%) in 2027. Under Pittsburgh Water's proposal, a residential water customer using 3,000 gallons per month would see an estimated monthly increase in their water bill of 22.5% by 2027. A residential wastewater customer would see an estimated 21% increase in their monthly bill by 2027. Pittsburgh Water's proposed increases include an increase in the cap on its Distribution System Improvement Charge (DSIC) from 5% to 7.5% of total water and/or wastewater charges. The Authority also proposes to expand its current PENNVEST Charge to recover all current and future PENNVEST loan costs through the Charge beginning March 3, 2026.

The objective of the Consumer Advocate in filing this complaint is to protect the interests of Pittsburgh Water's customers. The Consumer Advocate will seek to ensure that Pittsburgh Water is permitted to implement only rates that are fully justified, just and reasonable, not unduly discriminatory, and otherwise consistent with sound ratemaking principles and the Public Utility

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Code, Commission regulations, orders, and case law. The Consumer Advocate submits that Pittsburgh Water's current rates and its proposed rates may be unjustifiable and unlawful based upon information filed by the Authority in support of its proposed increase.

CERTIFICATE OF SERVICE

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JUN 25 2025 AM 11:22

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3055010
v.	:	R-2025-3055011
	:	R-2025-3055012
Pittsburgh Water and Sewer Authority	:	
d/b/a Pittsburgh Water	:	

I hereby certify that I have this day filed with the Commission and served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 25th day of June 2025.

SERVICE BY E-MAIL ONLY

Deanne M. O'Dell, Esq.
 Daniel Clearfield, Esq.
 Lauren Burge, Esq.
 Eckert Seamans Cherin & Mellott, LLC
 213 Market Street, 8th Floor
 Harrisburg, PA 17101
 dodell@eckertseamans.com
 dclearfield@eckertseamans.com
 lburge@eckertseamans.com
Counsel for PWSA

Scott B. Granger, Esq.
 Michael A. Podskoch, Jr., Esq.
 Pennsylvania Public Utility Commission
 Bureau of Investigation & Enforcement
 Commonwealth Keystone Building
 400 North Street, 2nd Floor West
 Harrisburg, PA 17120
 sgranger@pa.gov
 mpodskoch@pa.gov
Counsel for I&E

John F. Doherty, Esq.
 Krysia Kubiak, City Solicitor
 The City of Pittsburgh Dept. of Law
 City-County Building, Suite 313
 414 Grant Street
 Pittsburgh, PA 15219
 John.doherty@pittsburghpa.gov
 krysia.kubiak@pittsburghpa.gov
Counsel for The City of Pittsburgh

Steven C. Gray, Esq.
 Rebecca Lyttle, Esq.
 Office of Small Business Advocate
 Forum Place
 555 Walnut Street, 1st Floor
 Harrisburg, PA 17101
 sgray@pa.gov
 relyttle@pa.gov
Counsel for OSBA

John W. Sweet, Esq.
Elizabeth R. Marx, Esq.
Ria M. Pereira, Esq.
The Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org
Counsel for PULP

/s/ Christy M. Appleby
Christy M. Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAppleby@paoca.org

Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. #320580
E-Mail: HBreitman@paoca.org

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870
E-Mail: DEvrard@paoca.org

Katie Kennedy
Assistant Consumer Advocate
PA Attorney I.D. # 317237
E-Mail: KKennedy@paoca.org
E-Mail: OCAPWSA2025@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: 717-783-5048
Fax: 717-783-7152

Dated: June 25, 2025

Counsel for:
Darryl A. Lawrence
Consumer Advocate