



COMMONWEALTH OF PENNSYLVANIA

November 17, 2025

**E-FILED**

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  
d/b/a Pittsburgh Water / Docket Nos. R-2025-3055010 (Water) / R-2025-3055011  
(Wastewater) / R-2025-3055012 (Stormwater)**

Dear Secretary Homsher:

Enclosed please find the Admitted PreServed Testimony, Exhibits, and Verifications, on behalf of the Office of Small Business Advocate (“OSBA”), pursuant to the Interim Order Adopting Joint Stipulation for Admission of Evidence and Granting Motion to Admit into the Record, that was issued on November 12, 2025, enclosed as Appendix A in the above-referenced proceedings:

- Direct Testimony and Exhibits of Joseph Kubas, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, Exhibit JK-6, and Exhibit JK-7, with signed Verification of Joseph Kubas.
- Rebuttal Testimony of Joseph Kubas, labeled OSBA Statement No. 1-R, with signed Verification of Joseph Kubas.
- Surrebuttal Testimony and Exhibits of Joseph Kubas, labeled OSBA Statement No. 1-SR, with associated Exhibit JK-8, and Exhibit JK-9, with signed Verification of Joseph Kubas.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service. If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Joseph Kubas  
Parties of Record



COMMONWEALTH OF PENNSYLVANIA

September 5, 2025

The Honorable Emily DeVoe  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222

The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222

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

Dear Judge DeVoe and Judge Quimby:

Enclosed please find the Direct Testimony and Exhibits of Jospheh Kubas, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, Exhibit JK-6, and Exhibit JK-7, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Joe Kubas  
Parties of Record

**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)**  
:   
:   
:   
**The Pittsburgh Water and Sewer** :   
**Authority d/b/a Pittsburgh Water** :

**DIRECT TESTIMONY & EXHIBITS**

**of**

**Joseph Kubas**

**on behalf of**

**Pennsylvania Office of Small Business Advocate**

**Topics:**

**Wholesale Revenue**  
**Present Rate Revenue – Added Customers and Usage**  
**Uncollectible Expense**  
**PennVEST Surcharge**  
**Distribution System Improvement Charge (DSIC)**  
**Cost of Service Study Allocation of Customer Assistance Costs**  
**Proposed Rates and Revenue**  
**Scale Back of Rates and Revenue**

**Date Served: September 5, 2025**

**Date Submitted for the Record: \_\_\_\_\_**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Joseph Kubas. My business address is 555 Forum Place 1<sup>st</sup> floor, Harrisburg  
3 PA, 17101.

4  
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Pennsylvania Office of Small Business Advocate (“OSBA”) as an  
7 Economic Development Consultant.

8  
9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

10 A. My testimony is being sponsored by the OSBA.

11

12 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND**  
13 **QUALIFICATIONS.**

14 A. My academic and professional background is described in the attached Appendix A.

15

16 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THIS**  
17 **COMMISSION?**

18 A. Yes. As described in my Appendix A, I provided testimony in many proceedings before  
19 the Commission on many occasions.

20

21 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
22 **PROCEEDING?**

1 A. My testimony addresses components of the Pittsburgh Water and Sewer Authority’s (PW  
2 or Company) revenue requirement and cost allocations for the Fully Projected Future Test  
3 year (“FPFTY”) comprised of the period from January 1, 2026, through December 31,  
4 2026, as well as the following year comprised of the period from January 1, 2027, through  
5 December 31, 2027 (FY 2027). Specifically, I will address two present rate revenue  
6 issues, three miscellaneous revenue issues, the proper application of the PennVEST  
7 surcharge, the proper way of allocating PW’s Customer Assistance Program (“CAP”)  
8 costs, proposed rates and revenue and the scale back of rates and revenue. I will also  
9 recommend a change in the application of the Distribution System Improvement Charge  
10 (“DSIC”). The absence of comment on my part regarding a particular issue does not  
11 signify support for (or opposition to) that issue in this filing.

12

13 **Q. ARE YOU MAKING A RECOMMENDATION FOR A SPECIFIC TOTAL**  
14 **REVENUE REQUIREMENT IN THIS CASE?**

15 A. No. My revenue requirement recommendations are limited to the issues that I address.  
16 Therefore, I am not offering a recommendation for a specific total revenue requirement.

17

18 **Q. WHAT SYSTEMS DOES PW OPERATE?**

19 A. PW operates the largest water treatment and distribution system in the commonwealth  
20 located in Allegheny County. PW also operates a wastewater and stormwater collection  
21 system in the same county.

22

1 **Q. BRIEFLY DESCRIBE THE REVENUE INCREASE BEING REQUESTED BY PW**  
2 **IN THIS CASE.**

3 A. PW is seeking a multi-year revenue requirement increase of \$84.4 million, inclusive of  
4 DSIC and the expansion of the PennVEST Surcharge. This \$84.4 million increase is  
5 comprised of a \$63.7 million increase (25.9%) in FPFTY 2026 and \$20.7 million increase  
6 (6.7%) in FY 2027 (PW St. No. 1, p. 3). As a municipal utility, PW has no shareholders  
7 or rate of return requirement but does utilize the “Cash Flow Method” to establish revenue  
8 requirement for each test year.

9

10 **Wholesale Water Revenue – Present and Proposed Revenue**

11 **Q. DOES PW CURRENTLY HAVE ANY WHOLESALE WATER CUSTOMERS?**

12 A. Yes. PW has several wholesale water customers listed on FR-VIII.2 in the original filing.

13

14 **Q. HOW IS THE REVENUE FROM WHOLESALE WATER CUSTOMERS**  
15 **DETERMINED AND HOW MUCH DID THE COMPANY REFLECT IN 2026**  
16 **AND 2027?**

17 A. The rates for these customers were established by contract, therefore the rates are the  
18 same under present and proposed rates. For water wholesale customers, PW reflected  
19 \$5,697,030 in 2026 (53.52 (b)(3) FPFTY 2026 COSS & Rate Design Model – Water  
20 Revenue Proof). and \$7,734,877 in FY 2027 (53.52 (b)(3) FY 2027 COSS & Rate Design  
21 Model – Water Revenue Proof).

22

1 **Q. DID YOU ASK PW TO PROVIDE ADDITIONAL INFORMATION**  
2 **CONCERNING WHOLESALE WATER CUSTOMERS?**

3 A. Yes. PW's response to OSBA-I-7 indicates that it did not use the latest contract rates to  
4 project revenue in 2026 and 2027 (OSBA Ex. JK-1, page 1). In this response, PW states  
5 that the \$5,697,030 wholesale revenue originally claimed in the FPFTY should be  
6 increased by \$40,985 and that the \$7,734,877 originally claimed in FY 2027 should be  
7 increased by \$40,025.

8  
9 **Q. WHAT DO YOU RECOMMEND CONCERNING THESE TWO CORRECTIONS?**

10 A. I recommend that the Company update their revenue requirement to reflect \$5,738,015  
11 (\$5,697,030 + \$40,985) wholesale revenue in FPFTY and \$7,774,902 (\$7,734,877 +  
12 \$40,025) wholesale revenue in FY 2027.

13

14 **Number of Customer – Water and Wastewater - Present Rate Revenue**

15 **Q. DID PW PROVIDE A SCHEDULE SHOWING THE NUMBER OF BILLS BY**  
16 **CLASS FOR BOTH WATER AND WASTEWATER IN THE HISTORIC TEST**  
17 **YEAR 2024 (HY 2024)?**

18 A. Yes. PW provided FR-II.9 showing it had 79,412 water customers (excluding Public Fire  
19 Hydrants) and 105,662 wastewater customers in HY 2024.

20

21 **Q. DID THE COMPANY PROJECT IT WOULD GAIN ANY CUSTOMERS IN THE**  
22 **FUTURE TEST YEAR, FPFTY OR THE FY 2027 TEST YEARS?**

1 A. No. PW projected the same number of customers for the FTY, the FPFTY, and FY 2027  
2 as it had in the HY described above (PW FR-II.9).

3

4 **Q. WHAT DO YOU RECOMMEND CONCERNING THE NUMBER OF**  
5 **CUSTOMERS FOR THE FTY, FPFTY AND FY 2027 TEST YEARS?**

6 A. I recommend that the Company reflect an additional 1,025 water customers and 1,977  
7 wastewater customers in each of the test years described above.

8

9 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

10 A. My recommendation is based upon the historical gain in customers by class and meter  
11 size over the past 3 years (2021 – 2024). The specific customer classes and meter sizes  
12 the comprise the 1,025 additional water customers and the additional 1,977 wastewater  
13 customers each year is shown on OSBA Exhibit JK-2, pages 1-2.

14

15 **Q. CAN YOU DESCRIBE YOUR METHODOLOGY FOR THESE PROJECTIONS?**

16 A. Yes. I began with the “Bills” tab contained on the PW 2025 Cost of Service study excel  
17 spreadsheet supporting the rate filing to create OSBA Exhibit JK-2, page 1-2. Then I  
18 determined the number of customers the Company added between 2021 and 2024 and  
19 used these changes to project the number of customers the Company will add in FTY,  
20 FPFTY, and FY 2027. For example, PW’s billing data shows that it added 61  $((2,830 -$   
21  $2,647)/3)$  5/8 Commercial customers per year (OSBA Exhibit JK-2, page 1, line 17).

22 Based upon this historic gain in customers, I added the 61 customers in the FTY, FPFTY,  
23 and FY 2027 to arrive at 3,013  $(2,830 + 61+61+61)$  5/8-inch Commercial customers in

1 FY 2027 (OSBA Exhibit JK-2, page 1, line 17). This same methodology was used for the  
2 other classes and meter sizes shown on this exhibit.

3  
4 **Q. WHY DID YOU NOT ADJUST ALL OF THE CLASSES AND METER SIZES?**

5 A. For the 8-inch Commercial customers, the number of customers fluctuated in the past, but  
6 PW is now providing service to nine 8-inch water customers over the past two years. I  
7 believe showing nine customers is reasonable and should remain stable. Second, for the  
8 Industrial, Health and Welfare classes, the three- year change in the number of customers  
9 was immaterial. Third, netting the change in customers for the Municipal - Residential  
10 and Municipal Commercial also results in an immaterial amount (PW FR-II.9 and the PW  
11 2025 Cost of Service excel spreadsheet).

12  
13 **Q. DO YOU ALSO RECOMMEND A CORRESPONDING INCREASE IN USAGE AS**  
14 **A RESULT OF YOUR RECOMMENDATION TO INCREASE THE NUMBER OF**  
15 **CUSTOMERS?**

16 A. Yes. It is reasonable to assume that these additional customers will use water and produce  
17 wastewater. Therefore, for the FTY and FPFTY, I assumed each customer would use the  
18 average amount reflected in the PW bill comparison (OSBA Exhibit JK-2, pages 3 and 4).  
19 For water customers in the FTY, I recommend adding 31,217,000 gallons of billable  
20 water usage and for the FPFTY, I recommend adding 47,929,000 gallons of total water  
21 usage (OSBA Exhibit JK-2, page 3, lines 10 and 21, columns G and I). For the FY 2027,  
22 I recommend adding 47,929,000 of billable usage and the same actual usage (OSBA  
23 Exhibit JK-2, page 3, lines 10 and 21, column K). For wastewater customers in the FTY,

1 and FPPTY, I recommend adding 58,031,000 of billable wastewater flow and 88,809,000  
2 of total wastewater flow (OSBA Exhibit JK-2, page 4, lines 9 and 19, columns G and I).  
3 For the FY 2027, I recommend adding 88,809,000 of billable wastewater flow and the  
4 same actual wastewater flow (OSBA Exhibit JK-2, page 4, lines 9 and 19, column K).  
5

6 **Q. CAN YOU PROVIDE AN EXAMPLE OF HOW YOU DETERMINED THESE**  
7 **ADDITIONAL WATER AND WASTEWATER VOLUMES?**

8 A. Yes. For example, PW's bill comparison shows the average Commercial customer uses  
9 13,000 gallons of water per month and is billed for 8,000 gallons per month with the other  
10 5,000 gallons per month be provided in the allowance in the FTY and FPPTY. Therefore,  
11 for the FTY and FPPTY, these additional 97.3 Commercial 5/8<sup>th</sup> inch customers shown on  
12 OSBA Exhibit JK-2, page 1, line 28, I determined will be billed for approximately  
13 9,341,000 gallons ( $97.3 \times 8,000 \times 12$ ) (OSBA Exhibit JK-2, page 3, line 4, columns G and  
14 I). For FY 2027, with no allowance included, the additional 97.3 Commercial 5/8<sup>th</sup> inch  
15 customers shown on OSBA Exhibit JK-2, page 1, line 28, I project will be billed for  
16 approximately 15,180,000 gallons ( $97.3 \times 13,000 \times 12$ ) (OSBA Exhibit JK-2, page 3, line 4,  
17 column K). For simplicity, I assumed all Commercial customers used this same average  
18 each month and that the additional Fire Service customers would use 500 gallons per  
19 month.  
20

21 **Q. WHAT IS THE IMPACT TO PRESENT RATE REVENUE OF ALL YOUR**  
22 **PRESENT RATE REVENUE ADJUSTMENTS?**

1 A. I calculated the increase in present rate revenue using the Company’s 2025 Cost of  
2 Service Excel Spreadsheet, adding the customers and usage described above, and  
3 increasing the Sale For Resale – Contract customer revenue results in an increase in the  
4 2025 FTY of approximately \$1.7 million, an increase in the FPFTY of approximately \$4.0  
5 million and an increase of approximately \$6.1 million in FY 2027 (OSBA Exhibit JK-3,  
6 line 25).

7

8 **Q. WHY IS THE ADJUSTMENT FOR SALE TO RESALE AND CONTRACT**  
9 **CUSTOMERS SO LARGE ON OSBA EXHIBIT JK-3?**

10 A. OSBA Exhibit JK-3 is based upon PW Exhibit EB-1 PW which is showing the same  
11 \$4,526,102 revenue for the Sale for Resale – Contract customers for each test year. As  
12 described above, the Company’s response to OSBA-1-7 revenue from contract customers  
13 should be \$5,738,014 in the FPFTY and \$7,774,902 in FY 2027 which I show on OSBA  
14 Exhibit JK-3, line 4.

15

16 **Uncollectible Expense**

17 **Q. WHAT ACCOUNTS DID THE COMPANY DESCRIBE THAT IS HAS OR WILL**  
18 **SOON TURN OVER FOR COLLECTIONS?**

19 A. PW describe three types of accounts it has or will soon turn over to delinquent accounts  
20 for collections. First, the Company described \$602,015 of stormwater accounts,  
21 \$1,514,978 for unlisted tenants, and \$154,545 from West View Water Authority (PW St.  
22 No. 6, pages 18-19).

23

1 **Q. DID YOU ASK THE COMPANY THE CURRENT STATUS OF THESE**  
2 **COLLECTION EFFORTS, AND WHERE THE FUNDS THAT MAY BE**  
3 **RECOVERED ARE REFLECTED IN THE FILING?**

4 A. Based upon the response to OSBA-IV-8-9 and 11, the Company states it turned over these  
5 accounts for collections, but based upon passed experience, only collected about 2% of  
6 the past due accounts. The Company states that it did not reflect any recovered funds in  
7 the COSS for the accounts (OSBA Exhibit JK-4).

8  
9 **Q. WHAT DO YOU RECOMMEND CONCERNING THESE DELINQUENT**  
10 **STORMWATER AND UNLISTED TENANT ACCOUNTS?**

11 A. I recommend that the Company reflect \$42,340 (\$602,015, + \$1,514,978) \*2% of the  
12 stormwater accounts and unlisted tenants as additional miscellaneous revenue in the  
13 COSS. If the Commission approves the Company's two-year rate case, the Company  
14 should reflect 50% of this \$42,340 or \$21,170 in the FPFTY, and the remaining 50% or  
15 \$21,170 in FY 2027.

16  
17 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATIONS?**

18 A. As stated by the Company, in the past, it has received 2% of delinquent accounts.  
19 Therefore, I believe it's reasonable to reflect collection of 2% of these stormwater and  
20 unlisted tenant delinquent accounts in the COSS.

21  
22 **Q. WHAT DO YOU RECOMMEND CONCERNING THE WEST VIEW WATER**  
23 **AUTHORITY ACCOUNT?**

1 A. I recommend that the Company reflect the entire \$154,545 as miscellaneous revenue  
2 related to the West View Water Authority in the FPFTY. If the Commission approves the  
3 Company's two-year rate case, the Company should reflect 50% of this \$154,545 or  
4 \$77,272 in the FPFTY, and the remaining 50% or \$77,272 in FY 2027.

5  
6 **Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?**

7 A. The Company provided no justification for not collecting this \$154,545 from West View  
8 Water. Unlike the missing tenants or parcels of land associated with the delinquent  
9 accounts described above, the West View Water system is a "going concern", operating a  
10 system and billing customers. Therefore, I believe it has the means to pay PW what it  
11 owes. PW should have taken steps to collect this \$154,545 in the past before it went to  
12 collections.

13

14 **PennVEST**

15 **Q. WHAT IS PENNVEST AND WHY CAN IT BE A SEPARATE SURCHARGE?**

16 A. The Pennsylvania Infrastructure Investment Authority (PennVEST) is a Commonwealth  
17 agency that provides grants and low interest loans to serve communities through capital  
18 funding for drinking water, wastewater, stormwater, non-point source pollution  
19 prevention and other related projects. It can be a separate surcharge because it is a loan  
20 provided by the Commonwealth making it different from other loans.

21

22 **Q. DOES PW CURRENTLY HAVE A TARIFF PROVISION THAT ALLOWS IT TO**  
23 **CHARGE A PENNVEST SURCHARGE?**

1 A. Yes, but the current surcharge is zero.

2

3 **Q. IS PW PROPOSING TO UTILIZE THIS PROVISION IN ITS TARIFF?**

4 A. Yes. PW is proposing to recover the principal and interest on its current and future  
5 PennVEST loans through this PennVEST surcharge beginning March 30, 2026. The  
6 projected amount in the FPFTY is approximately \$17.6 million and approximately \$23.5  
7 million in FY 2027 (PW St. No. 1, Exhibit JWP-1, line 3).

8

9 **Q. WHAT PENNVEST SURCHARGES ARE BEING PROPOSED BY PW?**

10 A. For the FPFTY PW is proposing a PennVEST water surcharge of \$2.13 per thousand  
11 gallons for all customers except Residential -CAP and Residential CAP 50FPL (CAP  
12 customers). For these CAP customers, PW is proposing a PennVEST water surcharge of  
13 \$1.06 per thousand gallons (PW Exhibit HJS-17W). For FY 2027 PW is proposing a  
14 PennVEST water surcharge of \$2.23 per thousand gallons for all customers except CAP  
15 customers. For these CAP customers, PW is proposing a PennVEST water surcharge of  
16 \$1.12 per thousand gallons (PW Exhibit HJS-24W). For the FPFTY PW is proposing a  
17 PennVEST wastewater surcharge of \$0.88 per thousand gallons for all customers except  
18 CAP customers. For these CAP customers, PW is proposing a PennVEST wastewater  
19 surcharge of \$0.44 per thousand gallons (PW Exhibit HJS-16WW). For FY 2027 PW is  
20 proposing a PennVEST wastewater surcharge of \$0.90 per thousand gallons for all  
21 customers except CAP customers. For CAP customers, PW is proposing a PennVEST  
22 wastewater surcharge of \$0.45 per thousand gallons (PW Exhibit HJS-23WW).

23

1 **Q. WHAT IS THE REVENUE SHORTFALL AS A RESULT OF GRANTING THE**  
2 **RESIDENTIAL CAP CUSTOMERS A 50% DISCOUNT OFF THE PENNVEST**  
3 **SURCHARGE ALL OTHER CUSTOMERS PAY?**

4 A. Based upon the Company's original filing, in 2026 the revenue shortfall is \$206,626  
5 (OSBA Exhibit JK-5, page 1, line 23). For FY 2027 the revenue shortfall is \$299,072.  
6 (OSBA Exhibit JK-5, page 2, line 23).

7

8 **Q. HOW DID THE COMPANY PROPOSE TO RECOVER THESE REVENUE**  
9 **SHORTFALLS?**

10 A. The Company is proposing the same higher PennVEST surcharge for all other non-CAP  
11 customers (PW Exhibit HJS-17W, 24W, 16WW and 23WW).

12

13 **Q. WHAT DO YOU RECOMMEND CONCERNING THESE REVENUE**  
14 **SHORTFALLS?**

15 A. I recommend that these revenue shortfalls only be recovered from Residential customers.  
16 Consistent with cost allocation principles, each customer class should bear the cost of  
17 services that directly benefit them. Non-residential customers are not eligible for this  
18 discount and are being required to pay a higher surcharge to recover this revenue shortfall.  
19 Furthermore, non-residential customers pay their utility bills based on their usage and  
20 requirements, and it is reasonable for Residential customers to pay rates that support the  
21 Residential class.

22

1 **Q. WHAT PENNVEST SURCHARGE RATES DO YOU PROPOSE BASED UPON**  
2 **YOUR RECOMMENDATION?**

3 A. For the FPFTY, I recommend the rates shown on OSBA Exhibit JK-5, page 1, column F.  
4 For the FY 2027, I recommend the rates shown on OSBA Exhibit JK-5, page 2, column F.  
5 These rates and the same volumes projected by the Company produce the same  
6 PennVEST revenue proposed by the Company.

7  
8 **Q. IS IT POSSIBLE THAT THE PENNVEST SURCHARGE YOU RECOMMEND**  
9 **COULD BE LOWER?**

10 A. Yes. The PennVEST surcharges that I recommend are based upon the volumes projected  
11 by PW. If the Commission accepts my recommendation above to reflect additional  
12 customers and usage, the PennVEST surcharge should be lowered so that the revenue  
13 received from the PennVEST surcharge remains as projected.

14  
15 **Q. DO YOU HAVE ANY FURTHER RECOMMENDATIONS CONCERNING**  
16 **THESE PENNVEST SURCHARGES?**

17 A. Yes. I recommend that that PW provide amortization tables for each loan and a summary  
18 of the history of PennVEST charges and revenue received from the PennVEST surcharge  
19 in the next base rate case.

20  
21 **Q. WHY DO YOU MAKE THIS RECOMMENDATION?**

22 A. I make this recommendation since the volumes are only projections and actual volumes  
23 times the final rates will likely produce a different total revenue. Therefore, I make this

1 recommendation to ensure the Commission and interested parties have the necessary  
2 information to determine the correctness of the PennVEST surcharge and review the  
3 annual reconciliation describe on page 8D of PW's Water Tariff, page 9C of PW's  
4 Wastewater tariff, and page 8D of PW's Stormwater tariff.

5  
6 **Distribution System Improvement Charge**

7 **Q. WHAT IS A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE AND WHY**  
8 **IS IT A SEPARATE SURCHARGE?**

9 A. The DSIC is a separate charge designed to recover the cost of various specific types of  
10 plant additions between rate cases. It is a separate charge because it happens outside of a  
11 rate case and is applied to a customer's bill on a percentage basis.

12  
13 **Q. DOES PW CURRENTLY HAVE A TARIFF PROVISION THAT ALLOWS IT TO**  
14 **CHARGE A PENNVEST SURCHARGE?**

15 A. Yes. However, the current maximum surcharge is 5.0%.

16  
17 **Q. IS PW PROPOSING TO INCREASE THE MAXIMUM DSIC PERCENTAGE?**

18 A. Yes. PW is proposing to increase the maximum surcharge to 7.5%. PW included the  
19 revenue from the PennVEST surcharge in the calculation.

20  
21 **Q. DO YOU OBJECT TO INCREASING THE DSIC SURCHARGE FROM 5.0% TO**  
22 **7.5%?**

23 A. No.

1 **Q. DO YOU OBJECT TO APPLYING THE DSIC SURCHARGE TO THE**  
2 **PENNVEST SURCHARGE?**

3 A. Yes. I recommend PW not be permitted to apply the DSIC surcharge to the PennVEST  
4 surcharge.

5  
6 **Q. WHY DO YOU BELIEVE THE DSIC SURCHARGE SHOULD NOT BE APPLIED**  
7 **TO THE PENNVEST SURCHARGE?**

8 A. First, I believe its improper to surcharge a surcharge. The PennVEST surcharge should  
9 only recover the debt service of PennVEST loans. Second, I believe the DSIC should  
10 only apply to base rates, thus excluding surcharges. I'm not aware of any other utility that  
11 includes surcharges in the DSIC calculation. In fact, gas utilities exclude the cost of  
12 purchased gas, and the state tax adjustment surcharge from their DSIC calculation.  
13 Finally, I believe allowing PW to include the PennVEST surcharge in the DSIC  
14 calculation will open the door for other surcharges to be included and for other utilities to  
15 include other surcharges in their DSIC calculations.

16  
17 **Q. DOES PW CURRENTLY HAVE A TARIFF PROVISION THAT ALLOWS IT TO**  
18 **INCLUDE SURCHARGES IN ITS DSIC CALCULATION?**

19 A. Yes. However, since PW currently applies no other surcharges to its DSIC, this provision  
20 is not being utilized. Therefore, I recommend that the Commission direct PW to remove  
21 the tariff provision that allows surcharges to be included in the DSIC calculation.

22

1 **Q. HOW MUCH WILL THIS RECOMMENDATION REDUCE PW'S PROPOSED**  
2 **REVENUE IN THE FPFTY AND FY 2027?**

3 A. This recommendation will reduce PW's proposed revenue by approximately \$1.3 million  
4 in the FPFTY and approximately \$1.8 million in FY 2027 (OSBA Exhibit JK-6).

5

6 **Cost of Service Study**

7 **Q. BRIEFLY DESCRIBE PW'S COST OF SERVICE STUDY (COSS)?**

8 A. PW provided a COSS that assigns or allocates various costs associated with operating  
9 each system separately as described in the testimony of Harold J. Smith shown on PW  
10 Exhibit HJS. PW also provide an excel spreadsheet labeled "Pittsburgh Water 2025 Cost  
11 of Service Study supporting rate filing as of 6-4-25" which I will refer to as the "Excel  
12 COSS".

13

14 **Q. WHAT IS THE LARGEST ITEM IDENTIFIED IN THE COSS ASSOCIATED**  
15 **WITH THE CUSTOMER ASSISTANCE PROGRAMS?**

16 A. It appears the largest program is the Bill Discount Program (BDP) for which there is  
17 forgone revenue. For the water system in 2026, PW identified \$2,711,475 of BDP  
18 forgone revenue (PW Exhibit HJS-12W). For the water system in FY 2027 PW identified  
19 \$2,830,625 of BDP forgone revenue (PW Excel COSS, W> Rate Design27\_NoMin). For  
20 the wastewater system in 2026, PW identified \$1,108,806 of BDP forgone revenue (PW  
21 COSS Excel, WW> Rate Design26). For the wastewater system in FY 2027 PW  
22 identified \$1,268,233 of BDP forgone revenue (PW Excel COSS, WW> Rate  
23 Design27\_NoMin). For the stormwater system in 2026, PW identified \$1,040,309 of

1 BDP forgone revenue (PW Excel COSS, SW> Rate Design26). For the stormwater  
2 system in FY 2027 PW identified \$1,055,270 of BDP forgone revenue (PW Excel COSS,  
3 SW> Rate Design27).

4  
5 **Q. ARE THERE OTHER CUSTOMER ASSISTANCE PROGRAM EXPENSES**  
6 **THAT THE COMPANY IS CLAIMING?**

7 A. Yes. PW is claiming \$900,000 of Hardship Grant expense as described on (PW St. No. 6,  
8 pages 30-36). PW is also claiming \$662,322 of Leak Credit expense for customers that  
9 experience leaks (PW St. No. 6, pages 37-38). PW is also claiming \$280,094 of  
10 Arrearage Forgiveness program expense (PW St. No. 6, page 36-37). Finally, PW is  
11 claiming \$150,000 of expense related to service line repairs (PW St. No. 6, page 33).

12  
13 **Q. WHERE DID PW CLAIM THE HARDSHIP GRANT AND LINE REPAIR**  
14 **EXPENSES IN THE COSS EXCEL?**

15 A. PW claimed the \$900,000 Hardship Grant Expense and the \$150,000 of expense related to  
16 service line repairs as operating expenses listed under customer costs in the Excel COSS  
17 and is proposing to collect these expenses from all customers including CAP customers.

18  
19 **Q. WHERE DID PW CLAIM THE LEAK CREDIT AND ARREARAGE**  
20 **FORGIVENESS PROGRAM EXPENSES IN THE COSS EXCEL?**

21 A. PW claimed the \$662,322 Leak Credit expense and \$280,094 of Arrearage Forgiveness  
22 expense as “Other Expenditures and Transfers” (PW Exhibit EB-1-3).

23

1 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS CONCERNING THE**  
2 **ALLOCATION OF THE CUSTOMER ASSISTANCE PROGRAM COSTS IN**  
3 **FPFTY 2026 AND IN FY 2027.**

4 A. These customer assistance program exists solely for the benefit of the residential class and  
5 therefore should be recovered solely by residential customers, excluding stormwater  
6 customers.

7  
8 **Q. PLEASE EXPLAIN THE BASIS FOR YOUR RECOMMENDATIONS.**

9 A. Consistent with cost allocation principles, customer classes should bear the cost of  
10 services that directly benefit them. Non-residential customers pay their utility bills based  
11 on their usage and requirements, and it is reasonable for them to expect that their  
12 payments to support services related to their own consumption, not residential assistance.  
13 Since stormwater rates are based upon “Equivalent Residential Units”, I do not wish to  
14 change the stormwater rate structure at this time.

15  
16 **Q. DOES THE COSS EXCEL FOR THE WATER AND WASTEWATER SYSTEMS**  
17 **NEED TO BE ADJUSTED TO REFLECT YOUR RECOMMENDATIONS?**

18 A. Yes. For the Bill Discount Program (BDP) described above can be made on the PW  
19 COSS Excel model for which it has a separate line (PW COSS W>RateDesign26, W>  
20 Rate Design27\_NoMin, WW>RateDesign26, and WW> Rate Design27\_NoMin). For the  
21 remaining expenses, the COSS will have to be modified to reflect a new “Residential  
22 Only” allocation factor. Also, for the \$280,094 of Arrearage Forgiveness Program

1 expense and the \$662,322 of Leak Credit expense, these will need to be moved from the  
2 Income Statement to O&M expenses and allocated only to the Residential class.

3  
4 **Q. HAVE YOU ESTIMATED THE IMPACTS TO CUSTOMER CLASSES IF YOUR**  
5 **RECOMMENDATIONS ARE ACCEPTED?**

6 A. Yes. Based upon the Company's original filing, I was able to estimate the impact to  
7 customer classes. For the water system in the FPFTY, my recommendation increases the  
8 revenue requirement for the Residential class by approximately \$2.8 million and  
9 decreases the revenue requirement for the Commercial class by approximately \$1.7  
10 million and decreases all the other classes by approximately \$1.1 million (OSBA Exhibit  
11 JK-7, page 1, line 16). For the water system in the FY 2027, my recommendation  
12 increases the revenue requirement for the Residential class by approximately \$2.9 million  
13 and decreases the revenue requirement for the Commercial class by approximately \$1.8  
14 million and decreases all the other classes by approximately \$1.1 million (OSBA Exhibit  
15 JK-7, page 2, line 16). For the wastewater system in the FPFTY, my recommendation  
16 increases the revenue requirement for the Residential class by approximately \$797,000  
17 and decreases the revenue requirement for the Commercial class by approximately  
18 \$556,000 and decreases all the other by approximately \$241,000 (OSBA Exhibit JK-7,  
19 page 3, line 17). For the wastewater system in the FY 2027, my recommendation  
20 increases the revenue requirement for the Residential class by approximately \$889,000  
21 and decreases the revenue requirement for the Commercial class by approximately  
22 \$621,000 and decreases all the other classes by approximately \$268,000 (OSBA Exhibit  
23 JK-7, page 4, line 17).

1 **Q. CAN YOU DESCRIBE HOW YOU REALLOCATED THE BILL DISCOUNT**  
2 **PROGRAM EXPENSES IN THE EXCEL COSS?**

3 A. Yes. As an example, I will describe the reallocations I recommend in the water Excel  
4 COSS for the FPFY (OSBA Exhibit JK-7, page 1). I used the same methodology in water  
5 FY 2027 and the wastewater Excel COSS (OSBA Exhibit JK-7, pages 2-4). For the BDP  
6 I removed the amounts originally proposed to be recovered from the Commercial,  
7 Industrial, Health or Education, Municipal Residential and Municipal Commercial class  
8 which totaled \$1,683,887 and added this \$1,683,887 to the Residential class (OSBA  
9 Exhibit JK-7, page 1, line 6).

10

11 **Q. CAN YOU DESCRIBE HOW YOU REALLOCATED THE HARDSHIP FUND,**  
12 **ARREARAGE FORGIVENESS AND LINE REPAIR EXPENSES THE EXCEL**  
13 **COSS?**

14 A. Yes. For the Hardship Fund, Arrearage Forgiveness and Line Repair expenses, I needed  
15 to determine the percentage of costs it takes to operate the water and wastewater system  
16 compared to operating both systems. For the FPFTY, the total cost to operate both  
17 systems is \$245,188,558 (\$185,819,544 + \$59,369,015). Based upon this, I determined  
18 that the water system accounts for 75.786%  $\$185,819,544 / (\$245,188,558)$  of the cost to  
19 operate both systems (OSBA Exhibit JK-7, page 1, line 2, column B). For the \$900,000  
20 Hardship fund, I determined that \$682,077, (75.786% of the \$900,000) should be  
21 recovered from the water COSS (OSBA Exhibit JK-7, page 1, line 7, column B). I  
22 assumed that the Residential class was originally allocated 32.477% of this cost based  
23 upon the 32.477% of total water cost allocated to the Residential class (OSBA Exhibit JK-

1 7, page 1, line 2, column C). Therefore, I allocated the remaining approximately 67.523%  
2  $\$460,562 = \$682,077 * 0.67523$ ) to the Residential class (OSBA Exhibit JK-7, page 1,  
3 line 7, column C). Then I reduced the remaining classes based upon their corresponding  
4 COSS shown on (OSBA Exhibit JK-7, page 1, line 2, and line 7, columns D-L). I used  
5 the same methodology for the Arrearage Forgiveness and Line Repair expenses shown on  
6 (OSBA Exhibit JK-7, pages 1-2, lines 9-10, for FY 2027, and the wastewater COSS in the  
7 FPFTY and FY 2027 (OSBA Exhibit JK-7, pages 3-4).

8  
9 **Q. CAN YOU DESCRIBE HOW YOU REALLOCATED THE LEAK CREDIT**  
10 **EXPENSES IN THE EXCEL COSS?**

11 A. Yes. Since the Leak Credit only applies to water customers, there is no allocation to the  
12 wastewater system. Similar to the methodology described above, I determined that the  
13 Residential class was already being allocated 32.447% of the leak credit expense, or  
14  $\$215,099 (\$662,322 * 32.447\%)$ . Therefore, it is necessary to add the remaining  
15  $\$477,223 (\$662,322 - \$215,099)$  leak credit expense to the Residential class. To do this, I  
16 removed the amounts originally proposed to be recovered from the Commercial,  
17 Industrial, Health or Education, Municipal Residential and Municipal Commercial class  
18 which totaled  $\$447,223$  and added this  $\$447,223$  to the Residential class (OSBA Exhibit  
19 JK-7, page 1, line 8). For FY 2027, the amount reallocated was also  $\$447,223$  (OSBA  
20 Exhibit JK-7, page 2, line 8).

1 **Proposed Rates**

2 **Q. HOW WERE THE PROPOSED BASE RATES DEVELOPED IN THIS**  
3 **PROCEEDING?**

4 A. For rates in 2026, PW kept the allowance the same and increased the customer charges,  
5 usage rates and stormwater ERU based upon costs developed in the PW COSS. For rates  
6 in FY 2027, PW removed the allowance, lowered the monthly charges, increased the  
7 usage rates and the ERU rate. These rates were also based upon the costs developed in  
8 the PW COSS. All non-CAP metered water customers pay the same water customer  
9 charge based upon their meter size. All non-CAP metered wastewater customers pay the  
10 same monthly service charge based upon their water meter size. The usage rate a  
11 customer pays depends on the class of service of each customer (PW HJS-17W, 24W  
12 16WW, 23WW and 6SW).

13  
14 **Q. HOW WILL YOUR RECOMMENDATIONS DESCRIBED ABOVE IMPACT**  
15 **PROPOSED RATES?**

16 A. The additional customers and volumes that I recommend will reduce proposed base rates.  
17 Removing the PennVEST surcharge from the DSIC will increase proposed base rates.  
18 Recovering the PennVEST CAP discount only from Residential customers will increase  
19 the Residential PennVEST rates. Reallocating costs within the COSS will increase  
20 Residential usage rates and reduce rates for other customers in the other classes depending  
21 on the class of service.

22

1 **Q. HOW DO YOU RECOMMEND THAT RATES BE CHANGED OR SCALED**  
2 **BACK IF THE COMMISSION GRANTS A DIFFERENT LEVEL OF PROPOSED**  
3 **REVENUE?**

4 A. I recommend the Company modify the Excel COSS based upon the final Commission  
5 order and utilize the rates that are developed using the internal calculations of the Excel  
6 COSS. This will ensure that the revenue received from each class is close to or equal to  
7 the cost of providing service to that class.

8  
9 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

10 A. Yes, it does.

# **APPENDIX A**

## **Resume & Expert Testimony List**

**JOSEPH KUBAS**

**OFFICE OF SMALL BUSINESS ADVOCATE**

**Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg PA 17101**

**Education:** Bachelor of Science in Civil Engineering Technology, 1985, University of Pittsburgh at Johnstown, Johnstown, PA.

**Continuing**

**Education:** Legal Principles and Practices of Surveying at the University of Maryland. Economics, Accounting, 33 Credit hours of accounting at the Howard County Community College and the University of Pittsburgh at Johnstown. Managing Multiple Priorities at the Pennsylvania State University. Various PA-PUC and Utility Company Seminars.

**Professional:** Engineer In Training, 1985,

**Exams:** Uniform Certified Public Accounting Exam, 1993.

**Rate School:** Cost of Service - Rate Structure & Rate Design instructor at Commission's Rate School - September 2010, 2012, 2014, 2016, 2022, and 2024.

**Title:** **ECONOMIC DEVELOPMENT CONSULTANT**

May 2025 - Present  
Office of Small Business Advocate

**Duties:** Provide consultation and assist the OSBA the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, and economic analyses. The types of dockets reviewed by the OSBA base rate cases, applications, formal complaints, investigations, applications, and petitions. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

**Title: RATE CASE REVIEW SPECIALIST - ANNUITANT**

July 2023 – December 2024  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement

**Duties:** Provide consultation and assist the Bureau of I&E in the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included applications, formal complaints, investigations, applications, petitions and rate investigations. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

**Title: FIXED UTILITY VALUATION ENGINEER SUPERVISOR**

December 2011 – June 2023  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement

**Duties:** Duties included the areas of Engineering, Revenue and Rate Structure for all fixed utility types. During the course of formal and informal investigations personnel under my direction were responsible for reviewing and presenting recommendations regarding tariff rate schedules, tariff rules and regulations, measures of value claims, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included: applications, formal complaints, investigations, petitions and rate investigations. The Engineering Section was also responsible for reviewing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue, depreciation studies, water quality test results and formal complaints. Duties also included reviewing default service petitions by electric distribution companies and Act 129 Filings by the seven major electric Utilities, including energy efficiency and conservation plans and Smart Meter Plans.

**Title: RATE CASE REVIEW SPECIALIST**

December 2009 - December 2011  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement and Office of Trial Staff

**Duties:** These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions, and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue, and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the I&E position in formal and informal proceedings before the Commission. Assist I&E employees with engineering and rate structure issues, including briefs and exceptions input. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

**Title:** **FIXED UTILITY VALUATION ENGINEER III**

December 1999 - December 2009  
Pennsylvania Public Utility Commission  
Office of Trial Staff

**Duties:** These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the OTS position in formal and informal proceedings before the Commission. Assist OTS employees with engineering and rate structure matters, including briefs and exceptions. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

**Title: FIXED UTILITY VALUATION ENGINEER II**

April 1996 - December 1999  
Pennsylvania Public Utility Commission  
Office of Trial Staff and Bureau of Fixed Utility Services

**Duties:** Perform the duties of a Fixed Utility Valuation Engineer II in the Office of Trail Staff (OTS) and Bureau of Fixed Utility Services.

**Title: FIXED UTILITY VALUATION ENGINEER TRAINEE, I & II**

May 1993 - March 1996  
Pennsylvania Public Utility Commission  
Office of Trial Staff  
Telecommunications and Water Division

**Duties:** Perform the duties of a Fixed Utility Valuation Engineer II in the Rate Structure/Engineering Section of the Telecommunications and Water Division of the Office of Trial Staff (OTS).

**Title: CIVIL ENGINEER**

May 1985 - January 1991  
Clark Finefrock & Sackett Inc.  
7135 Minstrel Way  
Columbia, MD 21045

**Duties:** Engineering, Surveying, Computer, and Field Inspection work related to land development projects in Maryland.

**Testimony Before the Pennsylvania Public Utility Commission**

- |     |  |            |
|-----|--|------------|
| 1.  | National Utilities Inc. (Water)                              | R-00953416 |
| 2.  | Consumer Pennsylvania Water Company - Roaring Creek Division | R-00973869 |
| 3.  | Philadelphia Suburban Water Company                          | R-00973952 |
| 4.  | Bell Atlantic - Pennsylvania Inc.                            | P-00971307 |
| 5.  | City of Bethlehem- Bureau of Water                           | R-00984375 |
| 6.  | Pennsylvania Telephone Association -Chapter 30 Plan          | P-00981425 |
| 7.  | GTE North Inc. Telephone Chapter 30 Plan                     | P-00981449 |
| 8.  | Pennsylvania American Water Co                               | R-00994638 |
| 9.  | Philadelphia Suburban Water Co.                              | R-00994868 |
| 10. | PG Energy (Gas)  | R-00005119 |

11.	Pennsylvania American Water -Coatesville Acquisition	A-212285-F0071
12.	T. W Phillips Gas and Oil Company	R-00005459
13.	Verizon North - Chapter 30 Plan	P-00001854
14.	Philadelphia Gas Works	R-00006042
15.	PFG Gas Inc. & Penn Fuels Gas Co.	R-00013679
16.	Pennsylvania American Water Co.	R-00016339
17.	Philadelphia Suburban Water Co.	R-00016750
18.	Philadelphia Gas Works	R-00017034
19.	PFG Gas Inc. & Penn Fuels Gas Co	R-00027389
20.	Verizon - Pennsylvania, Inc.	P-00021973
21.	Verizon - Pennsylvania, Inc.	P-00937105-F0002
22.	Pennsylvania American Water Co.	R-00027982
23.	Dominion Peoples 1307(f)	R-00038170
24.	Verizon PA / Verizon North	C-20027195
25.	National Fuel Gas Distribution, Inc.	R-00038168
26.	Aqua Pennsylvania Inc.	R-00038805
27.	Dominion Peoples 1307 (f)	R-00049153
28.	PPL Electric Utilities	R-00049255
29.	National Fuel Gas Distribution, Inc.	R-00049656
30.	City of Lancaster - Sewer	R-00049862
31.	Dominion Peoples 1307(f)	R-00050267
32.	Verizon PA / Verizon North	C-20027195
33.	PPL Gas Utilities Inc. 1307(f)	R-00050540
34.	United Telephone	A-313200-F0007
35.	Aqua Pa	R-00051030
36.	T.W. Phillips 1307(f)	R-00051134
37.	City of Dubois	R-00050671
38.	T.W. Phillips	R-00051178
39.	The Peoples Natural Gas Co. 1307(f)	R-00061301
40.	Meted/Penelec	R-00061366 and R-00061367
41.	The York Water Company	R-00061322
42.	PPL Gas Utilities Corporation	R-00061398
43.	National Fuel Gas Distribution, Inc.	R-00061493
44.	Pennsylvania American Water Co.	P-00062241
45.	Philadelphia Gas Works	R-00061931
46.	PPL Electric	R-00072155
47.	Pennsylvania-American Water Co.	R-00072229
48.	Valley Energy	R-00072349
49.	City of Bethlehem	R-00072492
50.	Aqua Pennsylvania, Inc.	R-00072711
51.	T.W. Phillips 1307(f)	R-2008-2013026
52.	Columbia Gas	R-2008-2011621
53.	The Peoples Natural Gas Co. 1307(f)	R-2008-2022206

54.	PECO Energy	P-2008-2032333
55.	NRG Energy Center Harrisburg	R-2008-2028395
56.	PAWC - Coatesville Wastewater	R-2008-2032689
57.	York Water	R-2008-2023067
58.	Pike County Power and Light (Gas)	R-2008-2046520
59.	Columbia Water	R-2008-20451 57
60.	T. W. Phillips Gas (1307-f)	R-2008-2075250
61.	The Peoples Natural Gas Co. (1307-f)	R-2009-2088069
62.	UGI Utilities Inc. (1307-f)	R-2009-2105911
63.	PAWC Water	R-2009-2097323
64.	UGI Utilities Inc.	R-2009-2105911
65.	Penn Estates Water	R-2009-2117532
66.	Penn Estates Sewer	R-2009-2117740
67.	AT&T Communications	C-2009-2098380
68.	Aqua Pennsylvania Inc.	R-2009-2132019
69.	T.W. Phillips Gas (1307-f)	R-2009-2145441
70.	PGW Gas	R-2009-2139884
71.	City of Bethlehem - Remand	R-00072492
72.	Dominion Peoples (1307-f)	R-2010-2155608
73.	PECO Energy - Gas Division	R-2010-2161592
74.	UGI Penn National Gas	R-2010-2172928
75.	PAWC Coatesville Operations	R-2010-2166212
76.	PAWC Northeast Operations	R-2010-2166214
77.	Duquesne Light	R-2010-2179522
78.	Peoples Natural Gas Company	R-2010-2201702
79.	T.W. Phillips - Steel River Application	A-2010-2210326
80.	Peoples Natural Gas 1307(f)	R-2011-2228694
81.	UGI Penn Natural Gas 1307(f)	R-2011-2238943
82.	Pennsylvania American Water	R-2011-2232243
83.	Aqua Pennsylvania, Inc.	R-2011-2267958
84.	Borough of Quakertown	R-2011-2251181
85.	Peoples Natural Gas Company	R-2012-2285985
86.	Columbia Gas of Pennsylvania	R-2012-2321748
87.	UGI Utilities Inc.	R-2015-2518438
88.	Aqua Wastewater	A-2017-2605434
89.	Pennsylvania American Water	R-2017-2595853
90.	UGI Electric	R-2017-2640058
91.	PECO Electric	R-2018-3000164
92.	York Water Company	R-2018-3000019
93.	Penn Power	P-2019-3012628
94.	Aqua-PA -New Garden Twp	A-2019-2580061
95.	UGI Gas	R-2019-3015162
96.	Pittsburgh Water and Sewer	R-2019-3017951

97	PAWC Wastewater	P-2019-3019019
98.	Aqua PA Wastewater	R-2020-3019371
99.	PECO Electric	R-2021-3027386
100.	Borough of Ambler	R-2021-3024601
101.	PAWC – Borough of Brentwood	R-2022-3031704
102.	PAWC – Wastewater	A-2022-3024058
103.	First Energy	R-2023-3043190
104.	PPL Electric	R-2024-3047068
		P-2024-3048732

# **EXHIBIT JK-1**

**Response of the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water to the Interrogatories of the Office of Small Business Advocate (“OSBA”), Set I Docket Nos. R-2025-3055010 (Water), R-2025-3055011 (Wastewater) R-2025-3055012 (Storm Water)**

- Request: OSBA-I-7** Reference the tab labeled “Wholesale” in the Company’s Excel Spreadsheet:
- (a) Explain if the volumes on lines 13, 15, and 16 for PAWC, RSRV-6 and Westview include the water allowances described on the tab labeled “FR-VIII-2”.
  - (b) If the water allowance is not included, provide a schedule that shows the water allowance excluded each month for 2021 through 2024.
  - (c) Describe how the minimum allowance - excluded water is factored into the Company’s non-revenue water.
  - (d) Explain if Westgate’s current minimum of \$3,673.18 per month per meter as shown on line 17 of the tab labeled “FR-VIII.2” which equates to an annual bill of \$176,313, is more than the \$171,036 the Company is projecting it will receive from Westview as shown on line 34 of the tab labeled “Wholesale”.
  - (e) Explain why the annual revenue for Westview fluctuated between \$131,553 and \$171,036 per year when this customer used little or new water per year between 2020 and 2024.

**Response:**

- (a) No, these represent total volumes delivered to these customers.
- (b) See excel **Attachment OSBA-2-7(b)** “Wholesale and Contract Revenues FY2022-FY2027 Revised 7.16.25” which provides a detailed calculation of wholesale revenue for FY2022 through FY2024 as well as the calculation of projected wholesale revenue for FY2025 through FY2027. Please note that during the preparation of this worksheet it was determined that the values for actual and projected wholesale revenue in the filed rate model did not properly take into account rate adjustments that do not coincide with the beginning of a fiscal year. As shown in **Attachment OSBA-2-7(b)**, the corrections to the calculation of actual and projected wholesale revenue results in an increase in projected wholesale revenue of \$40,985 in FY2026 and an increase of \$40,025 in FY2027.
- (c) The minimum allowance is not included in the determination of non-revenue water.
- (d) As mentioned in the response to OSBA-I-7 (b), the revenue value for Westview in the filed rate model is incorrect because it did not account for the impact of rate adjustments that did not coincide with the beginning of a fiscal year. The correct revenue values for Westview are shown in the Wholesale Revenue.

**Response of the Pittsburgh Water and Sewer Authority d/b/a Pittsburg Water  
to the Interrogatories of the Office of Small Business Advocate (“OSBA”), Set I  
Docket Nos. R-2025-3055010 (Water), R-2025-3055011 (Wastewater)  
R-2025-3055012 (Storm Water)**

- (e) Westview had usage in September 2020 (2,688 kgal) that exceeded the minimum allowance per contract. This usage was inadvertently left out of the model. 2020 is the only year they paid more than the monthly minimum charge. All other increases are related solely to increases in their wholesale minimum charges.

Response provided by: Harold Smith, Raftelis

Date Response provided: 8/18/25

# **EXHIBIT JK-2**

Pittsburgh Water  
 FPFY 2026 COS & Rate Design Model  
 OSBA PROPOSED NUMBER OF WATER CUSTOMERS

Water Customers (A)	FY 2021 Actual (B)	FY 2022 Actual (C)	FY 2023 Actual (D)	FY 2024 Actual (E)	3 Year Average (F)	FY 2025 Forecast (G)	3 Year Average (H)	FY 2026 Forecast (I)	3 Year Average (J)	FY 2027 Forecast (K)	
<b>Residential</b>											
1	5/8"	58,721	58,207	60,525	59,637	305	59,942	305	60,247	305	60,553
2	3/4"	2,550	2,538	2,588	2,573	8	2,581	8	2,588	8	2,596
3	1"	2,440	2,052	2,462	2,448	3	2,451	3	2,454	3	2,457
4	1.5"	24	38	60	61	12	73	12	86	12	98
5	2"	4	6	11	13	3	16	3	19	3	22
6	Unmetered (Units)	333	333	333	333	-	333	-	333	-	333
7	<i>Subtotal: Residential</i>	64,072	63,173	65,979	65,065	331	65,396	331	65,727	331	66,058
<b>Residential - CAP</b>											
8	5/8"	2,665	3,050	3,415	3,789	375	4,164	375	4,538	375	4,913
9	3/4"	24	29	34	40	5	45	5	51	5	56
10	1"	14	17	21	28	5	33	5	37	5	42
11	Unmetered (Units)	1	1	1	1	-	1	-	1	-	1
12	<i>Subtotal: Residential - CAP</i>	2,704	3,098	3,471	3,858	385	4,243	385	4,627	385	5,012
<b>Residential - CAP - 50FPL</b>											
13	5/8"	561	852	982	1,119	186	1,305	186	1,491	186	1,677
14	3/4"	2	4	9	13	4	17	4	20	4	24
15	1"	4	5	3	6	1	7	1	8	1	8
16	<i>Subtotal: Residential - CAP - 50FPL</i>	567	860	994	1,138	191	1,329	191	1,519	191	1,710
<b>Commercial</b>											
17	5/8"	2,647	2,709	2,856	2,830	61	2,891	61	2,952	61	3,013
18	3/4"	677	696	711	707	10	717	10	727	10	738
19	1"	1,400	1,433	1,458	1,461	20	1,481	20	1,502	20	1,522
20	1.5"	837	839	828	830	(2)	828	(2)	825	(2)	823
21	2"	812	811	799	820	3	823	3	825	3	828
22	3"	252	235	257	260	3	263	3	265	3	268
23	4"	195	181	197	201	2	203	2	205	2	207
24	6"	85	77	86	88	1	89	1	90	1	91
25	8"	11	6	9	9	-	9	-	9	-	9
26	10" or Larger	-	-	-	-	-	-	-	-	-	-
27	Unmetered (Units)	1	1	1	1	-	1	-	1	-	1
28	<i>Subtotal: Commercial</i>	6,917	6,987	7,202	7,207	97	7,304	97	7,402	97	7,499
<b>Private Fire System</b>											
29	1" or Less	1,319	1,326	1,367	1,383	21	1,404	21	1,426	21	1,447
30	<i>Subtotal: Private Fire System</i>	1,387	1,389	1,411	1,427	21	1,448	21	1,470	21	1,491
31	<b>Total: Water Customers</b>	<b>76,363</b>	<b>76,210</b>	<b>79,632</b>	<b>79,412</b>	<b>1,025</b>	<b>80,437</b>	<b>1,025</b>	<b>81,462</b>	<b>1,025</b>	<b>82,487</b>

**Pittsburgh Water**  
*FPPTY 2026 COS & Rate Design Model*  
**OSBA PROPOSED NUMBER OF WW CUSTOMERS**

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>3 Year</b>	<b>FY 2025</b>	<b>3 Year</b>	<b>FY 2026</b>	<b>3 Year</b>	<b>FY 2027</b>	
<b>Wastewater Customers</b>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<b><u>Average</u></b>	<i>Forecast</i>	<b><u>Average</u></b>	<i>Forecast</i>	<b><u>Average</u></b>	<i>Forecast</i>	
<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F)</b>	<b>(G)</b>	<b>(H)</b>	<b>(I)</b>	<b>(J)</b>	<b>(K)</b>	
<b>Residential</b>											
1	5/8"	80,725	80,694	84,693	83,385	887	84,272	887	85,158	887	86,045
2	3/4"	2,571	2,625	2,623	2,608	12	2,620	12	2,632	12	2,645
3	1"	2,462	2,086	2,484	2,470	3	2,473	3	2,475	3	2,478
4	1.5"	24	46	60	61	12	73	12	86	12	98
5	2"	4	9	12	14	3	17	3	21	3	24
6	Unmetered (Units)	333	333	333	333	-	333	-	333	-	333
7	<i>Subtotal: Residential</i>	86,119	85,792	90,205	88,871	917	89,788	917	90,705	917	91,623
<b>Residential - CAP</b>											
8	5/8"	3,624	4,069	4,797	5,471	616	6,087	616	6,702	616	7,318
9	3/4"	25	32	34	40	5	45	5	50	5	56
10	1"	14	17	23	30	5	35	5	41	5	46
11	Unmetered (Units)	1	1	1	1	-	1	-	1	-	1
12	<i>Subtotal: Residential - CAP</i>	3,664	4,120	4,855	5,542	626	6,168	626	6,794	626	7,420
<b>Residential - CAP - 50FPL</b>											
13	5/8"	806	1,244	1,432	1,653	282	1,935	282	2,218	282	2,500
14	3/4"	2	4	9	13	4	17	4	20	4	24
15	1"	3	4	3	6	1	7	1	8	1	9
16	<i>Subtotal: Residential - CAP - 50FPL</i>	811	1,252	1,444	1,672	287	1,959	287	2,246	287	2,534
<b>Commercial</b>											
17	5/8"	3,641	3,728	4,009	3,976	112	4,088	112	4,199	112	4,311
18	3/4"	791	816	829	825	11	836	11	848	11	859
19	1"	1,638	1,675	1,721	1,722	28	1,750	28	1,778	28	1,806
20	1.5"	875	876	859	861	(5)	856	(5)	852	(5)	847
21	2"	901	895	877	898	(1)	897	(1)	896	(1)	895
22	3"	251	233	257	260	3	263	3	266	3	269
23	4"	210	193	198	202	(3)	199	(3)	197	(3)	194
24	6"	100	90	100	103	1	104	1	105	1	106
25	8"	11	6	9	9	-	9	-	9	-	9
26	10" or Larger	-	-	-	-	-	-	-	-	-	-
27	Unmetered (Units)	1	1	1	1	-	1	-	1	-	1
28	<i>Subtotal: Commercial</i>	8,418	8,513	8,860	8,857	147	9,004	147	9,151	147	9,298
29	<b>Total: Wastewater Customers</b>	<b>99,751</b>	<b>100,410</b>	<b>105,942</b>	<b>105,662</b>	<b>1,977</b>	<b>107,639</b>	<b>1,977</b>	<b>109,617</b>	<b>1,977</b>	<b>111,594</b>

**Pittsburgh Water**

FPFTY 2026 COS & Rate Design Model

**OSBA PROPOSED WATER USAGE**

		X	X	X	New		New		New			
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Customers</b>	<b>FY 2025</b>	<b>Customers</b>	<b>FY 2026</b>	<b>Customers</b>	<b>FY 2027</b>	
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Usage</i>	<i>Forecast</i>	<i>Usage</i>	<i>Forecast</i>	<i>Usage</i>	<i>Forecast</i>	
	(A)	(B)	(C)	(D)	(E)	(G)	(H)	(I)	(J)	(K)	(L)	
<b>Water Usage - Retail</b>												
<b>Billable Usage</b>												
1	Residential	1,951,157	1,833,447	1,766,983	1,690,452	1,616,582	7,944	1,699,283	7,944	1,707,227	11,916	1,719,143
2	Residential - CAP	74,938	73,168	80,155	90,674	97,840	9,231	98,788	9,231	108,019	13,847	121,866
3	Residential - CAP - 50FPL	-	19,062	26,271	31,460	37,279	4,572	36,242	4,572	40,814	6,858	47,672
4	Commercial	2,021,812	2,044,982	2,073,132	2,260,754	2,384,892	9,341	2,248,934	9,341	2,258,275	15,180	2,273,455
5	Industrial	172,720	195,583	103,883	147,953	259,498	0	170,445	0	170,445	0	170,445
6	Health or Education	832,774	902,028	831,073	885,442	947,882	0	888,132	0	888,132	0	888,132
7	Fire System	15,404	7,975	6,856	7,410	7,825	129	7,492	129	7,621	129	7,750
8	Municipal - Residential	1,952	1,581	1,574	50	63	0	562	0	562	0	562
9	Municipal - Commercial	195,754	249,695	209,870	40,170	78,028	0	109,356	0	109,356	0	109,356
10	<i>Subtotal: Billable Usage</i>	5,266,512	5,327,520	5,099,796	5,154,365	5,429,889	31,217	5,259,234	31,217	5,290,451	47,929	5,338,381
11	<i>% Change</i>	219	1.2%	-4.3%	1.1%	5.3%		-3.1%		0.6%		0.9%
<b>Total Retail Usage</b>												
12	Residential	2,744,375	2,621,697	2,540,544	2,458,025	2,372,389	11,916	2,468,902	11,916	2,480,818	11,916	2,492,734
13	Residential - CAP	103,594	103,138	114,183	128,607	140,545	13,847	141,625	13,847	155,472	13,847	169,319
14	Residential - CAP - 50FPL	-	25,204	35,568	42,178	49,758	6,858	49,359	6,858	56,217	6,858	63,075
15	Commercial	2,628,340	2,674,754	2,676,992	2,901,903	3,030,670	15,180	2,885,035	15,180	2,900,214	15,180	2,915,394
16	Industrial	185,785	208,619	112,736	157,584	271,020	-	180,447	-	180,447	-	180,447
17	Health or Education	989,429	1,061,129	981,167	1,043,736	1,105,483	-	1,043,462	-	1,043,462	-	1,043,462
18	Fire System	15,404	7,975	6,856	7,410	7,825	129	7,492	129	7,621	129	7,750
19	Municipal - Residential	2,116	1,716	1,691	67	99	-	619	-	619	-	619
20	Municipal - Commercial	215,164	263,894	232,154	43,370	84,358	-	119,961	-	119,961	-	119,961
21	<i>Subtotal: Total Retail Usage</i>	6,884,207	6,968,126	6,701,891	6,782,880	7,062,147	47,929	6,896,902	47,929	6,944,831	47,929	6,992,761
22	<i>% Change</i>		1.2%	-3.8%	1.2%	4.1%		-2.3%		0.7%		0.7%

**Pittsburgh Water**

FPFTY 2026 COS & Rate Design Model

**OSBA PROPOSED WASTEWATER USAGE**

			X	X	X	<b>New</b>		<b>New</b>		<b>New</b>		
		<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Customers</b>	<b>FY 2025</b>	<b>Customers</b>	<b>FY 2026</b>	<b>Customers</b>	<b>FY 2027</b>
		<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	(G)	<i>Forecast</i>	(I)	<i>Forecast</i>	(K)	<i>Forecast</i>
		(B)	(C)	(D)	(E)	(F)		(H)	(J)		(L)	
<b>Wastewater Usage</b>												
(A)												
<b>Billable Usage</b>												
1	Residential	2,592,137	2,435,500	2,303,751	2,156,593	2,061,787	22,013	2,196,057	22,013	2,218,070	33,020	2,251,090
2	Residential - CAP	110,800	117,100	114,137	130,983	147,721	15,027	145,974	15,027	161,002	22,541	183,543
3	Residential - CAP - 50FPL	-	19,646	31,931	46,636	55,333	6,892	51,525	6,892	58,417	10,338	68,755
4	Commercial	2,293,724	2,318,856	2,308,112	2,579,844	2,690,819	14,099	2,540,357	14,099	2,554,456	22,910	2,577,366
5	Industrial	184,338	206,245	110,428	153,371	268,470	-	177,423	-	177,423	-	177,423
6	Health or Education	832,652	911,462	832,509	885,442	947,882	-	888,611	-	888,611	-	888,611
7	Municipal - Residential	1,956	1,585	1,748	50	63	-	620	-	620	-	620
8	Municipal - Commercial	198,117	247,267	208,940	40,170	78,028	-	109,046	-	109,046	-	109,046
9	<i>Subtotal: Billable Usage</i>	6,213,724	6,257,661	5,911,557	5,993,089	6,250,103	58,031	6,109,614	58,031	6,167,646	88,809	6,256,455
10	<i>% Change</i>		1.2%	-5.5%	1.4%	4.3%		-2.2%		0.9%		1.4%
<b>Total Usage</b>												
11	Residential	3,628,227	3,463,346	3,312,153	3,153,081	3,043,692	33,020	3,202,662	33,020	3,235,682	33,020	3,235,682
12	Residential - CAP	149,128	147,618	158,334	183,287	208,183	22,541	205,809	22,541	228,350	22,541	228,350
13	Residential - CAP - 50FPL	-	25,944	42,913	62,109	73,498	10,338	69,845	10,338	80,183	10,338	80,183
14	Commercial	2,947,520	2,989,247	2,955,185	3,270,576	3,385,853	22,910	3,226,782	22,910	3,249,692	22,910	3,249,692
15	Industrial	195,819	217,775	120,345	163,896	281,043	-	188,428	-	188,428	-	188,428
16	Health or Education	989,429	1,071,055	983,525	1,043,736	1,105,483	-	1,044,248	-	1,044,248	-	1,044,248
17	Municipal - Residential	2,122	1,723	1,879	67	99	-	682	-	682	-	682
18	Municipal - Commercial	209,943	261,399	231,254	43,370	84,358	-	119,661	-	119,661	-	119,661
19	<i>Subtotal: Total Usage</i>	8,122,187	8,178,107	7,805,587	7,920,122	8,182,209	88,809	8,058,115	88,809	8,146,925	88,809	8,146,925
20	<i>% Change</i>		0.7%	-4.6%	1.5%	3.3%		-1.5%		1.1%		0.0%

# **EXHIBIT JK-3**

**Pittsburgh Water**  
**Statement of Income - Existing Rates**  
**Based Upon - Pittsburgh Water Exhibit EB-1**

	FY 2025 <i>FTY</i>	FY 2026 <i>FPPTY</i>	FY 2027 Forecast	
<b>System Operating Statement - OSBA</b>				
(A)	(B)	(C)	(D)	
<u>Operating Revenues</u>				
1	Water Sales	\$149,115,956	\$157,537,968	\$157,537,968
2	Wastewater Sales	\$54,879,261	\$58,124,143	\$58,124,143
3	Stormwater	\$28,336,323	\$28,336,418	\$28,336,418
4	Sale for Resale & Contract Sales	\$4,850,542	<b>\$5,738,014</b>	<b>\$7,774,902</b>
5	DSIC - Water	\$7,457,090	\$7,457,090	\$7,457,090
6	DSIC - Wastewater	\$2,743,963	\$2,743,963	\$2,743,963
7	Other Revenues	\$2,541,190	\$4,327,687	\$4,327,687
8	<b>Total: System Operating Revenues</b>	<b>\$249,924,325</b>	<b>\$264,265,283</b>	<b>\$266,302,171</b>
<b>System Operating Statement - As Filed</b>				
9	<u>Operating Revenues</u>			
10	Water Sales	\$148,287,512	\$155,783,628	\$155,783,628
11	Wastewater Sales	\$54,402,195	\$57,122,305	\$57,122,305
12	Stormwater	\$28,336,323	\$28,336,417	\$28,336,417
13	Sale for Resale & Contract Sales	\$4,526,103	\$4,526,102	\$4,526,102
14	DSIC - Water	\$7,408,364	\$7,408,364	\$7,408,364
15	DSIC - Wastewater	\$2,720,110	\$2,720,110	\$2,720,110
16	Other Revenues	\$2,541,190	\$4,327,687	\$4,327,687
17	<b>Total: System Operating Revenues</b>	<b>\$248,221,797</b>	<b>\$260,224,613</b>	<b>\$260,224,613</b>
<b>System Operating Statement - ADJUSTMENT</b>				
<u>Operating Revenues</u>				
18	Water Sales	\$828,444	\$1,754,340	\$1,754,340
19	Wastewater Sales	\$477,066	\$1,001,839	\$1,001,839
20	Stormwater	\$0	\$0	\$0
21	Sale for Resale & Contract Sales	\$324,439	\$1,211,912	\$3,248,800
22	DSIC - Water	\$48,726	\$48,726	\$48,726
23	DSIC - Wastewater	\$23,853	\$23,853	\$23,853
24	Other Revenues	\$0	\$0	\$0
25	<b>Total OSBA Present Rate Revenue Adjustment</b>	<b>\$1,702,528</b>	<b>\$4,040,670</b>	<b>\$6,077,558</b>

# **EXHIBIT JK-4**

**Response of the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water  
to the Interrogatories of the Office of Small Business Advocate (“OSBA”), Set III  
Docket Nos. R-2025-3055010 (Water), R-2025-3055011 (Wastewater)  
R-2025-3055012 (Storm Water)**

**Request: OSBA-IV-8:** Reference PW Statement No. 6, pages 18-19 describing the difficulty and/or inability to collect \$602,015 of stormwater charges.

- A. When will this \$602,015 be turned over for collections?
- B. How much of the \$602,015 is PW expecting to recover?
- C. Explain if this recovery will be when turned over for collections or when any money is collected.
- D. Explain where the money expected to be collected is reflected in the excel spreadsheet.

**Response:**

- A. Development and testing are ongoing in the quality assurance version of our Customer Information System. We are targeting the week of August 11, 2025 for issuing the first set of active accounts in this category to our collection agency, Penn Credit Corporation.
- B. Penn Credit is averaging 2% in the collection of debt on inactive Pittsburgh Water accounts. Their collection average on active Pittsburgh Water accounts is yet to be determined.
- C. Recovery occurs when monies are collected by Penn Credit, a check is issued to Pittsburgh Water, and Pittsburgh Water applies the funds to the customers' accounts.
- D. The amount reflected in the question is not explicitly reflected in the rate model. Any delinquent amounts collected will be reflected in Pittsburgh Water's reported revenue at the end of the fiscal year. Any amounts not collected would be reported as uncollected debt and would inform future projections of bad debt expense used in the rate model.
- E.

Response provided by: Julie A. Mechling, Director of Customer Service  
Harold Smith, Raftelis

Date Response provided: August 1, 2025

**Response of the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water  
to the Interrogatories of the Office of Small Business Advocate (“OSBA”), Set III  
Docket Nos. R-2025-3055010 (Water), R-2025-3055011 (Wastewater)  
R-2025-3055012 (Storm Water)**

**Request: OSBA-IV-9:** Reference PW Statement No. 6, page 19 describing the difficulty and/or inability to collect rates from unlisted tenants.

- A. When will this \$1,514,978 be turned over for collections?
- B. How much of the \$1,514,978 is PW expecting to recover?
- C. Explain if this recovery will be when turned over for collections or when any money is collected.
- D. Explain where the money expected to be collected is reflected in the excel spreadsheet.

**Response:**

- A. Development and testing are ongoing in the quality assurance version of our Customer Information System. We are targeting the week of August 11, 2025 for issuing the first set of active accounts in this category to our collection agency, Penn Credit Corporation.
- B. Penn Credit is averaging 2% in the collection of debt on inactive Pittsburgh Water accounts. Their collection average on active Pittsburgh Water accounts is yet to be determined.
- C. Recovery occurs when monies are collected by Penn Credit, a check is issued to Pittsburgh Water, and Pittsburgh Water applies the funds to the customers’ accounts.
- D. The amount reflected in the question is not explicitly reflected in the rate model. Any delinquent amounts collected will be reflected in Pittsburgh Water’s reported revenue at the end of the fiscal year. Any amounts not collected would be reported as uncollected debt and would inform future projections of bad debt expense used in the rate model.
- E.

Response provided by: Julie A. Mechling, Director of Customer Service  
Harold Smith, Raftelis

Date Response provided: August 1, 2025

**Response of the Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water  
to the Interrogatories of the Office of Small Business Advocate (“OSBA”), Set III  
Docket Nos. R-2025-3055010 (Water), R-2025-3055011 (Wastewater)  
R-2025-3055012 (Storm Water)**

**Request: OSBA-IV-11:** Reference PW Statement No. 6, page 19 describing the difficulty and/or inability to collect \$154,545 from West View Water Authority (WVWA) customers.

- A. When will this \$154,545 be turned over for collections?
- B. How much of the \$154,545 is PW expecting to recover?
- C. Explain if this recovery will be when turned over for collections or when any money is collected.
- D. Explain where the money expected to be collected is reflected in the excel spreadsheet.

**Response:**

- A. Development and testing are ongoing in the quality assurance version of our Customer Information System. We are targeting the week of August 11, 2025 for issuing the first set of active accounts in this category to our collection agency, Penn Credit Corporation.
- B. Penn Credit is averaging 2% in the collection of debt on inactive Pittsburgh Water accounts. Their collection average on active Pittsburgh Water accounts is yet to be determined.
- C. Recovery occurs when monies are collected by Penn Credit, a check is issued to Pittsburgh Water, and Pittsburgh Water applies the funds to the customers' accounts.
- D. The amount reflected in the question is not explicitly reflected in the rate model. Any delinquent amounts collected will be reflected in Pittsburgh Water's reported revenue at the end of the fiscal year. Any amounts not collected would be reported as uncollected debt and would inform future projections of bad debt expense used in the rate model.

Response provided by: Julie A. Mechling, Director of Customer Service  
Harold Smith

Date Response provided: August 1, 2025

# **EXHIBIT JK-5**

**Pittsburgh Water**  
FPFTY 2026 COS & Rate Design Model  
Water Revenue Proof

(A)	PSWA Proposal			OSBA Proposal			
	2026 Revenue @ Proposed Rates			2026 Revenue @ Proposed Rates			
	Units (B)	Rates (C)	Revenue (D)	Units (E)	Rates (F)	Revenue (G)	
<u>Pennvest Volume Charge</u>							
1	Residential	1,691,339	\$ 2.1282	\$ 3,599,437	1,691,339	\$ 2.2044	\$ 3,728,431
2	Residential - CAP	89,556	\$ 1.0641	95,295	89,556	\$ 1.0641	95,295
3	Residential - CAP - 50FPL	31,670	\$ 1.0641	33,699	31,670	\$ 1.0641	33,699
4	Commercial	2,239,593	\$ 2.1282	4,766,208	2,239,593	\$ 2.0962	4,694,526
5	Industrial	170,445	\$ 2.1282	362,734	170,445	\$ 2.0962	357,278
6	Health or Education	888,132	\$ 2.1282	1,890,085	888,132	\$ 2.0962	1,861,660
7	Private Fire System	7,364	\$ 2.1282	15,672	7,364	\$ 2.0962	15,436
8	Municipal - Residential	562	\$ 2.1282	1,196	562	\$ 2.0962	1,178
9	Municipal - Commercial	109,356	\$ 2.1282	232,727	109,356	\$ 2.0962	229,227
10	Wholesale - Fox Chapel	614,766	\$ 2.1282	1,308,319	614,766	\$ 2.0962	1,288,643
11	<i>Subtotal: Pennvest Volume Charge</i>	5,842,783		\$ 12,305,371	5,842,783		\$ 12,305,371

**Pittsburgh Water**  
FPFTY 2026 COS & Rate Design Model  
Sewer Revenue Proof

	2026 Revenue @ Proposed Rates			2026 Revenue @ Proposed Rates			
	Units	Rates	Revenue	Units	Rates	Revenue	
	<u>Pennvest Volume Charge</u>						
12	Residential	2,174,044	\$ 0.8843	\$ 1,922,489	2,174,044	\$ 0.9200	\$ 2,000,121
13	Residential - CAP	130,947	\$ 0.4421	57,898	130,947	\$ 0.4421	57,898
14	Residential - CAP - 50FPL	44,633	\$ 0.4421	19,734	44,633	\$ 0.4421	19,734
15	Commercial	2,526,258	\$ 0.8843	2,233,948	2,526,258	\$ 0.8633	2,180,972
16	Industrial	177,423	\$ 0.8843	156,894	177,423	\$ 0.8633	153,173
17	Health or Education	888,611	\$ 0.8843	785,791	888,611	\$ 0.8633	767,157
18	Municipal - Residential	620	\$ 0.8843	548	620	\$ 0.8633	535
19	Municipal - Commercial	109,046	\$ 0.8843	96,428	109,046	\$ 0.8633	94,142
20	<i>Subtotal: Pennvest Volume Charge</i>	6,051,582		\$ 5,273,731	6,051,582		\$ 5,273,731
21	Water Revenue Shortfall			128,994			
22	Wastewater Revenue Shortfall			77,632			
23	<b>TOTAL 2026 Revenue Shortfall</b>			<b>206,626</b>			

**Pittsburgh Water**  
FPFTY 2026 COS & Rate Design Model  
Water Revenue Proof

(A)	PSWA Proposal			OSBA Proposal			
	2027 Revenue @ Proposed Rates			2027 Revenue @ Proposed Rates			
	Units (B)	Rates (C)	Revenue (D)	Units (E)	Rates (F)	Revenue (G)	
	<b>Pennvest Surcharge</b>						
1	Residential	2,456,986	\$ 2.2310	\$ 5,481,594	2,456,986	\$ 2.3083	\$ 5,671,539
2	Residential - CAP	127,778	\$ 1.1155	142,538	127,778	\$ 1.1155	142,538
3	Residential - CAP - 50FPL	42,501	\$ 1.1155	47,410	42,501	\$ 1.1155	47,410
4	Commercial	2,869,855	\$ 2.2310	6,402,715	2,869,855	\$ 2.1918	6,290,006
5	Industrial	180,447	\$ 2.2310	402,582	180,447	\$ 2.1918	395,495
6	Health or Education	1,043,462	\$ 2.2310	2,327,989	1,043,462	\$ 2.1918	2,287,008
7	Private Fire System	7,364	\$ 2.2310	16,429	7,364	\$ 2.1918	16,140
8	Municipal - Residential	619	\$ 2.2310	1,381	619	\$ 2.1918	1,357
9	Municipal - Commercial	119,961	\$ 2.2310	267,636	119,961	\$ 2.1918	262,925
10	Wholesale - Fox Chapel	614,766	\$ 2.2310	1,371,558	614,766	\$ 2.1918	1,347,414
11	<i>Subtotal: Pennvest Surcharge</i>	7,463,739		\$ 16,461,831	7,463,739		\$ 16,461,831

**Pittsburgh Water**  
FPFTY 2026 COS & Rate Design Model  
Sewer Revenue Proof

	PSWA Proposal			OSBA Proposal			
	2027 Revenue @ Proposed Rates			2027 Revenue @ Proposed Rates			
	Units	Rates	Revenue	Units	Rates	Revenue	
	<b>Pennvest Surcharge</b>						
12	Residential	3,169,642	\$ 0.8990	\$ 2,849,424	3,169,642	\$ 0.9334	\$ 2,958,564
13	Residential - CAP	183,268	\$ 0.4495	82,377	183,268	\$ 0.4495	82,377
14	Residential - CAP 50FPL	59,507	\$ 0.4495	26,748	59,507	\$ 0.4495	26,748
15	Commercial	3,203,871	\$ 0.8990	2,880,194	3,203,871	\$ 0.8750	2,803,459
16	Industrial	188,428	\$ 0.8990	169,392	188,428	\$ 0.8750	164,879
17	Health or Education	1,044,248	\$ 0.8990	938,751	1,044,248	\$ 0.8750	913,741
18	Municipal - Residential	682	\$ 0.8990	613	682	\$ 0.8750	597
19	Municipal - Commercial	119,661	\$ 0.8990	107,572	119,661	\$ 0.8750	104,706
20	<i>Subtotal: Pennvest Surcharge</i>	7,969,307		\$ 7,055,070	7,969,307		\$ 7,055,070
21	Water Revenue Shortfall			189,948			
22	Wastewater Revenue Shortfall			109,124			
23	<b>TOTAL 2027 Revenue Shortfall</b>			<b>299,072</b>			

# **EXHIBIT JK-6**

**Pittsburgh Water**  
*FPFTY 2026 COS & Rate Design Model*  
**Remove DSIC from PennVEST**

**OSBA Exhibit JK-6**

	<u><b>FY 2026</b></u>	<u><b>FY 2027</b></u>
(A)	<i>Forecast</i>	<i>Forecast</i>
(B)	(B)	(C)
<b>Water</b>		
1 PennVEST Surcharge	\$12,305,372	\$16,461,831
2 DSIC Percentage	7.50%	7.50%
3 <b>Impact to Water Revenue</b>	\$922,903	\$1,234,637
<b>Wastewater</b>		
4 PennVEST Surcharge	\$5,273,731	\$7,055,070
5 DSIC Percentage	7.50%	7.50%
6 <b>Impact to Wastewater Revenue</b>	\$395,530	\$529,130
7 <b>Total Revenue Impact</b>	<b>\$1,318,433</b>	<b>\$1,763,768</b>

# **EXHIBIT JK-7**

Pittsburgh Water  
FPPTY 2026 COS & Rate Design Model

COSS ALLOCATION CHANGES - WATER 2026

		Residential	Residential - CAP	Commercial	Industrial	Health or Education	Municipal - Residential	Municipal - Commercial	Private Fire System	Public Fire Protection	Wholesale	Total		
Cost of Service by Class		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
1	Allocated Cost of Service (Unadjusted)													
2	% of COS	<u>Adjustment</u> <b>75.786%</b>	\$60,347,771	\$4,203,737	\$66,857,589	\$4,762,798	\$24,535,898	\$33,230	\$2,701,020	\$838,071	\$10,636,626	\$10,902,805	\$185,819,544	
			32.477%	2.262%	35.980%	2.563%	13.204%	0.018%	1.454%	0.451%	5.724%	5.867%	100.000%	
<u>Adjustments to Cost of Service</u>														
3	Public Fire (Title 66 § 1328)	\$7,977,469	\$4,651,020	\$335,382	\$2,152,299	\$49,611	\$441,579	\$9,717	\$35,465	\$302,395	-\$7,977,469	\$0	\$0	
4	Wholesale Contracts	\$3,897,456	\$1,439,059	\$100,243	\$1,594,293	\$113,574	\$585,086	\$792	\$64,409	\$0	\$0	-\$3,897,456	\$0	
5	BDP Forgone Revenue	\$2,711,475	\$1,027,589	-\$2,711,475	\$1,138,436	\$81,100	\$417,792	\$566	\$45,992	\$0	\$0	\$0	\$0	
6	Additional BDP	\$0	\$1,683,887	\$0	-\$1,138,436	-\$81,100	-\$417,792	-\$566	-\$45,992	\$0	\$0	\$0	\$0	
7	Additional Hardship Expense	\$682,077	\$460,562	-\$15,430	-\$245,410	-\$17,483	-\$90,063	-\$122	-\$9,914	-\$3,076	-\$39,043	-\$40,020	\$0	
8	Additional Leak Credit- Water	\$662,322	\$447,223	-\$14,984	-\$238,302	-\$16,976	-\$87,454	-\$118	-\$9,627	-\$2,987	-\$37,912	-\$38,861	\$0	
9	Additional AF Expense	\$212,273	\$143,334	-\$4,802	-\$76,376	-\$5,441	-\$28,029	-\$38	-\$3,086	-\$957	-\$12,151	-\$12,455	\$0	
10	Additional Line Repair Expense	\$113,680	\$76,760	-\$2,572	-\$40,902	-\$2,914	-\$15,010	-\$20	-\$1,652	-\$513	-\$6,507	-\$6,670	\$0	
11	Pennvest Surcharge	-\$12,305,372	-\$3,599,437	-\$128,994	-\$4,766,207	-\$362,733	-\$1,890,086	-\$1,197	-\$232,727	-\$15,671	\$0	-\$1,308,319	-\$12,305,372	
12	Gradualism - Industrial (1)	\$140,000	\$53,244	\$3,709	\$58,987	-\$140,000	\$21,648	\$29	\$2,383	\$0	\$0	\$0	\$0	
13	Adjustment: Health & Education	\$3,000,000	-\$3,000,000	\$0	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	
14	<b>Total: Adjusted Cost of Service</b>		<b>\$63,731,012</b>	<b>\$1,764,813</b>	<b>\$65,295,971</b>	<b>\$4,380,437</b>	<b>\$26,473,568</b>	<b>\$42,273</b>	<b>\$2,546,270</b>	<b>\$1,117,262</b>	<b>\$2,563,543</b>	<b>\$5,599,023</b>	<b>\$173,514,172</b>	
15	% of COS		36.7%	1.0%	37.6%	2.5%	15.3%	0.0%	1.5%	0.6%	1.5%	3.2%	100.0%	
16	<b>Additional Revenue</b>		<b>\$2,811,766</b>	<b>-\$37,788</b>	<b>-\$1,739,427</b>	<b>-\$123,913</b>	<b>-\$638,348</b>	<b>-\$865</b>	<b>-\$70,272</b>	<b>-\$7,534</b>	<b>-\$95,614</b>	<b>-\$98,007</b>	<b>\$0</b>	

Pittsburgh Water  
FPPTY 2026 COS & Rate Design Model

COSS ALLOCATION CHANGES - WATER 2027

	Residential	Residential - CAP	Commercial	Industrial	Health or Education	Municipal - Residential	Municipal - Commercial	Private Fire System	Public Fire Protection	Wholesale	Total		
<b>Cost of Service by Class</b>													
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	
1	Allocated Cost of Service (Unadjusted)	<u>Adjustment</u>	\$ 64,671,210	\$ 4,504,901	\$ 71,647,405	\$ 5,104,014	\$ 26,293,701	\$ 35,610	\$ 2,894,527	\$ 898,112	\$ 11,398,655	\$ 11,683,905	\$ 199,132,040
2	% of COS	<u>75.533%</u>	32.477%	2.262%	35.980%	2.563%	13.204%	0.018%	1.454%	0.451%	5.724%	5.867%	100.000%
<b>Adjustments to Cost of Service</b>													
3	Public Fire (Title 66 § 1328)	\$8,548,992	\$4,984,229	\$359,409	\$2,306,495	\$53,166	\$473,214	\$10,414	\$38,006	\$324,060	-\$8,548,992	\$0	\$0
4	Wholesale Contracts	\$2,577,470	\$951,680	\$66,293	\$1,054,340	\$75,109	\$386,929	\$524	\$42,595	\$0	\$0	-\$2,577,470	\$0
5	BDP Forgone Revenue	\$2,830,625	\$1,072,744	-\$2,830,625	\$1,188,463	\$84,664	\$436,151	\$591	\$48,013	\$0	\$0	\$0	\$0
6	Additional BDP	\$0	\$1,757,881	\$0	-\$1,188,463	-\$84,664	-\$436,151	-\$591	-\$48,013	\$0	\$0	\$0	\$0
7	Additional Hardship Expense	\$679,798	\$459,023	-\$15,379	-\$244,590	-\$17,424	-\$89,762	-\$122	-\$9,881	-\$3,066	-\$38,913	-\$39,887	\$0
8	Additional Leak Credit - Water	\$662,322	\$447,223	-\$14,984	-\$238,302	-\$16,976	-\$87,454	-\$118	-\$9,627	-\$2,987	-\$37,912	-\$38,861	\$0
9	Additional AF Expense	\$220,427	\$148,840	-\$4,987	-\$79,309	-\$5,650	-\$29,105	-\$39	-\$3,204	-\$994	-\$12,618	-\$12,933	\$0
10	Additional Line Repair Expense	\$113,300	\$76,504	-\$2,563	-\$40,765	-\$2,904	-\$14,960	-\$20	-\$1,647	-\$511	-\$6,485	-\$6,648	\$0
11	Pennvest Surcharge	-\$16,461,831	-\$5,481,595	-\$189,949	-\$6,402,715	-\$402,581	-\$2,327,989	-\$1,381	-\$267,635	-\$16,429	\$0	-\$1,371,558	-\$16,461,831
12	Gradualism - Industrial (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Gradualism - Health & Education (1)	\$3,000,000	-\$3,000,000	\$0	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0
14	<b>Total: Adjusted Cost of Service</b>		<b>\$ 66,087,738</b>	<b>\$ 1,872,117</b>	<b>\$ 68,002,557</b>	<b>\$ 4,786,754</b>	<b>\$ 27,604,574</b>	<b>\$ 44,867</b>	<b>\$ 2,683,133</b>	<b>\$ 1,198,185</b>	<b>\$ 2,753,736</b>	<b>\$ 7,636,548</b>	<b>\$ 182,670,209</b>
15	% of COS		36.2%	1.0%	37.2%	2.6%	15.1%	0.0%	1.5%	0.7%	1.5%	4.2%	100.0%
16	<b>Additional Revenue</b>		<b>\$ 2,889,470</b>	<b>\$ (37,912)</b>	<b>\$ (1,791,429)</b>	<b>\$ (127,618)</b>	<b>\$ (657,432)</b>	<b>\$ (890)</b>	<b>\$ (72,373)</b>	<b>\$ (7,558)</b>	<b>\$ (95,928)</b>	<b>\$ (98,329)</b>	<b>\$0</b>

COSS ALLOCATION CHANGES - WASTEWATER 2026		Residential	Residential - CAP	Commercial	Industrial	Health or Education	Municipal - Residential	Municipal - Commercial	NRG (Contract)	Total
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	Allocated Cost of Service (Unadjusted)	\$25,606,116	\$1,969,443	\$22,479,965	\$1,290,997	\$7,188,725	\$11,082	\$822,685	\$0	\$59,369,015
2	% of COS	43.130%	3.317%	37.865%	2.175%	12.109%	0.019%	1.386%	0.000%	100.000%
3	<u>Adjustments to Cost of Service</u>									
4	Wholesale/Contract Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	BDP Forgone Revenue	\$1,108,806	-\$1,108,806	\$434,253	\$24,939	\$138,867	\$214	\$15,892	\$0	\$0
6	Additional BDP	\$0	\$0	-\$434,253	-\$24,939	-\$138,867	-\$214	-\$15,892	\$0	\$0
7	Additional Hardship Expense	\$217,923	-\$7,229	-\$82,516	-\$4,739	-\$26,387	-\$41	-\$3,020	\$0	\$0
8	Additional Leak Credit Water Only	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Additional AF Expense	\$67,821	-\$2,250	-\$25,680	-\$1,475	-\$8,212	-\$13	-\$940	\$0	\$0
10	Additional Line Repair Expense	\$36,320	-\$1,205	-\$13,753	-\$790	-\$4,398	-\$7	-\$503	\$0	\$0
11	Pennvest Surcharge	-\$5,273,731	-\$77,632	-\$2,233,949	-\$156,894	-\$785,791	-\$549	-\$96,428	\$0	-\$5,273,731
12	Adjustments - Health and Education (1)	\$850,000	\$0	\$0	\$0	\$850,000	\$0	\$0	\$0	\$0
13	Adjustments - Industrial (1)	\$125,000	\$0	\$0	\$125,000	\$0	\$0	\$0	\$0	\$0
14	Gradualism - Stormwater (2)	\$6,000,000	\$0	\$2,349,840	\$134,948	\$751,440	\$1,158	\$85,996	\$0	\$6,000,000
15	<b>Total: Adjusted Cost of Service</b>	<b>\$26,677,208</b>	<b>\$772,321</b>	<b>\$22,473,907</b>	<b>\$1,387,048</b>	<b>\$7,965,377</b>	<b>\$11,632</b>	<b>\$807,790</b>	<b>\$0</b>	<b>\$60,095,284</b>
16	% of COS	44.4%	1.3%	37.4%	2.3%	13.3%	0.0%	1.3%		100.0%
17	Additional Revenue	\$797,321	-\$10,684	-\$556,202	-\$31,942	-\$177,864	-\$274	-\$20,355	\$0	\$0

COSS ALLOCATION CHANGES - WASTEWATER 2027			Residential	Residential - CAP	Commercial	Industrial	Health or Education	Municipal - Residential	Municipal - Commercial	NRG (Contract)	Total
1	Allocated Cost of Service (Unadjusted)	<u>Adjustment</u>	\$27,820,649	\$2,139,770	\$24,424,135	\$1,402,648	\$7,810,439	\$12,041	\$893,835	\$0	\$64,503,516
2	% of COS	<b>24.467%</b>	43.130%	3.317%	37.865%	2.175%	12.109%	0.019%	1.386%	0.000%	100.000%
3	<u>Adjustments to Cost of Service</u>										
4	Wholesale/Contract Adjustment										
5	BDP Forgone Revenue	\$1,268,233	\$565,762	-\$1,268,233	\$496,691	\$28,524	\$158,834	\$245	\$18,177	\$0	\$0
6	Additional BDP	\$0	\$702,470	\$0	-\$496,691	-\$28,524	-\$158,834	-\$245	-\$18,177	\$0	\$0
7	Additional Hardship Expense	\$220,202	\$125,228	-\$7,305	-\$83,379	-\$4,788	-\$26,663	-\$41	-\$3,051	\$0	\$0
8	Additional Leak Credit Water Only	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Additional AF Expense	\$71,401	\$40,606	-\$2,369	-\$27,036	-\$1,553	-\$8,646	-\$13	-\$989	\$0	\$0
10	Additional Line Repair Expense	\$36,700	\$20,871	-\$1,217	-\$13,897	-\$798	-\$4,444	-\$7	-\$509	\$0	\$0
11	Pennvest Surcharge	-\$7,055,070	-\$2,849,424	-\$109,124	-\$2,880,195	-\$169,392	-\$938,751	-\$613	-\$107,572	\$0	-\$7,055,070
12	Gradualism - Health and Education (1)	\$600,000	-\$600,000	\$0	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0
13	Gradualism - Industrial (2)	\$50,000	-\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0
14	Gradualism - Stormwater (3)	\$6,000,000	\$2,676,617	\$0	\$2,349,840	\$134,948	\$751,440	\$1,158	\$85,996	\$0	\$6,000,000
15	<b>Total: Adjusted Cost of Service</b>		<b>\$28,452,781</b>	<b>\$751,522</b>	<b>\$23,769,468</b>	<b>\$1,411,066</b>	<b>\$8,183,375</b>	<b>\$12,525</b>	<b>\$867,709</b>	<b>\$0</b>	<b>\$63,448,446</b>
16	% of COS		44.8%	1.2%	37.5%	2.2%	12.9%	0.0%	1.4%		100.0%
17	Additional Revenue		\$889,175	(\$10,891)	(\$621,002)	(\$35,663)	(\$198,586)	(\$306)	(\$22,726)	(\$0)	(\$0)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	<b>Docket Nos. R-2025-3055010</b>
	:	<b>R-2025-3055011</b>
<b>v.</b>	:	<b>R-2025-3055012</b>
	:	
<b>The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water</b>	:	
	:	

**VERIFICATION**

I, Joseph Kubas, hereby state that the facts set forth in my Direct Testimony and Exhibits, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, Exhibit JK-6, and Exhibit JK-7, 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).

DATE: 9/3/25

/s/ Joseph Kubas  
JOSEPH KUBAS

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant)

The Honorable Emily DeVoe  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222  
[edevoe@pa.gov](mailto:edevoe@pa.gov)

The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
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David T. Evrard, Esquire  
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*/s/ Steven C. Gray*  
\_\_\_\_\_  
Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney I.D. No. 77538



COMMONWEALTH OF PENNSYLVANIA

September 30, 2025

The Honorable Emily DeVoe  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222

The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222

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

Dear Judge DeVoe and Judge Quimby:

Enclosed please find the Rebuttal Testimony of Joseph Kubas, labeled OSBA Statement No. 1-R, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Joe Kubas  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**REBUTTAL TESTIMONY**

**of**

**JOSEPH KUBAS**

**on behalf of**

**Pennsylvania Office of Small Business Advocate**

**Topics:**

**Cost of Service Study Allocation of Customer Assistance Costs**

**Date Served: September 30, 2025**

**Date Submitted for the Record: \_\_\_\_\_**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Joseph Kubas. My business address is 555 Forum Place 1<sup>st</sup> floor, Harrisburg  
3 PA, 17101.

4  
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Pennsylvania Office of Small Business Advocate (“OSBA”) as an  
7 Economic Development Consultant.

8  
9 **Q. ARE YOU THE SAME JOSEPH KUBAS THAT PROVIDED DIRECT**  
10 **TESTIMONY ON BEHALF OF THE OSBA ON SEPTEMBER 5, 2025?**

11 A. Yes.

12  
13 **Q. BRIEFLY DESCRIBE THE REVENUE INCREASE BEING REQUESTED BY**  
14 **PITTSBURGH WATER AND SEWER AUTHORITY.**

15 A. Pittsburgh Water and Sewer Authority (“PW”) or (“Company”) is seeking a multi-year  
16 revenue requirement increase of \$84.4 million, inclusive of DSIC and the expansion of the  
17 PennVEST Surcharge. This \$84.4 million increase is comprised of a \$63.7 million  
18 increase (25.9%) in the Fully Projected Future Test Year (FPFTY) 2026 and \$20.7 million  
19 increase (6.7%) in Future Year 2027 (FY 2027) (PW St. No. 1, page 3). As a municipal  
20 utility, PW has no shareholders or rate of return requirement but does utilize the “Cash  
21 Flow Method” to establish revenue requirement for each test year.

22

1 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**  
2 **PROCEEDING?**

3 A. My rebuttal testimony addresses components of the direct testimony of Patrick M. Cicero  
4 St. submitted on behalf of the Pittsburgh United Our Water Table (“OWT”) as OWT St.  
5 No. 1 concerning the Customer Assistance Programs (“CAP”) and Roger Colton  
6 submitted on behalf of the Office of Consumer Advocate (“OCA”) as OCA St. No. 6, also  
7 concerning the CAP.

8  
9 **Cost of Service Study**

10 **Q. BRIEFLY DESCRIBE PW’S COST OF SERVICE STUDY (COSS).**

11 A. PW provided a COSS that assigns or allocates various costs associated with operating  
12 each system separately as described in the testimony of Harold J. Smith shown on PW  
13 Exhibit HJS. PW also provided an excel spreadsheet labeled “Pittsburgh Water 2025 Cost  
14 of Service Study supporting rate filing as of 6-4-25” which I will refer to as the “Excel  
15 COSS”. The Excel COSS provided information for both the Fully Projected Future Test  
16 Year (FPFTY) ending December 31, 2026, and the Future Year 2027 (FY 2027) ending  
17 December 31, 2027.

18  
19 **Q. WHAT LARGE ITEMS DID YOU IDENTIFY IN THE COSS ASSOCIATED**  
20 **WITH THE CUSTOMER ASSISTANCE PROGRAMS?**

21 A. In my direct testimony, I identified forgone revenue associated with the Bill Discount  
22 Program (BDP) as the largest CAP program in the Excel COSS. For the water system, the  
23 Company claimed \$2,711,475 forgone revenue in the FPFTY, and \$2,830,625 in FY

1 2027. For the wastewater system the Company claimed \$1,108,806 of forgone revenue in  
2 the FPFTY and \$1,268,233 in FY 2027. For the Stormwater system, the Company  
3 claimed \$1,040,309 of forgone revenue in the FPFTY and \$1,055,270 in FY 2027 (OSBA  
4 St. No. 1, page 17-18).

5  
6 **Q. DID THE COMPANY CLAIM ANY OTHER CUSTOMER ASSISTANCE**  
7 **PROGRAM EXPENSES?**

8 A. Yes. PW claimed \$900,000 of Hardship Grant expense as described on (PW St. No. 6,  
9 pages 30-36), and \$662,322 of Leak Credit Program (LCP) expense for customers that  
10 experience leaks (PW St. No. 6, pages 37-38). PW also claimed \$280,094 of Arrearage  
11 Forgiveness Program (AFP) expense (PW St. No. 6, page 36-37), and \$150,000 related to  
12 Service Line Repairs Program (SLRP) expense (PW St. No. 6, page 33).

13  
14 **Q. HOW DID PW PROPOSE TO RECOVER THE COST OF THESE CUSTOMER**  
15 **ASSISTANCE PROGRAMS?**

16 A. According to the Company's excel COSS, it proposed to recover these costs from all  
17 other customers excluding contract customers and public fire customers.

18  
19 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS CONCERNING THE**  
20 **ALLOCATION OF THE CUSTOMER ASSISTANCE PROGRAM COSTS IN**  
21 **FPFTY 2026 AND IN FY 2027.**

22 A. As described in my direct testimony, I recommended that since these CAP costs are from  
23 the Residential class, they should only be recovered from the Residential class. I

1 excluded stormwater customers for the reasons stated in my direct testimony (OSBA St.  
2 No. 1, page 19).

3  
4 **Q. DID YOU ESTIMATE THE IMPACTS TO CUSTOMER CLASSES IF YOUR**  
5 **RECOMMENDATIONS ARE ACCEPTED?**

6 A. Yes. Based upon the Company's original filing, I was able to estimate the impact to  
7 customer classes. For the water system in the FPFTY, my recommendation increases the  
8 revenue requirement for the Residential class by approximately \$2.8 million and  
9 decreases the revenue requirement for the Commercial class by approximately \$1.7  
10 million and decreases all the other classes by approximately \$1.1 million (OSBA Exhibit  
11 JK-7, page 1, line 16). For the water system in the FY 2027, my recommendation  
12 increases the revenue requirement for the Residential class by approximately \$2.9 million  
13 and decreases the revenue requirement for the Commercial class by approximately \$1.8  
14 million and decreases all the other classes by approximately \$1.1 million (OSBA Exhibit  
15 JK-7, page 2, line 16). For the wastewater system in the FPFTY, my recommendation  
16 increases the revenue requirement for the Residential class by approximately \$797,000  
17 and decreases the revenue requirement for the Commercial class by approximately  
18 \$556,000 and decreases all the other classes by approximately \$241,000 (OSBA Exhibit  
19 JK-7, page 3, line 17). For the wastewater system in the FY 2027, my recommendation  
20 increases the revenue requirement for the Residential class by approximately \$889,000  
21 and decreases the revenue requirement for the Commercial class by approximately  
22 \$621,000 and decreases all the other classes by approximately \$268,000 (OSBA Exhibit  
23 JK-7, page 4, line 17).

1 **Q. DID MR. CICERO ADDRESS CUSTOMER ASSISTANCE PROGRAMS?**

2 A. Yes. Mr. Cicero recommended that PW implement additional overarching metrics to  
3 increase enrolment in its Customer Assistance Programs. This recommendation includes  
4 an annual year over year increase in its BPD program (OWT St. No. 1, pages 50-51). Mr.  
5 Cicero also recommended additional reforms to the structure and discount levels of the  
6 BDP to better address customers with higher usage levels and income that places them on  
7 a lower Federal Poverty Level (FPL) tier (OWT Statement No. 1, page 56). Mr. Cicero  
8 also addressed concerns with the payment requirements contained in the AFP (OWT  
9 Statement No. 1, pages. 61-62) and addressed concerns with the AFP making several  
10 recommendations including granting customers credit for making catch-up payments AFP  
11 (OWT Statement No. 1, pages 63-67). Mr. Cicero also believes that the Hardship Fund is  
12 not adequately funded and should be improved so that customers have better access to it  
13 (OWT Statement No. 1, pages 69-74). Finally, Mr. Cicero recommends that PW develop  
14 and implement comprehensive improvements to its conservation and line repair  
15 /replacement program available to all customers at or below 200% FPL (OWT St. No. 1,  
16 page 74-80).

17  
18 **Q. DID MR. CICERO QUANTIFY OR DESCRIBE THE ADDITIONAL EXPENSES**  
19 **NECESSARY TO SATISFY HIS CAP RECOMMENDATIONS?**

20 A. No.

21  
22 **Q. DID MR. COLTON ALSO ADDRESS CUSTOMER ASSISTANCE PROGRAMS?**

1 A. Yes. Mr. Colton recommended that PW increase the discount for Residential customers  
2 with income less than 50% FPL from 60% to 75%. He also recommended that Pittsburgh  
3 Water move from a two-tiered discount to a three-tiered discount. The new discount tier  
4 would apply to customers with income greater than 50% FPL but at or below 100% FPL.  
5 He also proposed enhancements to the PW outreach program, and BDP (OCA St. No. 6,  
6 pages 29-61). Finally, he recommended various enhancements to the SLRP (OCA St. No.  
7 6, pages 66-78).

8  
9 **Q. DID MR. COLTON QUANTIFY SOME OF THE ADDITIONAL COSTS**  
10 **NECESSARY TO ENHANCE THE CUSTOMER ASSISTANCE PROGRAMS?**

11 A. Yes. Mr. Colton recommended that increasing the discount for Residential customers to  
12 60% that are at or below 75% of the FPL will increase part of the Water FPFTY Forgone  
13 Revenue by \$92,246 (OCA St. No. 6, pages 29-30). He did not indicate the cost for  
14 FY2027 or the additional cost in the wastewater system. Mr. Colton also estimated that  
15 establishing a three-tiered income level for the BDP will increase costs by \$256,357 for  
16 the water system and \$148,350 for the wastewater system (OCA St. No. 6, pages 30 and  
17 36). Finally, he recommended that the cost of the SLRP be increased by \$150,000 (OCA  
18 St. No. 6, page 72). For the last three amounts, it is not clear what test year these apply  
19 to.

20  
21 **Q. DID MR. COLTON QUANTIFY THE COSTS OF ANY OTHER**  
22 **ENHANCEMENTS TO THE CUSTOMER ASSISTANCE PROGRAMS BY**  
23 **SYSTEM OR TEST YEAR?**

1 A. No.

2

3 **Q. IS IT POSSIBLE THAT SOME OF THE UNQUANTIFIED CAP**  
4 **ENHANCEMENTS PROPOSED BY MR. COLTON COULD INCREASE CAP**  
5 **COSTS?**

6 A. Yes. It is possible that the unquantified enhancements proposed by Mr. Colton will result  
7 in additional CAP costs, but he has not quantified them.

8

9 **Q. DO YOU OBJECT TO THE RECOMMENDATIONS PROPOSED BY MR.**  
10 **CICERO OR MR. COLTON?**

11 A. No. However, consistent with my direct testimony, any additional CAP expenses agreed  
12 to by the Company or approved by the Commission should only be recovered from the  
13 Residential class, for the reason described above and in my direct testimony.

14

15 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

16 A. Yes, it does.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**VERIFICATION**

I, Jospheh Kubas, hereby state that the facts set forth in my Rebuttal Testimony, labeled OSBA Statement No. 1-R, 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).

DATE: 9/29/25

/s/ Joseph Kubas  
JOSEPH KUBAS

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant)

The Honorable Emily DeVoe  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222  
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The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
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James Kennedy  
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Marlon Livingston  
[marlolivin@pa.gov](mailto:marlolivin@pa.gov)

Date September 30, 2025

*/s/ Steven C. Gray*  
\_\_\_\_\_  
Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney I.D. No. 77538



COMMONWEALTH OF PENNSYLVANIA

October 14, 2025

The Honorable Emily DeVoe  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222

The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
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**Re: Pennsylvania Public Utility Commission v. The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water / Docket Nos. R-2025-3055010 (Water); R-2025-3055011 (Wastewater); R-2025-3055012 (Stormwater)**

Dear Judge DeVoe and Judge Quimby:

Enclosed please find the Surrebuttal Testimony and Exhibits of Joseph Kubas, labeled OSBA Statement No. 1-SR, with associated Exhibit JK-8, and Exhibit JK-9, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceedings.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Joe Kubas  
Parties of Record

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 d/b/a Pittsburgh Water :

**SURREBUTTAL TESTIMONY & EXHIBITS**

of

**JOSEPH KUBAS**

on behalf of

**Pennsylvania Office of Small Business Advocate**

**Topics:**

**Wholesale Revenue**  
**Present Rate Revenue – Added Customers and Usage**  
**Uncollectible Expense**  
**PennVEST Surcharge**  
**Distribution System Improvement Charge (DSIC)**  
**Cost of Service Study Allocation of Customer Assistance Costs**  
**Proposed Rates and Revenue**  
**Scale Back of Rates and Revenue**

**Date Served: October 14, 2025**

**Date Submitted for the Record: \_\_\_\_\_**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Joseph Kubas. My business address is 555 Forum Place 1<sup>st</sup> floor, Harrisburg  
3 PA, 17101.

4  
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Pennsylvania Office of Small Business Advocate (“OSBA”) as an  
7 Economic Development Consultant.

8  
9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

10 A. My testimony is being sponsored by the OSBA.

11  
12 **Q. ARE YOU THE SAME JOSEPH KUBAS THAT PROVIDED DIRECT**  
13 **TESTIMONY ON BEHALF OF THE OSBA ON SEPTEMBER 5, 2025, AND**  
14 **REBUTTAL TESTIMONY SEPTEMBER 30, 2025?**

15 A. Yes.

16  
17 **Q. BRIEFLY DESCRIBE THE REVENUE INCREASE BEING REQUESTED BY**  
18 **PITTSBURGH WATER AND SEWER AUTHORITY.**

19 A. Pittsburgh Water and Sewer Authority (“PW”) or (“Company”) is seeking a multi-year  
20 revenue requirement increase of \$84.4 million, inclusive of DSIC and the expansion of the  
21 PennVEST Surcharge. This \$84.4 million increase is comprised of a \$63.7 million  
22 increase (25.9%) in the Fully Projected Future Test Year (FPFTY) 2026 and \$20.7 million  
23 increase (6.7%) in Future Year 2027 (FY 2027) (PW St. No. 1, p. 3). As a municipal

1 utility, PW has no shareholders or rate of return requirement but does utilize the “Cash  
2 Flow Method” to establish revenue requirement for each test year.

3  
4 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS**  
5 **PROCEEDING?**

6 A. My surrebuttal testimony addresses components of the Pittsburgh Water and Sewer  
7 Authority’s (PW or Company) revenue requirement and cost allocations for the FPPTY  
8 comprised of the period from January 1, 2026, through December 31, 2026, as well as the  
9 following year comprised of the period from January 1, 2027, through December 31, 2027  
10 (FY 2027). Specifically, I will address portions of the rebuttal testimony of the following  
11 PW witnesses: Edward Barca submitted as PW St. No. 2-R and Harold J. Smith submitted  
12 as PW St. No. 8-R. I will also address components of the rebuttal testimony of Patrick M.  
13 Cicero submitted on behalf of the Pittsburgh United Our Water Table (OWT) as OWT St.  
14 No. 1-R concerning the Customer Assistance Programs (CAP) and Roger Colton  
15 submitted on behalf of the Office of Consumer Advocate (OCA) as OCA St. No. 6-R, also  
16 concerning the CAP. The fact that I didn’t address every issue raised by the parties  
17 should not be considered an agreement with that party or that issue.

18  
19 **Q. ARE YOU MAKING A RECOMMENDATION FOR A SPECIFIC TOTAL**  
20 **REVENUE REQUIREMENT IN THIS CASE?**

21 A. No. As described in my direct testimony, my revenue requirement recommendations are  
22 limited to the issues that I address. Therefore, I am not offering a recommendation for a  
23 specific total revenue requirement.

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23

**Q. BRIEFLY DESCRIBE THE REVENUE INCREASE BEING REQUESTED BY PW IN THIS CASE.**

A. PW is seeking a multi-year revenue requirement increase of \$84.4 million, inclusive of DSIC and the expansion of the PennVEST Surcharge. This \$84.4 million increase is comprised of a \$63.7 million increase (25.9%) in the Fully Projected Future Test Year (FPFTY) 2026 and \$20.7 million increase (6.7%) in Future Year 2027 (FY 2027) (PW St. No. 1, p. 3). As a municipal utility, PW has no shareholders or rate of return requirement but does utilize the “Cash Flow Method” to establish revenue requirement for each test year.

**Wholesale Water Revenue – Present and Proposed Revenue**

**Q. DID YOU ADDRESS PW’S WHOLESALE WATER CUSTOMERS?**

A. Yes. PW has several wholesale water customers listed on FR-VIII.2 in the original filing. In my direct testimony, I recommended that the Company update their revenue requirement to reflect \$5,738,015 (\$5,697,030 + \$40,985) wholesale revenue in FPFTY and \$7,774,902 (\$7,734,877 + \$40,025) wholesale revenue in FY 2027 (OSBA Statement No. 1, pages 4-5).

**Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING WHOLESALE WATER CUSTOMERS?**

A. Yes. PW stated that it made the appropriate corrections (PW Statement No. 8-R, page 2).

1 **Number of Customers – Water and Wastewater - Present Rate Revenue**

2 **Q. DID YOU ADDRESS THE NUMBER OF CUSTOMERS PROJECTED IN THE**  
3 **FPPTY AND FY 2027?**

4 A. Yes. I recommended that the Company reflect an additional 1,025 water customers and  
5 wastewater customers in each of the test years described above. My recommendation was  
6 based upon the historical gain in customers by class and meter size over the past 3 years  
7 (2021 – 2024). The specific customer classes and meter sizes the comprise the 1,025  
8 additional water customers and the additional 1,977 wastewater customers each year is  
9 shown on OSBA Exhibit JK-2, pages 1-2.

10

11 **Q. DID YOU ALSO RECOMMEND A CORRESPONDING INCREASE IN USAGE**  
12 **AS A RESULT OF YOUR RECOMMENDATION TO INCREASE THE NUMBER**  
13 **OF CUSTOMERS?**

14 A. Yes. I also determined that it is reasonable to assume that these additional customers will  
15 use water and produce wastewater. The additional water volumes were reflected on  
16 OSBA Exhibit JK-2, page 3, lines 10 and 21, columns G, I and K. The additional  
17 wastewater volumes were shown on OSBA Exhibit JK-2, page 4, lines 9 and 19, columns  
18 G, I and K.

19

20 **Q. WHAT WAS THE IMPACT TO PRESENT RATE REVENUE OF ALL YOUR**  
21 **PRESENT RATE REVENUE ADJUSTMENTS?**

22 A. I calculated the increase in present rate revenue using the Company’s 2025 Excel COSS,  
23 adding the customers and usage described above, and increasing the Sale For Resale –

1 Contract customer revenue resulted in an increase in the 2025 FTY of approximately \$1.7  
2 million, an increase in the FPFTY of approximately \$4.0 million and an increase of  
3 approximately \$6.1 million in FY 2027 (OSBA Exhibit JK-3, line 25).

4  
5 **Q. DID THE COMPANY PROVIDE A REVISED EXCEL COSS THAT REFLECTED**  
6 **CORRECTIONS AND UPDATES?**

7 A. Yes. PW provided (Pittsburgh Water REBUTTAL Cost of Service Model (No Macros) as  
8 served 9.30.25 (R-COSS or Excel R-COSS).

9  
10 **Q. AS A RESULT OF THIS R-COSS, DO YOU WISH TO REVISE YOUR PRESENT**  
11 **RATE REVENUE RECOMMENDATION?**

12 A. Yes. While the number of customers remained the same, and my recommendations  
13 remained the same, some of the other inputs and factors in the R-COSS changed.  
14 Therefore, I recalculated my present rate revenue adjustment for the FPFTY and FY 2027.  
15 The results of my revisions are reflected on OSBA Exhibit JK-8.

16  
17 **Q. PLEASE SUMMARIZE OSBA EXHIBIT JK-8.**

18 A. OSBA Exhibit JK-8 line 25 shows the revised increase in present rate revenue of  
19 approximately \$3.7 million for the FPFTY and approximately \$5.7 million for FY 2027.  
20 The present rate revenue for water decreased by \$14,600 as shown on line 18 in both the  
21 FPFTY and FY 2027. Also on line 5, I reflected the revised Wholesale revenue of  
22 \$5,735,551 for the FPFTY and \$7,776,114 for FY 2027. These amounts represent  
23 contract revenue which PW will received regardless of the outcome of this case.

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**Q. DID YOU ALSO REFLECT A CORRECTION ON ONE OF YOUR EXHIBITS?**

A. Yes, on OSBA Exhibit JK-2, page 4, column L, lines 11-19, I did not reflect the usage volumes I used in my calculation. This did not impact my recommendation. However, OSBA Exhibit JK-9, column L, lines 31-40 now shows the correct usage volumes I used in my calculation.

**Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION TO REFLECT ADDITIONAL CUSTOMERS AND USAGE?**

A. Yes. The Company disagrees with my recommendations for several reasons. First, the Company First, in FY 2022 Pittsburgh Water transitioned its billing system from the prior Cogsdale system to the current SAP system and “cleaned” the accounts resulting in a more accurate record of accounts by customer class for FY2023 and FY2024. Second, the Company claims that the city is “built-out” and believes it’s imprudent to forecast bill growth (PW Statement 8-R, pages 5-6).

**Q. PLEASE ADDRESS THE COMPANY’S FIRST CLAIM CONCERNING THE DECLINE IN THE NUMBER OF CUSTOMERS AFTER A NEW BILLING SYSTEM WAS IMPLEMENTED.**

A. The Company claims it “removed erroneous data” from before 2023 but did not fully explain this. Normally, this would lead the reader to believe that the Company removed non-existing accounts, duplicate accounts, or accounts representing vacant lots. However, the actual data suggests the opposite occurred. For example, between 2022 and 2023, the

1 Company added 3,422 (79,632– 76,210) water customers (OSBA Exhibit JK-2, page 1  
2 line 31) and 5,532 (105,942 -100,410) wastewater customers (OSBA Exhibit JK-2, page 2  
3 line 38).

4  
5 **Q. PLEASE ADDRESS THE COMPANY’S CLAIM CONCERNING ITS BELIEF**  
6 **THAT THE CITY IS “BUILT OUT”.**

7 A. The Company’s belief that the city is “built out” is contradicted by the recent Census Data  
8 reports compiled by Axios which determined that the City’s population increased by  
9 2,902 between 2023 and 2024 <sup>1</sup>. While this does not necessary correlate to additional  
10 customers, according to the article, it does correlate to building permits in these years.  
11 Therefore, since there is no evidence to the contrary, I believe it’s reasonable to assume  
12 this trend has continued in 2025 and will continue in 2026 and 2027, thus contradicting  
13 the Company’s position that it will add no customers in 2025, 2026 and 2027.

14  
15 **Q. IS THE COMPANY’S POSITION THAT THE COMMISSION SHOULD RELY**  
16 **ON DATA FROM 2023 AND 2024 TO DETERMINE THE NUMBER OF**  
17 **CUSTOMERS IN 2025, 2026 AND 2027 CONSISTENT WITH HOW IT**  
18 **PROJECTED USAGE IN 2025, 2026 AND 2027?**

19 A. No. To project usage for 2025, 2026 and 2027, the Company used the 5-year average  
20 usage from 2020 through 2024, completely contradicting the notion that billing data  
21 before 2022 was flawed (COSS Usage Tab).

22

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<sup>1</sup> [Pittsburgh city population growing more than any city in Pennsylvania - Axios Pittsburgh](#)

1 **Q. WHAT IS THE IMPACT OF USING FIVE YEARS OF DATA TO PROJECT**  
2 **USAGE?**

3 A. For water, the usage data from 2020 through 2024 results in a projected decline in usage  
4 of 3.1% in 2025). This is after the usage increase of 5.3% in 2024 (PW COSS Usage Tab,  
5 Subtotal Water Billable Usage). For wastewater, the usage data from 2020 through 2024  
6 results in a projected decline in usage of 2.2% in 2025. This is after the usage increase of  
7 4.3% in 2024 (PW COSS Usage Tab, Subtotal Wastewater Billable Usage).

8  
9 **Q. DO YOU CONTINUE TO RECOMMEND THE COMPANY REFLECT THE**  
10 **ADDITIONAL CUSTOMERS AND USAGE YOU DETERMINED IN YOUR**  
11 **DIRECT TESTIMONY?**

12 A. Yes. The Company's rationale for rejected my recommendation is unsupported based  
13 upon the historic gain in customers, census data, and because its claim of "cleaned"  
14 accounts in 2022 is not fully explained. More importantly, since the Company believes  
15 that usage data from 2020 through 2024 is valid, then the number of customers between  
16 2020 and 2024 should also be valid. Therefore, the Commission should direct the  
17 Company to reflect these additional customers and the additional usage that I  
18 recommended.

19  
20 **Uncollectible Expense**

21 **Q. DID YOU ADDRESS THREE TYPES OF ACCOUNTS THAT THE COMPANY**  
22 **DESCRIBED THAT WERE OR WILL SOON BE TURNED OVER FOR**  
23 **COLLECTIONS?**

1 A. Yes. I addressed the three types of accounts it has or will soon turn over to delinquent  
2 accounts for collections. First, the Company described \$602,015 of stormwater accounts,  
3 \$1,514,978 for unlisted tenants, and \$154,545 from West View Water Authority (WWA,  
4 PW Statement No. 6, pages 18-19).

5

6 **Q. WHAT DID YOU RECOMMEND CONCERNING THESE DELINQUENT**  
7 **STORMWATER AND UNLISTED TENANT ACCOUNTS?**

8 A. I recommended that the Company reflect \$42,340 (\$602,015, + \$1,514,978) \*2% of the  
9 stormwater accounts and unlisted tenants as additional miscellaneous revenue in the  
10 COSS. If the Commission approves the Company's two-year rate plan, I recommended  
11 that the Company reflect 50% of this \$42,340 or \$21,170 in the FPPTY, and the  
12 remaining 50% or \$21,170 in FY 2027.

13

14 **Q. WHAT WAS THE BASIS FOR YOUR RECOMMENDATIONS CONCERNING**  
15 **THESE TWO ACCOUNTS?**

16 A. As described in my direct testimony, since the Company failed to reflect any recovery of  
17 these accounts and based upon the response to OSBA-IV-8-9 and 11, I recommended that  
18 the Company reflect \$42,340 (\$602,015, + \$1,514,978) \*2% of the stormwater accounts  
19 and unlisted tenants as additional miscellaneous revenue in the COSS. In the past the  
20 Company received 2% of delinquent accounts. Therefore, I believe it's reasonable to  
21 reflect collection of 2% of these stormwater and unlisted tenant delinquent accounts in the  
22 COSS (OSBA Statement No. 1, page 10).

23

1 **Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING**  
2 **THESE TWO TYPES OF ACCOUNTS?**

3 A. Yes. PW witness Mr. Barca disagrees with my recommendation, stating that the FPFTY  
4 and FY 2027 already include amounts from these sources (PW Statement No. 2-R, page  
5 96).

6  
7 **Q. DO YOU WISH TO WITHDRAW YOUR RECOMMENDATION CONCERNING**  
8 **THESE TWO TYPES OF UNCOLLECTIBLE EXPENSES?**

9 A. Yes. Based upon the testimony of Mr. Barca that this miscellaneous revenue is already  
10 included in the revenue requirement, I am withdrawing my recommendation that the  
11 Company reflect \$42,340 of miscellaneous revenue which also included a provision that if  
12 the Commission allows a FY 2027 it should reflect 50% of this \$42,340 or \$21,170 in the  
13 FPFTY, and the remaining 50% or \$21,170 in FY 2027 as describe above.

14  
15 **Q. WHAT DID YOU RECOMMEND CONCERNING THE WEST VIEW WATER**  
16 **AUTHORITY (WWA) ACCOUNT?**

17 A. I recommended that the Company reflect the entire \$154,545 as miscellaneous revenue  
18 related to the WWA in the FPFTY. If the Commission approves the Company's two-year  
19 rate plan, the Company should reflect 50% of this \$154,545 or \$77,272 in the FPFTY, and  
20 the remaining 50% or \$77,272 in FY 2027(OSBA Statement No. 1, pages 10-11).

21  
22 **Q. WHAT WAS THE BASIS FOR YOUR RECOMMENDATION?**

1 A. As described in my direct testimony, the Company provided no justification for not  
2 collecting this \$154,545 from WWA. Unlike the missing tenants or parcels of land  
3 associated with the delinquent accounts I believed that the WWA system is a “going  
4 concern”, operating a system and billing customers. Therefore, I believed it has the  
5 means to pay PW what it owes. PW should have taken steps to collect this \$154,545 in  
6 the past before it went to collections (OSBA Statement No. 1, page 11).

7

8 **Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING**  
9 **THE WWA?**

10 A. Yes. PW witness Barca disagrees with my recommendation concerning WWA for several  
11 reasons. First, he claims that PW and WWA have not been able to negotiate mutually  
12 acceptable terms by which the WWA will terminate water service to these customers in an  
13 effort to obtain payment (Pittsburgh Water St. No. 6, pages 18–19). Second, Mr. Barca  
14 also takes issue with this recommendation because it is different than my recommendation  
15 concerning unlisted tenants and stormwater accounts. Third, he also claims there is no  
16 evidence it will collect these funds in the FPPTY. Fourth, Mr. Barca also believes it’s  
17 wrong to assume it will collect this revenue in each year rates are in effect. Finally, he  
18 claims that the uncollectible expense associated with the WWA is included, it should be  
19 2% of the total which is de-minimus.

20

21 **Q. PLEASE ADDRESS THE OVERALL ISSUE WITH WWA?**

1 A. I initially believed that this uncollectible expense was from the WWA. However, based  
2 upon the Rebuttal testimony, the Company described this uncollectible expense from  
3 being from the customers within the WWA.

4  
5 **Q. PLEASE ADDRESS PW'S FIRST CLAIM THAT IS HAS NOT BEEN ABLE TO**  
6 **REACH AN AGREEMENT WITH WWA?**

7 A. This should not have gone this far. The inaction of PW only harms its customers. These  
8 uncollectible expenses are causing PW customers to pay higher rates because PW failed to  
9 reach an agreement with the WWA. This type of harm could go on forever, with no end  
10 in sight. Neither the customers nor the Commission can negotiate a contract with the  
11 WWA, this leaves PW. Therefore, I believe this is the fault of PW and recommend that  
12 the Company take whatever steps needed to reach a reasonable agreement with WWA to  
13 receive the revenue.

14  
15 **Q. PLEASE ADDRESS PW'S SECOND CLAIM THAT YOUR**  
16 **RECOMMENDATION CONCERNING WWA IS DIFFERENT THAN YOUR**  
17 **RECOMMENDATION CONCERNING THE STORMWATER ACCOUNTS OR**  
18 **UNLISTED TENANTS.**

19 A. They are different types of uncollectible expenses. It is my understanding that the WWA  
20 customers are outside the PW service territory. Therefore, the uncollectible accounts of  
21 customers in the WWA should be treated differently, since they are not stormwater  
22 accounts or unlisted tenants, like in the first two types of uncollectible expense, just the  
23 fault of PW.

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**Q. PLEASE ADDRESS PW’S THIRD CLAIM THAT THERE IS NO EVIDENCE THE COMPANY WILL COLLECT THESE FUNDS IN THE FPFTY?**

A. Again, this has gone on too long. For PW to claim that there is no evidence that it will collect these funds shifts the burden from itself to all other customers who as described above have no power to collect these funds.

**Q. PLEASE ADDRESS PW’S FOURTH CLAIM CONCERNING COLLECTING THESE FUNDS EACH YEAR THAT RATES ARE IN EFFECT?**

A. Again, this is the fault of PW, and they have no one to blame but themselves. If they had collected the funds when due, this would not be an issue now. As for the time-period beyond the test year, the actual expense for any claim could be lower beyond the end of FY 2027. Similarly, the Company could receive more revenue beyond the end of the FY 2027 if they add customers or usage. This is the risk of a Multi-Year Rate plan proposed by the Company. Its therefore disingenuous of PW to shift the risk of this one issue back to customers in a Multi-Year Rate plan the Company is requesting.

**Q. DO YOU CONTINUE TO BELIEVE THAT THE COMPANY SHOULD REFLECT \$77,272 IN THE FPFTY AND \$77,272 IN FY 2027 AS A RESULT OF THE WWA ACCOUNTS?**

A. Yes. The Company allowed this to go on too long. Also, if the amount is as de-minimus as the Company claims, it should reflect the amount without question.

1 **Distribution System Improvement Charge**

2 **Q. WHAT IS A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE AND WHY**  
3 **IS IT A SEPARATE SURCHARGE?**

4 A. The DSIC is a separate charge designed to recover the cost of various specific types of  
5 plant additions between rate cases. However, since PW is a “cash flow” company, it’s a  
6 stream of revenue that exists as part of base rates. It is a separate charge applied to a  
7 customer’s bill on a percentage basis. The current maximum surcharge for PW is 5.0%.

8  
9 **Q. DID PW PROPOSE TO INCREASE THE MAXIMUM DSIC PERCENTAGE?**

10 A. Yes. PW proposed to increase the maximum surcharge to 7.5%. PW included the  
11 revenue from the PennVEST surcharge in the calculation (Excel COSS, OpRev Tab).

12  
13 **Q. DID YOU OBJECT TO INCREASING THE DSIC SURCHARGE FROM 5.0% TO**  
14 **7.5%?**

15 A. No. However, I recommended PW not be permitted to apply the DSIC surcharge to the  
16 PennVEST surcharge.

17  
18 **Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING**  
19 **THE INCLUSION OF THE PENNVEST SURCHARGE IN THE DSIC**  
20 **CALCULATION?**

21 A. Yes. PW witness Barca thanked me for supporting PW’s proposal to increase the DSIC to  
22 7.5% but provided several reasons for disagreeing with my recommendation to exclude  
23 the PennVEST surcharge.

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**Q. WAS IT CORRECT FOR MR. BARCA TO INFER THAT YOU SUPPORTED INCREASING THE DSIC FROM 5.0% TO 7.5%?**

A. No. In my direct testimony, I merely stated that I do not oppose increasing the DSIC to 7.5%. This is not the same as supporting the proposal (OSBA Statement No. 1, page 15). I'll leave the issue up to the Commission to decide the outcome.

**Q. DO YOU WISH TO WITHDRAW THIS RECOMMENDATION?**

A. Yes. The OSBA has decided to withdraw this recommendation but reserves the right to address this issue in future cases.

**Cost of Service Study**

**Q. BRIEFLY DESCRIBE PW'S COST OF SERVICE STUDY (COSS).**

A. PW provided a COSS that assigns or allocates various costs associated with operating each system separately as described in the testimony of Harold J. Smith shown on PW Exhibit HJS. PW also provided an excel spreadsheet labeled "Pittsburgh Water 2025 Cost of Service Study supporting rate filing as of 6-4-25" which I referred to as the "Excel COSS". The Excel COSS provided information for both the FPFTY and FY 2027.

**Q. WHAT LARGE ITEMS DID YOU IDENTIFY IN THE COSS ASSOCIATED WITH THE CUSTOMER ASSISTANCE PROGRAMS (CAP)?**

A. In my direct testimony, I identified forgone revenue associated with the Bill Discount Program (BDP) as the largest CAP program in the Excel COSS. For the water system, the

1 Company claimed \$2,711,475 forgone revenue in the FPFTY, and \$2,830,625 in FY  
2 2027. For the wastewater system the Company claimed \$1,108,806 of forgone revenue in  
3 the FPFTY and \$1,268,233 in FY 2027. For the Stormwater system, the Company  
4 claimed \$1,040,309 of forgone revenue in the FPFTY and \$1,055,270 in FY 2027 (OSBA  
5 St. No. 1, page 17-18).

6  
7 **Q. DID THE COMPANY CLAIM ANY OTHER CAP EXPENSES?**

8 A. Yes. PW claimed \$900,000 of Hardship Grant expense as described on (PW Statement  
9 No. 6, pages 30-36), and \$662,322 of Leak Credit Program (LCP) expense for customers  
10 that experience leaks (PW Statement. No. 6, pages 37-38). PW also claimed \$280,094 of  
11 Arrearage Forgiveness Program (AFP) expense (PW St. No. 6, page 36-37), and \$150,000  
12 related to Service Line Repairs Program (SLRP) expense (PW Statement No. 6, page 33).

13  
14 **Q. HOW DID PW PROPOSE TO RECOVER THESE CAP EXPENSES?**

15 A. According to the Company's Excel COSS, it proposed to recover these costs from all  
16 other customers excluding contract customers and public fire customers.

17  
18 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS CONCERNING THE  
19 ALLOCATION OF THE CAP EXPENSES IN FPFTY 2026 AND IN FY 2027.**

20 A. As described in my direct testimony, I recommended that since these CAP costs are from  
21 the Residential class, they should only be recovered from the Residential class.  
22 Consistent with cost allocation principles, customer classes should bear the cost of  
23 services that directly benefit them. Non-Residential customers pay their utility bills based

1 on their usage and requirements, and it is reasonable for them to expect that their  
2 payments to support services related to their own consumption, not Residential assistance.  
3 Since stormwater rates are based upon “Equivalent Residential Units”, I did not change  
4 the stormwater rate structure (OSBA Statement No. 1, page 19).

5  
6 **Q. DOES THE COMPANY’S EXCEL COSS SUBMITTED IN REBUTTAL**  
7 **TESTIMONY CAUSE YOU TO REVISE YOUR COSS ALLOCATION?**

8 A. No. The largest change in the R-COSS by class was in the FY 2027 for water which  
9 declined by \$86,074 (\$199,132,062 - \$199,045,988). Since this amount is relatively small  
10 and my reallocation is based upon percentages, there would be little change by class if I  
11 revised my cost allocation. In addition, the final Commission order is likely to make  
12 further changes, which will impact the amounts that I reallocated in my direct testimony.

13  
14 **Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING**  
15 **THE CAP COSTS?**

16 A. Yes. PW disagrees with my recommendation for several reasons. First, Mr. Smith states  
17 that PW has always recovered its CAP expenses from all customer classes. Second, Mr.  
18 Smith states that CAP benefits the entire Pittsburgh community, including businesses, by  
19 helping to ensure that all residents and the workforce can afford water for essential use.  
20 Third, he claims the increase to Residential customers would be 28.0% rather than 22.7%,  
21 thus causing additional hardship to Residential customers. Finally, Mr. Smith cited the  
22 Philadelphia Gas Company (PGW) system (PW Statement No. 8-R, pages 4-5).

23

1 **Q. PLEASE ADDRESS THE FIRST CLAIM BY PW THAT IT HAS ALWAYS**  
2 **RECOVERED CAP COSTS FROM ALL CUSTOMERS IN THE PAST.**

3 A. While I understand the current methodology is to recover these costs from all customers,  
4 that doesn't mean that it can never change. I believe that since the total cost of operating  
5 these systems is rising, this is the proper time to establish rates based on the cost within  
6 each class to be fair to all classes.

7  
8 **Q. PLEASE ADDRESS THE SECOND CLAIM BY PW CONCERNING THE**  
9 **ENTIRE PITTSBURGH COMMUNITY.**

10 A. I do not believe it's appropriate to use rate structure to promote a social agenda, especially  
11 when the cost of that agenda is being paid by Non-Residential customers that face their  
12 own financial struggles. I believe it's more reasonable to establish rates based on cost.  
13 Furthermore, one could argue that the community benefits from many types of things.  
14 For example, a community benefits from having small businesses, schools, or swimming  
15 pools in the community, yet no one is proposing that these types of entities receive a rate  
16 discount because of some perceived community benefit.

17  
18 **Q. PLEASE ADDRESS THE THIRD CLAIM BY PW CONCERNING THE**  
19 **PERCENTAGE RATE INCREASE CALCULATED BY PW.**

20 A. While I haven't confirmed the percentage increase described by Mr. Smith, I believe it is  
21 more important to establish rates based on the R-COSS and reflect the proper revenue by  
22 class. He fails to recognize that allowing the recovery of CAP costs from all customers  
23 increases all Non-Residential rates because of this CAP cost shifting. While Non-

1 Residential customers would benefit from my proposal, PW failed to recognize or  
2 calculate and describe the savings that would accrue to Non-Residential customers if my  
3 proposal were approved. The higher rates that Residential customers will face from these  
4 expanded programs are just like any other utility expense and should be assigned to the  
5 class from which they occur just like any other expense regardless of the resulting rate.

6  
7 **Q. PLEASE ADDRESS THE FINAL CLAIM BY PW CONCERNING HOW COSTS**  
8 **WERE ALLOCATED IN PAST PGW CASES?**

9 A. Just because PGW recovers CAP costs from all customers in the past doesn't mean this  
10 methodology can never change. I believe it's more appropriate to establish rates based on  
11 the COSS and reflect the proper revenue by class. Therefore, I recommend that the  
12 Commission reconsider any policy decision and past order that deviates from this concept.  
13 As all costs and rates increase, it's more important now to properly establish rates based  
14 upon cost.

15  
16 **Q. DID THE OCA ADDRESS YOUR RECOMMENDATION CONCERNING CAP**  
17 **COSTS?**

18 A. Yes. The OCA disagrees with my recommendation for several reasons. First, Mr. Colton  
19 believes I failed to recognize how PW currently recovers CAP costs (OCA Statement No.  
20 6R, page 2). Second, he believes that allocating the CAP costs only to Residential  
21 customers violates some bargain with the city. Third, Mr. Colton cites several policy  
22 statements and Commission Orders describing the allocation of CAP costs to all  
23 customers. Fourth, he also interprets the American Water Works Association (AWWA)

1 statements (OCA Statement No. 6-R, page 7). Fifth, he discusses affordability, and the  
2 City of Detroit issues. Sixth, Mr. Colton refers to more Commission Orders describing  
3 housing stock, poverty, and low wages (OCA Statement No. 6, pages 8-16). Seventh, he  
4 describes how CAP programs appear to help local governments and all taxpayers (OCA  
5 Statement No. 6, page 19). Eight, he describes “stressed out” customers (OCA Statement  
6 No. 6, pages 21-25). Finally, Mr. Colton describes how CAP programs should be  
7 considered the “Public Good” (OCA Statement No. 6, pages 25-29).

8  
9 **Q. PLEASE ADDRESS THE FIRST CLAIM BY THE OCA THAT IT HAS ALWAYS**  
10 **RECOVERED CAP COSTS FROM ALL CUSTOMERS IN THE PAST.**

11 A. As described above, I believe that what was done in the past can be changed, and that now  
12 is the proper time to assign these costs to the Residential class. Since the total cost of  
13 operating these systems is rising, rates should be based on cost and which classes caused a  
14 cost to be incurred.

15  
16 **Q. PLEASE ADDRESS THE SECOND CLAIM BY THE OCA CONCERNING THE**  
17 **USE OF PITTSBURGH STREETS.**

18 A. While I don’t fully understand this claim, including his references to past “fruits”,  
19 “bargains” perquisites” and “exchanges” that were never explained. If he is suggesting  
20 that PW can only operate by an agreement with the city to use its streets, there is no  
21 evidence showing that to be the case, even from PW. I don’t see how assigning costs in a  
22 COSS would impact the use of city streets. Therefore, I recommend that the Commission  
23 disregard these alleged “fruits” and other comparisons described by Mr. Colton and base

1 rates for each class upon the cost of providing service to that class. The fact that PW is a  
2 municipal system should make no difference to the Commission when assigning costs.

3

4 **Q. PLEASE ADDRESS THE THIRD CLAIM BY THE OCA CONCERNING POLICY**  
5 **STATEMENTS AND PAST COMMISSION ORDERS.**

6 A. I continue to believe it is more important to establish rates based on the COSS and reflect  
7 the proper revenue by class. Therefore, I recommend that the Commission reconsider any  
8 policy decision and past order that deviates from this concept. Since the total cost of  
9 operating these systems is rising, rates should be based on cost and which classes caused a  
10 cost to be incurred.

11

12 **Q. PLEASE ADDRESS THE FOURTH CLAIM BY THE OCA CONCERNING**  
13 **AWWA STATEMENTS.**

14 A. Mr. Colton’s description of the policy and goals of AWWA fails to include any AWWA  
15 reference on how these costs should be recovered. He suggests safe service is the issue,  
16 but safe service is not the issue, the issue is cost recovery. Finally, even if the AWWA or  
17 any other party outside Pennsylvania recommends how costs should be recovered, the  
18 Commission does not have to follow that recommendation.

19

20 **Q. PLEASE ADDRESS THE FIFTH CLAIM OF THE OCA CONCERNING**  
21 **AFFORDABILITY AND THE CITY OF DETROIT.**

22 A. Again, I do not believe it’s appropriate to use rate structure to promote a social agenda,  
23 especially when the cost of that agenda is being paid by Non-Residential customers that

1 face their own financial struggles. Under the current methodology, the Residential water  
2 class pays approximately 35% of CAP costs (COSS W>Rate Design26 and W>Rate  
3 Design 27 No Min Tabs). In either year, there is no indication that poverty will increase,  
4 or rates will become unaffordable if the Residential water class pays the additional  
5 approximately 65%). The same logic applies to the wastewater system. While I  
6 understand the difficulties facing the city of Detroit, there is no evidence it was caused by  
7 allocating CAP costs only to Residential customers. The number of shut offs in Detroit in  
8 March of 2018 is not relevant to the determination of allocating CAP costs in this 2025  
9 PW rate case.

10  
11 **Q. PLEASE ADDRESS THE SIXTH CLAIM OF THE OCA CONCERNING**  
12 **HOUSING STOCK, POVERTY AND LOW WAGES.**

13 A. Again, I do not believe it's appropriate to use rate structure to promote a social agenda,  
14 especially when the cost of that agenda is being paid by Non-Residential customers that  
15 face their own financial struggles. His suggestion that low wages are caused by business  
16 owners paying poverty wages will not be solved with higher rates for businesses. Lower  
17 rates for businesses will allow businesses to pay higher wages and lead to lower prices for  
18 customers since their utility rates will be lower. Therefore, it would be better to have all  
19 customers classes pay rates based on the cost to serve that class, thus eliminating the harm  
20 to Non-Residential customers.

21  
22 **Q. PLEASE ADDRESS THE SEVENTH CLAIM BY THE OCA CONCERNING THE**  
23 **BENEFIT TO LOCAL GOVERNMENTS AND ALL TAXPAYERS.**

1 A. Mr. Colton describes the alleged benefits to local governments and all taxpayers, but he  
2 fails to provide specific details. As described above, he also fails to acknowledge the  
3 overall economic impact of improperly recovering these costs from Non-Residential  
4 ratepayers. That is why I recommend the proper allocation and assignment of costs,  
5 businesses would have more revenue to expand and contribute to the tax base, pay higher  
6 wages and be able to lower prices, thus benefiting local governments and all taxpayers.

7

8 **Q. PLEASE ADDRESS THE EIGHT CLAIM BY THE OCA CONCERNING THE**  
9 **STRESS LEVEL OF RESIDENTIAL CUSTOMERS.**

10 A. I don't believe that shifting costs to Non-Residential customers because Residential  
11 customers are "stressed-out" is proper. He failed to recognize that all customers face  
12 stress and provided no proof that the alleged reduced stress of Residential customers will  
13 be more of a reduction than the increased stress that Non-Residential customers face  
14 paying higher unreasonable rates. Therefore, rather than speculate on who feels the most  
15 stress, I recommend that rates be based upon the proper allocation of costs including the  
16 assignment of CAP costs to the Residential class.

17

18 **Q. PLEASE ADDRESS THE FINAL CLAIM BY THE OCA CONCERNING THE**  
19 **OVERALL BENEFIT FOR ALLOCATING CAP COSTS TO ALL CUSTOMERS.**

20 A. Mr. Colton describes the alleged benefits of affordable water service, while never stating  
21 what constitutes unaffordable water service. His claim that businesses do not go to school  
22 makes no sense. He does imply that since businesses do not go to doctors or daycare, that  
23 businesses can afford higher unreasonable rates. But he fails to acknowledge that doctors

1 and daycare customers will be paying for CAP costs in their rates and will pass on these  
2 higher unreasonable rates to Residential customers if CAP costs are allocated to them.

3

4 **Q. DID THE OWT ADDRESS YOUR RECOMMENDATION CONCERNING CAP**  
5 **COSTS?**

6 A. Yes. The OWT disagrees with my recommendation for several reasons. First, Mr. Cicero  
7 believes it's unreasonable for CAP costs to be recovered solely from the Residential class.  
8 Second, he believes that CAPs benefit all customer classes, is a social problem affecting  
9 all customers, requiring a holistic solution. Third, Mr. Cicero, cites several policy  
10 statements and Commission Orders describing the allocation of CAP costs to all  
11 customers (OWT Statement No. 1-R, page 3). Fourth, Mr. Cicero blames low wages on  
12 business owners. Fifth, he claims that higher Residential rates results in customers living  
13 in poverty, resulting in anxiety and stress. Sixth, he describes the positive impact of  
14 social programs on industry, business, commerce, educational institutes, hospitals, state,  
15 and local governments. Finally, Mr. Cicero summarizes his disagreement with my  
16 recommendation (OWT Statement No. 1-R, pages 4-8).

17

18 **Q. PLEASE ADDRESS THE FIRST CLAIM BY THE OWT CONCERNING THE**  
19 **REASONABLENESS OF RECOVERIN CAP COSTS FROM ALL CUSTOMERS.**

20 A. Mr. Cicero's concerns are without merit. He failed to address my argument that only the  
21 Residential class can avail themselves to these programs. He also failed to address the  
22 undisputed issue that rates paid by Non-Residential customers recover the costs allocated  
23 or assigned to each of their classes.

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**Q. PLEASE ADDRESS THE SECOND CLAIM OF OWT CONCERNING SOCIAL PROBLEMS.**

A. Again, I do not believe it’s appropriate to use rate structure to solve social problems, especially when the cost of that solution is being paid by Non-Residential customers that face their own financial struggles. Also as described above, I believe it would be better to have all customer classes pay rates based on the cost to serve that class, thus eliminating the harm to Non-Residential customers.

**Q. PLEASE ADDRESS THE THIRD CLAIM BY THE OWT CONCERNING POLICY STATEMENTS AND PAST COMMISSION ORDERS.**

A. I continue to believe it is more important to establish rates based on the COSS and reflect the proper revenue by class. Therefore, I recommend that the Commission reconsider any policy decision and past order that deviates from this concept. Since the total cost of operating these systems is rising, rates should be based on cost and which classes caused a cost to be incurred.

**Q. PLEASE ADDRESS THE FOURTH CLAIM OF OWT CONCERNING THE LOW WAGES.**

A. His suggestion that low wages are caused by business owners paying poverty wages will not be solved with higher rates for businesses. Higher rates for business owners will lead to lower wages for workers and higher prices for customers. Therefore, I recommend all

1 customer classes pay rates based on the cost to serve that class, thus eliminating the harm  
2 to Non-Residential customers.

3

4 **Q. PLEASE ADDRESS THE FOURTH CLAIM OF OWT CONCERNING ANXIETY,**  
5 **AND STRESS.**

6 A. I don't believe that shifting costs to Non-Residential customers because Residential  
7 customers are "stressed-out" is proper. He failed to recognize that all customers face  
8 stress and provided no proof that the alleged reduced stress of Residential customers will  
9 be more of a reduction than the increased stress that Non-Residential customers face  
10 paying higher unreasonable rates. Therefore, rather than speculate on who feels the most  
11 stress, I recommend that rates be based upon the proper allocation of costs including the  
12 assignment CAP costs to the Residential class.

13

14 **Q. PLEASE ADDRESS THE SIXTH CLAIM BY THE OWT CONCERNING THE**  
15 **BENEFIT TO INDUSTRY, BUSINESS, COMMERCE, EDUCATIONAL**  
16 **INSTITUTES, HOSPITALS, LOCAL AND STATE GOVERNMENTS.**

17 A. Mr. Cicero lists these entities that he believes appear to benefit from all classes of services  
18 being allocated a portion of CAP costs, but like Mr. Colton's position concerning social  
19 benefits, he fails to acknowledge the cost of higher rates being paid by all these Non-  
20 Residential customers, which either pass on the cost in the form of lower wages or higher  
21 prices fees, or taxes.

22

23 **Q. PLEASE ADDRESS THE OVERALL RECOMMENDATION OF OWT.**

1 A. I continue to disagree with OWT because as described above, they failed to provide any  
2 valid reasons for rejecting my recommendation.

3

4 **Q. DID THE COMPANY, OR OCA PROVIDE ANY VALID REASON FOR**  
5 **REJECTING YOUR RECOMMENDATION?**

6 A. No. Therefore, the reallocation of CAP expenses for water and wastewater as shown on  
7 OSBA Exhibit JK-7 should be approved.

8

9 **PennVEST**

10 **Q. WHAT IS PENNVEST AND WHY CAN IT BE A SEPARATE SURCHARGE?**

11 A. The Pennsylvania Infrastructure Investment Authority (PennVEST) is a Commonwealth  
12 agency that provides grants and low interest loans to serve communities through capital  
13 funding for drinking water, wastewater, stormwater, non-point source pollution  
14 prevention and other related projects. It can be a separate surcharge because it is a loan  
15 provided by the Commonwealth making it different from other loans.

16

17 **Q. DOES PW CURRENTLY HAVE A TARIFF PROVISION THAT ALLOWS IT TO**  
18 **CHARGE A PENNVEST SURCHARGE?**

19 A. Yes, but the current surcharge is zero.

20

21 **Q. DID PW PROPOSE TO UTILIZE THIS PROVISION IN ITS TARIFF?**

22 A. Yes. PW proposed to recover the principal and interest on its current and future  
23 PennVEST loans through this PennVEST surcharge beginning March 30, 2026. The

1 projected amount in the FPFTY is approximately \$17.6 million and approximately \$23.5  
2 million in FY 2027 (PW Statement No. 1, Exhibit JWP-1, line 3).

3  
4 **Q. WHAT PENNVEST SURCHARGES DID PW PROPOSE?**

5 A. For the FPFTY PW proposed a PennVEST water surcharge of \$2.13 per thousand gallons  
6 for all customers except Residential-CAP and Residential CAP 50FPL (CAP customers).  
7 For FY 2027 PW proposed a PennVEST water surcharge of \$2.23 per thousand gallons  
8 for all customers except CAP customers. For the FPFTY PW is proposing a PennVEST  
9 wastewater surcharge of \$0.88 per thousand gallons for all customers except CAP  
10 customers. For FY 2027 PW is proposing a PennVEST wastewater surcharge of \$0.90  
11 per thousand gallons for all customers except CAP customers. For CAP customers, PW  
12 proposed that they pay 50% of the PennVEST surcharges described above (OSBA  
13 Statement No. 1, page 12).

14  
15 **Q. DID YOU DETERMINE THE REVENUE SHORTFALL AS A RESULT OF**  
16 **GRANTING CAP CUSTOMERS A LOWER PENNVEST SURCHARGE?**

17 A. Yes. Based upon the Company's original filing, in 2026 the revenue shortfall is \$206,626  
18 (OSBA Exhibit JK-5, page 1, line 23). For FY 2027 the revenue shortfall is \$299,072.  
19 (OSBA Exhibit JK-5, page 2, line 23).

20  
21 **Q. HOW DID THE COMPANY PROPOSE TO RECOVER THESE REVENUE**  
22 **SHORTFALLS?**

1 A. The Company proposed the same higher PennVEST surcharge for all other non-CAP  
2 customers (PW Exhibit HJS-17W, 24W, 16WW and 23WW).

3

4 **Q. WHAT DID YOU RECOMMEND CONCERNING THESE REVENUE**  
5 **SHORTFALLS?**

6 A. As described in my direct testimony, since these revenue shortfalls are a result of granting  
7 a discount to some of the Residential customers, the revenue shortfall should only be  
8 recovered from Residential customers (OSBA Statement No. 1, page 13).

9

10 **Q. WHAT PENNVEST SURCHARGE RATES DID YOU PROPOSE BASED UPON**  
11 **YOUR RECOMMENDATION?**

12 A. For the FPPTY, I recommended the rates shown on OSBA Exhibit JK-5, page 1, column  
13 F. For the FY 2027, I recommended the rates shown on OSBA Exhibit JK-5, page 2,  
14 column F. These rates and the same volumes projected by the Company produce the  
15 same PennVEST revenue proposed by the Company.

16

17 **Q. IS IT POSSIBLE THAT THE PENNVEST SURCHARGE YOU RECOMMEND**  
18 **COULD BE LOWER?**

19 A. Yes. The PennVEST surcharges that I recommended were based upon the volumes  
20 projected by PW. If the Commission accepts my recommendation above to reflect  
21 additional customers and usage, the PennVEST surcharge should be lowered so that the  
22 revenue received from the PennVEST surcharge remains as projected.

23

1 **Q. DID OWT ADDRESS YOUR RECOMMENDATION CONCERNING THE**  
2 **PENNVEST SURCHARGE?**

3 A. Yes. OWT disagreed with my recommendation for the same reasons it opposed my  
4 assignment of CAP costs to Residential customers (OWT Statement 1-R, page 8).

5

6 **Q. PLEASE ADDRESS OWT TESTIMONY CONCERNING YOUR PENNVEST**  
7 **SURCHARGE RECOMMENDATION?**

8 A. I previously addressed the OWT in the CAP allocation section above. I continue to  
9 disagree with OWT for the reasons set forth above. Since OWT failed to provide any  
10 valid reasons for rejecting my recommendations concerning the PennVEST surcharges,  
11 they should be approved by the Commission.

12

13 **Q. DID YOU MAKE ANY FURTHER RECOMMENDATIONS CONCERNING THE**  
14 **PENNVEST SURCHARGES?**

15 A. Yes. I recommended that PW provide amortization tables for each loan and a summary of  
16 the history of PennVEST charges and revenue received from the PennVEST surcharge in  
17 the next base rate case. I made this recommendation because the volumes are only  
18 projections and actual volumes times the final rates will likely produce a different total  
19 revenue. Therefore, this recommendation ensures the Commission and interested parties  
20 have the necessary information to determine the correctness of the PennVEST surcharge  
21 and review the annual reconciliation describe on page 8D of PW's Water Tariff, page 9C  
22 of PW's Wastewater tariff, and page 8D of PW's Stormwater tariff (OSBA Statement No.  
23 1, pages 14-15).

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**Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING TRACKING AND REPORTING THE PENNVEST SURCHARGE?**

A. PW disagreed with my recommendation for several reasons. First, Mr. Barca believes the recommendation is unnecessary because the information is provided with the PennVEST tariff supplements. Second, he believes that since the charge is subject to a semi-annual and annual reconciliation, such a requirement is unnecessary. Third, Mr. Barca believes that since it provided a calculation of the PennVEST surcharge in this case, and no one questioned it, the Company should not have to provide any reconciliations in the next base rate case (PW Statement No. 2R, pages 90-91).

**Q. PLEASE ADDRESS THE FIRST REASON CONCERNING THE TARIFF SUPPLEMENTS AND RECONCILIATION FILINGS.**

A. I believe there could be differences in the timing of these tariff filings. It's also not clear what would be included in these tariff filings. Rate cases do not always show enough detail or have the same test years as a tariff filing. Therefore, reconciliations in the rate case will support the Company's PennVEST claims in the rate case.

**Q. PLEASE ADDRESS THE SECOND REASON CONCERNING THE SEMI-ANNUAL AND ANNUAL RECONCILIATION.**

A. According to the Company, the PennVEST surcharge will be a larger part of the Company's funding over the years. PennVEST revenue is proposed to increase from approximately \$12.3 million in 2026 to \$32.5 million in 2030 for the water system and

1 increase from approximately \$5.3 million in 2026 to \$13.9 million in 2030 for the  
2 wastewater system (COSS OpRev Tab). Therefore, it makes sense for the Company to  
3 provide the reconciliations in the next rate case to show the appropriate PennVEST  
4 projected rates, revenue, and debt service.

5  
6 **Q. PLEASE ADDRESS THE THIRD REASON CONCERNING THE NECESSITY OF**  
7 **THESE FILINGS.**

8 A. PW's rationale fails to acknowledge the issues described above. Contrary to Mr. Barca's  
9 claim, I did challenge the usage volumes which would change the PennVEST rates and  
10 revenue since they are based upon projected usage volumes. Therefore, given the larger  
11 projected surcharge, all the variables in projecting and reconciling this surcharge, I  
12 believe it's essential for these reconciliations to be provided in the next base rate case.

13  
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16 **Proposed Rates**

17 **Q. HOW WERE THE PROPOSED BASE RATES DEVELOPED IN THIS**  
18 **PROCEEDING?**

19 A. For rates in 2026, PW kept the allowance the same and increased the customer charges,  
20 usage rates and stormwater ERU based upon costs developed in the PW COSS. For rates  
21 in FY 2027, PW removed the allowance, lowered the monthly charges, increased the  
22 usage rates and the ERU rate. These rates were also based upon the costs developed in  
23 the PW COSS. All non-CAP metered water customers pay the same water customer

1 charge based upon their meter size. All non-CAP metered wastewater customers pay the  
2 same monthly service charge based upon their water meter size. The usage rate a  
3 customer pays depends on the class of service of each customer (PW HJS-17W, 24W  
4 16WW, 23WW and 6SW) (OSBA Statement No. 1, page 23).

5  
6 **Q. HOW WILL YOUR RECOMMENDATIONS DESCRIBED ABOVE IMPACT**  
7 **PROPOSED RATES?**

8 A. The additional customers and volumes that I recommended will reduce proposed base  
9 rates. Removing the PennVEST surcharge from the DSIC will increase proposed base  
10 rates. Recovering the PennVEST CAP discount only from Residential customers will  
11 increase the Residential PennVEST rates. Reallocating costs within the COSS will  
12 increase Residential usage rates and reduce rates for other customers in the other classes  
13 depending on the class of service. (OSBA Statement No. 1, page 23).

14  
15 **Q. HOW DO YOU RECOMMEND THAT RATES BE CHANGED OR SCALED**  
16 **BACK IF THE COMMISSION GRANTS A DIFFERENT LEVEL OF PROPOSED**  
17 **REVENUE?**

18 A. I recommended the Company modify the Excel COSS based upon the final Commission  
19 order and utilize the rates that are developed using the internal calculations of the Excel  
20 COSS. This will ensure that the revenue received from each class is close to or equal to  
21 the cost of providing service to that class (OSBA Statement No. 1, page 24).

22

1 **Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING**  
2 **THE DETERMINATION OF PROPOSED RATES BASED UPON THE FINAL**  
3 **EXCEL COSS?**

4 A. No. Therefore, my recommendations for the determination of proposed rates should be  
5 approved.

6

7 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

8 A. Yes.

# **EXHIBIT JK-8**

**Pittsburgh Water**  
**Statement of Income - Existing Rates**  
**Based Upon - Pittsburgh Water Exhibit EB-12**

	FY 2024 <i>HTY</i>	FY 2025 <i>FTY</i>	FY 2026 <i>FPFTY</i>	FY 2027 <i>Forecast</i>	
<b>System Operating Statement - OSBA</b>					
1	<u>Operating Revenues</u>				
2	Water Sales	\$151,896,667	\$149,115,956	\$157,442,913	\$157,442,913
3	Wastewater Sales	\$55,573,997	\$54,879,261	\$58,124,143	\$58,124,143
4	Stormwater	\$28,985,420	\$28,336,323	\$28,336,418	\$28,336,418
5	Sale for Resale & Contract Sales	\$3,517,719	\$4,850,542	<b>\$5,735,551</b>	<b>\$7,776,114</b>
6	DSIC - Water	\$7,501,070	\$7,457,090	\$7,457,090	\$7,457,090
7	DSIC - Wastewater	\$2,778,700	\$2,743,963	\$2,743,963	\$2,743,963
	Other Revenues	\$4,384,472	\$2,541,190	\$4,327,687	\$4,327,687
8	<b>Total: System Operating Revenues</b>	<b>\$254,638,045</b>	<b>\$249,924,325</b>	<b>\$264,167,765</b>	<b>\$266,208,328</b>
9	<u>Operating Revenues- Pittsburgh Water Rebuttal</u>				
10	Water Sales	\$151,896,667	\$148,287,512	\$155,703,180	\$155,703,180
11	Wastewater Sales	\$55,573,997	\$54,402,195	\$57,122,305	\$57,122,305
12	Stormwater	\$28,985,420	\$28,336,323	\$28,336,418	\$28,336,418
13	Sale for Resale & Contract Sales	\$3,517,719	\$4,850,542	\$4,850,542	\$4,850,542
14	DSIC - Water	\$7,501,070	\$7,415,668	\$7,415,668	\$7,415,668
15	DSIC - Wastewater	\$2,778,700	\$2,720,110	\$2,720,110	\$2,720,110
16	Other Revenues	\$4,384,472	\$2,541,190	\$4,327,687	\$4,327,687
17	<b>Total: System Operating Revenues</b>	<b>\$254,638,045</b>	<b>\$248,553,539</b>	<b>\$260,475,909</b>	<b>\$260,475,909</b>
	<u>OSBA Adjustment</u>				
18	Water Sales	\$0	\$828,444	\$1,739,733	\$1,739,733
19	Wastewater Sales	\$0	\$477,066	\$1,001,839	\$1,001,839
20	Stormwater	\$0	\$0	\$0	\$0
21	Sale for Resale & Contract Sales	\$0	\$0	\$885,009	\$2,925,572
22	DSIC - Water	\$0	\$41,422	\$41,422	\$41,422
23	DSIC - Wastewater	\$0	\$23,853	\$23,853	\$23,853
24	Other Revenues	\$0	\$0	\$0	\$0
25	<b>Total: System Operating Revenues</b>	<b>\$0</b>	<b>\$1,370,786</b>	<b>\$3,691,856</b>	<b>\$5,732,419</b>

# **EXHIBIT JK-9**

Pittsburgh Water  
Customer Usage Adjusted by OSBA

Pittsburgh Water  
FPFY 2026 COS & Rate Design Model  
Customer Usage

			X	X	X	New Customers Usage	FY 2025 Forecast	New Customers Usage	FY 2026 Forecast	New Customers Usage	FY 2027 Forecast	
		FY 2020 Actual (B)	FY 2021 Actual (C)	FY 2022 Actual (D)	FY 2023 Actual (E)	FY 2024 Actual (F)	(G)	(H)	(I)	(J)	(K)	(L)
<b>Water Usage - Retail (A)</b>												
<b>Billable Usage</b>												
1	Residential	1,951,157	1,833,447	1,766,983	1,690,452	1,616,582	7,944	1,699,283	7,944	1,707,227	11,916	1,719,143
2	Residential - CAP	74,938	73,168	80,155	90,674	97,840	9,231	98,788	9,231	108,019	13,847	121,866
3	Residential - CAP - 50FPL	-	19,062	26,271	31,460	37,279	4,572	36,242	4,572	40,814	6,858	47,672
4	Commercial	2,021,812	2,044,982	2,073,132	2,260,754	2,384,892	9,341	2,248,934	9,341	2,258,275	15,180	2,273,455
5	Industrial	172,720	195,583	103,883	147,953	259,498	-	170,445	-	170,445	-	170,445
6	Health or Education	832,774	902,028	831,073	885,442	947,882	-	888,132	-	888,132	-	888,132
7	Fire System	15,404	7,975	6,856	7,410	7,825	129	7,492	129	7,621	129	7,750
7	Municipal - Residential	1,952	1,581	1,574	50	63	-	562	-	562	-	562
7	Municipal - Commercial	195,754	249,695	209,870	40,170	78,028	-	109,356	-	109,356	-	109,356
8	<i>Subtotal: Billable Usage</i>	5,266,512	5,327,520	5,099,796	5,154,365	5,429,889	31,217	5,259,234	31,217	5,290,451	47,929	5,338,381
9	<i>% Change</i>		1.2%	-4.3%	1.1%	5.3%		-3.1%		0.6%		0.9%
<b>Total Retail Usage</b>												
10	Residential	2,744,375	2,621,697	2,540,544	2,458,025	2,372,389	11,916	2,468,902	11,916	2,480,818	11,916	2,492,734
11	Residential - CAP	103,594	103,138	114,183	128,607	140,545	13,847	141,625	13,847	155,472	13,847	169,319
12	Residential - CAP - 50FPL	-	25,204	35,568	42,178	49,758	6,858	49,359	6,858	56,217	6,858	63,075
13	Commercial	2,628,340	2,674,754	2,676,992	2,901,903	3,030,670	15,180	2,885,035	15,180	2,900,214	15,180	2,915,394
14	Industrial	185,785	208,619	112,736	157,584	271,020	-	180,447	-	180,447	-	180,447
15	Health or Education	989,429	1,061,129	981,167	1,043,736	1,105,483	-	1,043,462	-	1,043,462	-	1,043,462
16	Fire System	15,404	7,975	6,856	7,410	7,825	129	7,492	129	7,621	129	7,750
17	Municipal - Residential	2,116	1,716	1,691	67	99	-	619	-	619	-	619
18	Municipal - Commercial	215,164	263,894	232,154	43,370	84,358	-	119,961	-	119,961	-	119,961
19	<i>Subtotal: Total Retail Usage</i>	6,884,207	6,968,126	6,701,891	6,782,880	7,062,147	47,929	6,896,902	47,929	6,944,831	47,929	6,992,761
20	<i>% Change</i>		1.2%	-3.8%	1.2%	4.1%		-2.3%		0.7%		0.7%
<b>Wastewater Usage</b>												
<b>Billable Usage</b>												
21	Residential	2,592,137	2,435,500	2,303,751	2,156,593	2,061,787	22,013	2,196,057	22,013	2,218,070	22,013	2,240,084
22	Residential - CAP	110,800	117,100	114,137	130,983	147,721	15,027	145,974	15,027	161,002	15,027	176,029
23	Residential - CAP - 50FPL	-	19,646	31,931	46,636	55,333	6,892	51,525	6,892	58,417	6,892	65,309
24	Commercial	2,293,724	2,318,856	2,308,112	2,579,844	2,690,819	14,099	2,540,357	14,099	2,554,456	14,099	2,568,554
25	Industrial	184,338	206,245	110,428	153,371	268,470	-	177,423	-	177,423	-	177,423
26	Health or Education	832,652	911,462	832,509	885,442	947,882	-	888,611	-	888,611	-	888,611
27	Municipal - Residential	1,956	1,585	1,748	50	63	-	620	-	620	-	620
28	Municipal - Commercial	198,117	247,267	208,940	40,170	78,028	-	109,046	-	109,046	-	109,046
29	<i>Subtotal: Billable Usage</i>	6,213,724	6,257,661	5,911,557	5,993,089	6,250,103	58,031	6,109,614	58,031	6,167,646	58,031	6,225,677
30	<i>% Change</i>		1.2%	-5.5%	1.4%	4.3%		-2.2%		0.9%		0.9%
<b>Total Usage</b>												
31	Residential	3,628,227	3,463,346	3,312,153	3,153,081	3,043,692	33,020	3,202,662	33,020	3,235,682	33,020	3,268,702
32	Residential - CAP	149,128	147,618	158,334	183,287	208,183	22,541	205,809	22,541	228,350	22,541	250,891
33	Residential - CAP - 50FPL	-	25,944	42,913	62,109	73,498	10,338	69,845	10,338	80,183	10,338	90,521
34	Commercial	2,947,520	2,989,247	2,955,185	3,270,576	3,385,853	22,910	3,226,782	22,910	3,249,692	22,910	3,272,602
35	Industrial	195,819	217,775	120,345	163,896	281,043	-	188,428	-	188,428	-	188,428
36	Health or Education	989,429	1,071,055	983,525	1,043,736	1,105,483	-	1,044,248	-	1,044,248	-	1,044,248
37	Municipal - Residential	2,122	1,723	1,879	67	99	-	682	-	682	-	682
38	Municipal - Commercial	209,943	261,399	231,254	43,370	84,358	-	119,661	-	119,661	-	119,661
39	<i>Subtotal: Total Usage</i>	8,122,187	8,178,107	7,805,587	7,920,122	8,182,209	88,809	8,058,115	88,809	8,146,925	88,809	8,235,734
40	<i>% Change</i>		0.7%	-4.6%	1.5%	3.3%		-1.5%		1.1%		1.1%

# OSBA WORKPAPERS

For

**OSBA Statement No. 1-SR**

**SURREBUTTAL TESTIMONY OF JOSEPH KUBAS\*\*\***

- Pittsburgh Water - OSBA JK-8 and JK-9 - Surrebuttal COSS

**\*\*\* OSBA Workpapers are in excel format ONLY; therefore, will be served via electronic means ONLY, and will be served simultaneous to service of OSBA Statement No. 1-SR, Surrebuttal Testimony of Joseph Kubas ONLY\*\*\***

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility</b>	:	
<b>Commission</b>	:	<b>Docket Nos. R-2025-3055010</b>
	:	<b>R-2025-3055011</b>
<b>v.</b>	:	<b>R-2025-3055012</b>
	:	
<b>The Pittsburgh Water and Sewer</b>	:	
<b>Authority d/b/a Pittsburgh Water</b>	:	

**VERIFICATION**

I, Joseph Kubas, hereby state that the facts set forth in my Surrebuttal Testimony and Exhibits, labeled OSBA Statement No. 1-SR, with associated Exhibit JK-8, and Exhibit JK-9, 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).

DATE: 10/10/25

/s/ Joseph Kubas  
JOSEPH KUBAS

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant)

The Honorable Emily DeVoe  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222  
[edevoe@pa.gov](mailto:edevoe@pa.gov)

The Honorable Ann Quimby  
Administrative Law Judge  
PA Public Utility Commission  
Office of Administrative Law Judge  
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*/s/ Steven C. Gray*  
\_\_\_\_\_  
Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney I.D. No. 77538

# APPENDIX A

**Interim Order Adopting Joint Stipulation for Admission of  
Evidence and Granting Motion to Admit into the Record  
(dated November 12, 2025)**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Office of Small Business Advocate	:	
Office of Consumer Advocate	:	
	:	
v.	:	R-2025-3055010 et al.
	:	
The Pittsburgh Water and Sewer Authority	:	

**INTERIM ORDER  
ADOPTING JOINT STIPULATION FOR ADMISSION OF EVIDENCE AND  
GRANTING MOTION TO ADMIT INTO THE RECORD**

On November 6, 2025, Pittsburgh Water and Sewer Authority, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and Pittsburgh United Our Water Table (collectively, Stipulating Parties), filed a Joint Stipulation for Admission of Evidence (Stipulation for Evidence) and a Motion to Admit Into the Record in the above-captioned proceedings.

The Stipulating Parties averred they reached a full settlement of all issues and requested that they be permitted to admit their evidence by joint stipulation. Stipulation for Evidence, ¶ 18. They waived cross-examination and noted that the evidentiary hearings had been cancelled. *Id.* at ¶¶ 17, 18, 20. Per the schedule established previously in this matter, the settlement documents, including proposed findings of fact, proposed conclusions of law, rate tables, and statements in support, are due by November 21, 2025.

The Stipulating Parties agreed that the testimonies and exhibits identified in the Stipulation for Evidence at paragraphs 21-25 should be admitted into the evidentiary record in this matter.

As this request is reasonable, it will be granted. The Stipulation is attached to this Order as Attachment 1.

ORDER

THEREFORE,

IT IS ORDERED:

1. That the Joint Stipulation for the Admission of Evidence filed by the parties on November 6, 2025, and attached to this Order as Attachment 1 is ADOPTED and admitted into the record.
2. That the Motion to admit the documents listed in the Joint Stipulation for the Admission of Evidence is granted and the documents listed in Joint Stipulation for the Admission of Evidence are admitted into the record of this proceeding on the terms and conditions set forth in the Stipulation.
3. That, by **4:00 pm on Monday, November 17, 2025**, the parties shall file the statements (with all appropriate verifications) and exhibits entered into the record pursuant to Ordering Paragraph 2 with the Commission's Secretary's Bureau.
4. That, when making a filing pursuant to Ordering Paragraph 3, the parties shall include a statement in the cover letter that the filing contains evidence admitted into the record pursuant to this Interim Order, and the parties may attach a copy of this Order if they so choose.
5. That, when filing a confidential or proprietary document with the Secretary's Bureau pursuant to Ordering Paragraph 3, the parties shall properly mark the document.

6. That filings made pursuant to Ordering Paragraph 3 shall satisfy the Commission's regulation at 52 Pa. Code § 5.412a.

Date: November 12, 2025

/s/  
Emily I. DeVoe  
Administrative Law Judge

Deanne M. O'Dell  
717-255-3744  
dodell@eckertseamans.com

November 6, 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

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Dear Secretary Homsher:

Enclosed please find the Joint Stipulation for Admission of Evidence and Motion to Admit Into the Record in the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww

cc: Hon. Emily DeVoe w/enc.  
Hon. Ann Quimby w/enc.  
Cert. of Service w/enc.

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the Joint Stipulation for Admission of Evidence and Motion to Admit Into the Record upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: November 6, 2025



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Deanne M. O'Dell, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	:	<b>Docket Nos. R-2025-3055010 (Water)</b>
	:	<b>R-2025-3055011 (Wastewater)</b>
<b>v.</b>	:	<b>R-2025-3055012 (Wastewater)</b>
	:	
<b>PITTSBURGH WATER AND SEWER AUTHORITY d/b/a Pittsburgh Water</b>	:	

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**JOINT STIPULATION FOR ADMISSION OF EVIDENCE  
AND  
MOTION TO ADMIT INTO THE RECORD**

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Pittsburgh Water and Sewer Authority, d/b/a “Pittsburgh Water,” the Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”) and Pittsburgh United Our Water Table (“OWT”) (collectively “Stipulating Parties”), submit this Joint Stipulation for Admission of Evidence in the above-captioned proceeding (“Evidence Stipulation”) and Motion to Admit Into the Record. In support of this request, the Stipulating Parties represent as follows:

1. On June 4, 2025, Pittsburgh Water filed its base rate request at Docket Nos. R-2025-3055010 (water), R-2025-3055011 (wastewater), and R-2025-3055012 (stormwater) (“Rate Filing”). Pursuant to the Rate Filing, Pittsburgh Water sought Commission approval for approval of a multi-year overall rate increase of \$84.4 million, which was inclusive of the proposed 7.5% DSIC increase and expansion of the PENNVEST charge. The Rate Filing included a \$63.7 million or 25.9% increase in the FPFTY (FY 2026), \$20.7 million or 6.7% in FY 2027, and \$53.9 million or 17.9% in FY 2026.
2. In addition, Pittsburgh Water sought Commission approval: (1) to expand the definition for recovery through the PENNVEST charge starting in FY 2026; and, (2) effective FY 2027, Pittsburgh Water sought Commission approval for a rate structure charge which would ultimately remove the water and wastewater minimum charges and shift greater reliance to volumetric charges for rate recovery.

3. Pittsburgh Water’s initial rate proposals included various other proposals regarding its provision of service to include: (1) taking ownership of water service lines two inches and smaller from the main to the curb stop within the right-of-way; (2) a new electronic bill credit to incentivize customers to switch from paper billing to electronic billing; (3) reinstatement of the requirement that customers incurring third-party credit card fees be required to pay those fees individually; (4) introduction of a new Leak Credit program from water and wastewater customers; (5) removal of various developer fees; (6) tariff revisions to address break-in connections; and, (6) changes to current customer notification procedures.

4. Finally, Pittsburgh Water’s initial rate filing included proposed revisions and changes to its low-income customer assistance programs including the introduction of a newly restructured Arrearage Forgiveness program; recertification revisions for the Bill Discount Program; automatic enrollment for various low-income customer assistance programs; and, committing a permanent Line Repair and Water Conservation Program.

5. In conjunction with the Rate Filing, Pittsburgh Water filed the below Petitions on June 4, 2025:

- Petition for Consolidation of Water, Wastewater, and Stormwater Rate Proceedings and for Authorization to Use Combined Water, Wastewater and Stormwater Revenue Requirements (“Rate Case and Revenue Consolidation Petition”);
- Petition for Waiver of Statutory Definition of Fully Projected Future Test Year (“FPFTY Petition”);
- Petition for Authorization to Increase Water and Wastewater Distribution System Improvement Charge Cap to 7.5% (“DSIC Petition”) at Docket Nos. P-2025-3055650 (Water) and P-2025-3055652 (Wastewater). Pursuant to the DSIC Petition, Pittsburgh Water asks that the Commission: (1) authorize a Water DSIC Cap of 7.5% of intrastate revenue permitted by Section 1358(b) of the public utility code; and (2) waive the provisions of Section 1358(a) of the Public Utility Code and authorize Pittsburgh Water to implement a 7.5% cap for its Wastewater DSIC.

6. On June 26, 2025, Pittsburgh Water filed a Petition to Consolidate its DSIC Petition and Base Rate Case Filings for Water, Wastewater, and Stormwater (“DSIC and BRC Consolidation Petition”).

7. On June 12, 2025, the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement (“I&E”) and the Office of Small Business Advocate (“OSBA”) each filed a Notice of Appearance in the proceeding. The Formal Complaints filed by OSBA are docketed as

follows: C-2025-3056056 (water), C-2025-3056054 (wastewater), and C-2025-3056058 (stormwater).

8. On June 24, 2025, Office of Consumer Advocate (“OCA”) filed a letter providing notice that it does not oppose Pittsburgh Water’s Rate Case and Revenue Consolidation Petition. On the same day, OCA also filed a letter providing notice that it does not oppose Pittsburgh Water’s FPPTY Petition.

9. On June 24, 2025, both OCA and I&E filed answers to Pittsburgh Water’s DSIC Petition each recommending that the Commission deny the Petition or, in the alternative, consolidate it with the rate case.

10. On June 25, 2025, Pittsburgh United Our Water Table (“OWT”) filed a Petition to Intervene and Answer.

11. Also on June 25, 2025, OCA filed Formal Complaints, Public Statement, and Notice of Appearance. The Formal Complaints filed by OCA are docketed as follows: C-2025-3055943 (water), C-2025-3055944 (wastewater), and C-2025-3055942 (stormwater).

12. On July 1, 2025, OCA filed a letter in response to Pittsburgh Water’s DSIC and BRC Consolidation Petition reiterating its previous position supporting denial of the DSIC Petition or, in the alternative, consolidation with the rate case.

13. On July 10, 2025, the Commission entered three orders – one at each of the above referenced Rate Filing docket numbers – suspending Pittsburgh Water’s proposed tariff supplements for investigation and referring the cases to the Office of Administrative Law Judge (“OALJ”). Administrative Law Judges Emily DeVoe and Ann Quimby were assigned the case.

14. On July 14, 2025 a Telephone Prehearing Conference was held and a Prehearing Order entered July 24, 2025 memorializing the matters discussed at the Prehearing Conference. These matters included, consolidation of all the requests and the development of a litigation schedule establishing the below due dates for the pre-service of written testimony from the parties:

- September 5, 2025 – Direct Testimony
- September 30, 2025 – Rebuttal Testimony
- October 14, 2025 – Surrebuttal Testimony
- October 20, 2025 – Rejoinder Testimony or Outline

15. The July 24, 2025 Prehearing Order also scheduled four public input hearings and three days of evidentiary hearings. The public input hearings were scheduled for August 12, 2025 and August 13, 2025. The evidentiary hearings were scheduled for October 21 through October 23, 2025.

16. The litigation ensued pursuant to the schedule established in the July 24, 2025 Prehearing Order with the Stipulating Parties serving their respective testimony and exhibits, which will be described in the next section.

17. On or about October 20, 2025, the Stipulating Parties notified the ALJs that settlement discussions were underway, that they had agreed to mutually waive cross examination for many of the witnesses, and sought cancellation of the hearings scheduled for October 21 and 22 to continue their discussions. Subsequently, the evidentiary hearings for October 21 and 22 were cancelled.

18. On October 22, 2025, the Stipulating Parties notified the ALJs that a full settlement of all issue was reached among them and all parties had waived cross examination for all witnesses. They sought cancellation of the October 23, 2025 hearing and permission to seek admission of their testimony and exhibits via motion.

19. The ALJs granted the requests, cancelled the October 23, 2025 hearing and directed the parties to file a motion to admit their evidence without cross examination on or before November 14, 2025.

20. Accordingly, the Stipulating Parties respectfully request that the Testimony and Exhibits identified below be admitted into the record. All Stipulating Parties have agreed to waive cross. Copies of the testimony, signed verifications from the witnesses, and exhibits will be filed with the Commission as directed by the ALJs.

**TESTIMONY AND EXHIBITS SOUGHT TO BE ADMITTED**

21. Below is a list of the testimony and exhibits submitted by Pittsburgh Water:

<b>Pittsburgh Water Initial Filing</b>	<b>Volumes</b>
Rate Filing Package Dated June 4, 2025	Volume I: Statement of Reasons, Customer Notice of Proposed Rate Changes and Filing Requirements
	Volume II: Testimony and Exhibits
<i>With below referenced correction previously filed:</i>	
<ul style="list-style-type: none"> <li>• Revised cover page to Voume II, Testimony and Exhibits, as filed August 29, 2025</li> <li>• Revised Volume II, Page 237 to remove Figure 3, as filed August 29, 2025</li> </ul>	

<b>Pittsburgh Water Direct Testimony (dated 6/4/25)</b>	<b>Witness</b>	<b>Exhibits</b>
Pittsburgh Water St. No. 1	Direct Testimony of William J. Pickering	WJP-1
Pittsburgh Water St. No. 2	Direct Testimony of Edward Barca  * <u>Note</u> : Testimony submitted for the record includes corrections provided with Mr. Barca’s rebuttal testimony.	EB-1 to EB-10
Pittsburgh Water St. No. 3	Direct Testimony of Barry King  * <u>Note</u> : Testimony submitted for the record includes the revised Page 8 that was filed on 8/29/25 to remove Figure 3.	BK-1 to BK-6
Pittsburgh Water St. No. 4	Direct Testimony of Katherine “Kate” Mechler	KM-1
Pittsburgh Water St. No. 5	Direct Testimony of William J. McFaddin	WM-1
Pittsburgh Water St. No. 6	Direct Testimony of Julie A. Mechling	JAM-1 to JAM-19
Pittsburgh Water St. No. 7	Direct Testimony of Christine M. Fay  * <u>Note</u> : Testimony submitted for the record includes corrections provided with Ms. Fay’s rebuttal testimony	Appendix A, CF-1 to CF-13

<b>Pittsburgh Water Direct Testimony (dated 6/4/25)</b>	<b>Witness</b>	<b>Exhibits</b>
Pittsburgh Water St. No. 8	Direct Testimony of Harold J. Smith	HJS-1 to HJS-2, HJS-1W to HJS-25W, HJS-1WW to HJS-24WW, HJS-1SW to HJS-13SW

<b>Pittsburgh Water Rebuttal Testimony (dated 9/30/25)</b>	<b>Witness</b>	<b>Exhibits</b>
Pittsburgh Water St. No. 1R	Rebuttal Testimony of William J. Pickering	WJP-1 (Revised), WJP-2
Pittsburgh Water St. No. 2R	Rebuttal Testimony of Edward Barca	EB-11 to EB-22
Pittsburgh Water St. No. 3R	Rebuttal Testimony of Barry King	None
Pittsburgh Water St. No. 4R	Rebuttal Testimony of Katherine “Kate” Mechler	None
Pittsburgh Water St. No. 5R	Rebuttal Testimony of William J. McFaddin	None
Pittsburgh Water St. No. 6R	Rebuttal Testimony of Julie A. Mechling	JAM-20 to JAM-22
Pittsburgh Water St. No. 7R	Rebuttal Testimony of Christine M. Fay	CF-12 (corrected), CF-13 (corrected), CF-14 to CF-19
Pittsburgh Water St. No. 8R	Rebuttal Testimony of Harold J. Smith	HJS-1 to HJS-2 (Rebuttal), HJS-1W to HJS-25W (Rebuttal), HJS-1WW to HJS-24WW (Rebuttal), HJS-1SW to HJS-13SW (Rebuttal)
Pittsburgh Water St. No. 9R	Rebuttal Testimony of Rocky Craley	None

<b>Pittsburgh Water Surrebuttal Testimony (dated 10/14/25)</b>	<b>Witness</b>	<b>Exhibits</b>
Pittsburgh Water St. No. 2SR	Surrebuttal Testimony of Edward Barca  <u>Note:</u> record version does not include testimony on page 5 line 5 through page 7 line 7, which Pittsburgh Water has agreed to withdraw.	EB-23 to EB-26

<b>Pittsburgh Water Rejoinder Testimony (dated 10/20/25)</b>	<b>Witness</b>	<b>Exhibits</b>
Pittsburgh Water St. No. 2RJ	Rejoinder Testimony of Edward Barca	EB-27
Pittsburgh Water St. No. 6RJ	Rejoinder Testimony of Julie A. Mechling	None
Pittsburgh Water St. No. 7RJ	Rejoinder Testimony of Christine M. Fay	CF-20 to CF-22

22. Below is a list of the testimony and exhibits submitted by I&E:

<b>D.C. Patel</b>
I&E Statement No. 1
I&E Exhibit No. 1
I&E Statement No. 1-SR
I&E Exhibit No. 1-SR

<b>Vanessa Okum</b>
I&E Statement No. 2
I&E Exhibit No. 2
I&E Statement No. 2-SR
I&E Exhibit No. 2-SR

<b>Esyan Sakaya</b>
I&E Statement No. 3
I&E Exhibit No. 3
I&E Statement No. 3-R
I&E Statement No. 3-SR
I&E Exhibit No. 3-SR

<b>Ethan Cline</b>
I&E Statement No. 4
I&E Statement No. 4-SR

23. Below is a list of testimony and exhibits submitted by OCA:

OCA Direct Testimony	Witness	Exhibits
Corrected OCA Statement 1	Corrected Direct Testimony of Michael Deupree consisting of written testimony with signed verification of Michael Duepree, Senior Research Consultant, Acadian Consulting Group	<ul style="list-style-type: none"> <li>• Appendix A (Witness Qualifications)</li> <li>• Exhibit MWD-1</li> <li>• Errata to OCA’s Corrected St. No. 1, Direct Testimony of Michael W. Deupree</li> </ul>
OCA Statement 2	Direct Testimony of Dante Mugrace consisting of written testimony with signed verification of Dange Mugrace, Senior Consultant, PCMB and Associates, LLC	<ul style="list-style-type: none"> <li>• Appendix A (Witness Qualifications)</li> <li>• Exhibits DM-1 to DM-21</li> </ul>
Corrected OCA Statement 3	Corrected Direct Testimony of Christopher C. Walters <sup>1</sup> consisting of written testimony along with a signed verification of Christopher C. Walters, Consultant, Brubaker & Associates, Inc.	<ul style="list-style-type: none"> <li>• Appendix A (Witness Qualifications)</li> <li>• Exhibit CCW-1</li> </ul>
OCA Statement 4	Direct Testimony of Jerome D. Mierzwa consisting of written testimony along with a signed verification of Jerome D. Mierzwa, Principal and President, Exeter Associates, Inc.	None
OCA Statement 5	Direct Testimony of LeeAnn Wise consisting of written testimony along with a signed verification of LeeAnn Wise, Senior Regulatory Analyst, OCA	<ul style="list-style-type: none"> <li>• Exhibits LMW-1 and LMW-2</li> </ul>
OCA Statement 6	Direct Testimony of Roger Colton consisting of written testimony along with a signed verification of Roger Colton, Owner, Fisher Sheehan & Colton	<ul style="list-style-type: none"> <li>• Exhibits OCA-Colton-1 and OCA-Colton-2</li> </ul>

<sup>1</sup> On September 5, 2025, the OCA inadvertently omitted Mr. Walters’ Exhibit CCW-1 from OCA Statement 4 which was served. On September 8, 2025, the OCA served Corrected OCA Statement 4 which included Exhibit CCW-1 that is referenced on page 15 of Mr. Walters’ Direct Testimony.

<b>OCA Direct Testimony</b>	<b>Witness</b>	<b>Exhibits</b>
OCA Statement 7	Direct Testimony of Barbara R. Alexander consisting of written testimony along with a signed verification of Barbara R. Alexander, Sole Member Manager, Barbara Alexander Consulting LLC	<ul style="list-style-type: none"> <li>Exhibits BA-1 to BA-4</li> </ul>

<b>OCA Rebuttal Testimony</b>	<b>Witness</b>	<b>Exhibits</b>
OCA Statement 1R	Rebuttal Testimony of Michael Deupree consisting of written testimony along with a signed verification of Michael Deupree, Senior Research Consultant, Acadian Consulting Group	None
OCA Statement 6R	Rebuttal Testimony of Roger Colton consisting of written testimony along with a signed verification of Roger Colton, Owner, Fisher Sheehan & Colton	None

<b>OCA Surrebuttal Testimony</b>	<b>Witness</b>	<b>Exhibits</b>
OCA Statement 1SR	Surrebuttal Testimony of Micheal Deupree consisting of written testimony with signed verification of Michael Deupree, Senior Research Consultant, Acadian Consulting Group	None
OCA Statement 2SR	Surrebuttal Testimony of Dante Mugrace consisting of written testimony with signed verification of Dante Mugrace, Senior Consultant, PCMG and Associates, LLC	<ul style="list-style-type: none"> <li>Exhibits DM-SR-1 to DM-SR-21</li> </ul>
OCA Statement 3SR	Surrebuttal Testimony of Christopher C. Walters consisting of written testimony along with a signed verification of Christopher C. Walters, Consultant, Brubaker & Associates, Inc.	None

OCA Statement 4SR	Surrebuttal Testimony of Jerome D. Mierzwa consisting of written testimony along with a signed verification of Jerome D. Mierzwa, Principal and President, Exeter Associates, Inc.	None
OCA Statement 5SR	Surrebuttal Testimony of LeeAnn Wise consisting of written testimony along with a signed verification of LeeAnn Wise, Senior Regulatory Analyst, OCA	None
OCA Statement 6SR	Surrebuttal Testimony of Roger Colton consisting of written testimony along with a signed verification of Roger Colton, Owner, Fisher Sheehan & Colton	None
OCA Statement 7SR	Surrebuttal Testimony of Barbara R. Alexander consisting of written testimony along with a signed verification of Barbara R. Alexander, Sole Member Manager, Barbara Alexander Consulting LLC.	None

24. Below is a list of testimony and exhibits submitted by OSBA:

**Direct Testimony and Exhibits** of Joseph Kubas, labeled OSBA Statement No. 1, with Exhibit JK-1, Exhibit JK-2, Exhibit JK-3, Exhibit JK-4, Exhibit JK-5, Exhibit JK-6, and Exhibit JK-7, with signed Verification of Joseph Kubas.

**Rebuttal Testimony** of Joseph Kubas, labeled OSBA Statement No. 1-R, with signed Verification of Joseph Kubas.

**Surrebuttal Testimony and Exhibits** of Joseph Kubas, labeled OSBA Statement No. 1-SR, with associated Exhibit JK-8, and Exhibit JK-9, with signed Verification of Joseph Kubas.

25. Below is a list of testimony and exhibits submitted by OWT:

**Direct Testimony** of Patrick M. Cicero (OWT Statement 1)

- 100 pages of written testimony
- OWT St. 1, Cicero, Exhibit 1, Burden Tables
- OWT St. 1, Cicero, Appendix A, Resume - Patrick M. Cicero
- OWT St. 1, Cicero, Appendix B, Selected Interrogatory Responses cited and relied on throughout testimony

**Rebuttal Testimony** of Patrick M. Cicero (OWT Statement 1-R)

- 8 pages of written testimony

**Surrebuttal Testimony** of Patrick M. Cicero on behalf of Pittsburgh United Our Water Table (OWT Statement 1-SR)

- 35 pages of written testimony
- Pittsburgh United OWT Statement 1, Cicero, Exhibit 1, corrected – Burden Tables

**Verification** of Patrick M. Cicero

*[Remainder of page intentionally left blank]*

**WHEREFORE**, the Stipulating Parties respectfully request that the above identified testimony and exhibits be admitted into the record.

Respectfully submitted,



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*/s/ Steven C. Gray, Esq.*

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*For Office of Consumer Advocate*

Dated: November 6, 2025

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-2025-3055650 (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) - PETITION OF THE PITTSBURGH WATER AND SEWER AUTHORITY FOR WAIVER OF STATUTORY DEFINITION OF FULLY PROJECTED FUTURE TEST YEAR

*Revised: September 04, 2025*

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**BEFORE THE  
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<b>Pennsylvania Public Utility Commission</b>	:	<b>Docket Nos. R-2025-3055010 (Water)</b>
	:	<b>R-2025-3055011 (Wastewater)</b>
v.	:	<b>R-2025-3055012 (Stormwater)</b>
	:	
	:	
<b>The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water</b>	:	
	:	

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant)

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