



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

IN REPLY, PLEASE  
REFER TO OUR FILE

April 22, 2026

Docket Nos. M-2026-3060823  
Utility Code 2320555

DEANNE M. O'DELL  
ECKERT SEAMANS CHERIN & MELLOTT, LLC  
213 MARKET STREET, 8TH FLOOR  
HARRISBURG, PA 17101  
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**Re: Annual Asset Optimization Plan (AAOP) for the Pittsburgh Water and Sewer Authority for its Wastewater Operations, at Docket No. M-2026-3060823**

Dear Ms. O'Dell:

On February 27, 2026, The Pittsburgh Water and Sewer Authority (PWSA) filed its Annual Asset Optimization Plan (AAOP) for its Wastewater Operations, pursuant to 52 Pa. Code § 121.6.

The Commission's regulations require utilities with an approved Distribution System Improvement Charge (DSIC) to file annually an AAOP with the Commission. The AAOP shall be filed 60 days after the prior 12 months of the company's Long-Term Infrastructure Improvement Plan (LTIIP) has expired, and pursuant to this timeframe for each successive AAOP. 52 Pa. Code § 121.6(a).

The AAOP must include:

- 1) A description that specifies all of the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIIP and prior year's AAOP.
- 2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.

The Commission is charged with reviewing each AAOP only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIIP, for the corresponding 12-month timeframes. 52 Pa. Code § 121.6(d). The Commission has delegated a review of AAOPs to the Bureau of Technical Utility Services (TUS).

**Timely Filing**

*52 Pa. Code § 121.6(a)*

*A utility with an approved DSIC shall file with the Commission, for informational purposes, an AAO plan. The AAO plan shall be filed annually with the Commission 60 days after the 12 months of its LTIP has expired and under this time frame for each successive year of the term of the LTIP.*

PWSA's AAOP complies with this requirement.

### **Content**

*52 Pa. Code § 121.6(b)*

*An AAO plan must include:*

- (1) A description that specifies all the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIP and prior year's AAO plan.*
- (2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.*

PWSA's AAOP substantially complies with this requirement.

### **Substantial Adherence to LTIP**

*52 Pa. Code § 121.6(d)*

*An AAO plan will be reviewed by the Commission only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIP for the corresponding 12-month time frames.*

*52 Pa. Code § 121.6(e)*

*Absent any major modifications to the LTIP or Commission action to reject an AAO plan within 60 days of its submission to the Commission, the AAO plan will be deemed approved. The Commission may extend its consideration period if necessary.*

*52 Pa. Code § 121.6(f)*

*If an AAO plan is rejected by the Commission, the utility will be notified of the plan's deficiencies and actions needed to repair, improve, or replace eligible property to bring the utility into compliance with the work schedule in its approved LTIP. If the utility concludes that it needs to revise its LTIP to comply with the Commission's determinations, it shall file a petition for modification under § 121.5.*

PWSA reported that it expended \$3.85 million in DSIC-eligible expenditures for its wastewater operations in 2025, as compared to its LTIP planned \$5.14 million for eligible-property replacement. This is an approximate 25.1 % reduction in spending from the amount

proposed in the LTIIIP. PWSA also reported that it replaced 18,890 linear feet (LF) of the 95,000 LF it projected to replace as part of its Small Diameter Sewer Rehabilitation Program. Additionally, PWSA replaced 336 LF of the planned 750 LF of combined and/or sanitary sewer mains. PWSA noted that in addition to the 336 feet of reconstructed sewer, an additional 1,138 LF of sewer was able to be lined with cured-in-place pipe lining within these project sites. PWSA noted that the lower than projected numbers are a result of a majority of the Small Diameter Sewer Rehabilitation Program being funded through PENNVEST.

PWSA reported that it projects its expenditures for its wastewater operations to be approximately \$6.51 million in 2026, as compared to its LTIIIP projected \$5.33 million in spending, which is a 22% increase in spending and should help to balance out the shortfall from 2025. Additionally, PWSA proposed to rehabilitate 95,000 LF of sewer mains utilizing CIPP and 750 LF of sewer mains utilizing its reconstruction program.

Compliance with the LTIIIP is evaluated on a multiyear basis over the life of the LTIIIP. Construction and budget variations in individual years can be expected, and it is reasonable to expect that over a multi-year timeframe, much of this variation will be mitigated.

The AAOP does not propose a Major Modification to the company's LTIIIP.

Accordingly, PWSA wastewater's AAOP appears to substantially conform to the schedule set forth in the company's LTIIIP.

### **Conclusion**

Upon review of PWSA's AAOP filed on February 27, 2026, it appears that the filing substantially complies with the requirements of 52 Pa. Code § 121.6 and it is approved. This approval is contingent upon the possibility that subsequent audits, reviews, and inquiries, in any Commission proceeding, may be conducted pursuant to 52 Pa. Code § 121.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code § 5.44, file a petition with the Commission within twenty (20) days after the date of this letter. Please direct any questions regarding this filing to Kenneth Shaffer, TUS at [kennshaffe@pa.gov](mailto:kennshaffe@pa.gov).

Sincerely,



Matthew L. Homsher  
Secretary

cc: Sharon Webb, LAW  
Allison Kaster, BIE  
Dan Searfoorce, TUS  
John Van Zant, TUS