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October 13, 2026

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

Re: Pennsylvania Public Utility Commission
v.
Pennsylvania-American Water Company
Docket Nos. R-2025-3057983 (W)
R-2025-3058051 (WW)

Dear Secretary Homsher:

Attached for electronic filing please find the Answer of the Office of Consumer Advocate (OCA) to the Petition of Pennsylvania-American Water Company (PAWC) for Extension of Time to Implement Certain Information Technology Changes Related to Its Arrearage Management Program in this proceeding.

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

Respectfully submitted,

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Enclosures

cc: Administrative Law Judge Jeffrey A. Watson (Via Email Only: jeffwatson@pa.gov)
Administrative Law Judge Emily I. DeVoe (Via Email Only: edevoe@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2025-3057983 (W)
	:	R-2025-3058051 (WW)
Pennsylvania-American Water Company	:	
	:	

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Answer of the Office of Consumer Advocate (OCA) to the Petition of Pennsylvania-American Water Company (PAWC) for Extension of Time to Implement Certain Information Technology Changes Related to Its Arrearage Management Program, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 13th day of October 2026.

SERVICE BY E-MAIL ONLY

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Dated: October 13, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission v. Pennsylvania American Water Company	:	Docket Nos. R-2025-3057983 R-2025-3058051

ANSWER OF THE OFFICE OF CONSUMER ADVOCATE TO THE PETITION OF PENNSYLVANIA-AMERICAN WATER COMPANY FOR EXTENSION OF TIME TO IMPLEMENT CERTAIN INFORMATION TECHNOLOGY CHANGES RELATED TO ITS ARREARAGE MANAGEMENT PROGRAM

Pursuant to Sections 5.61 of the Pennsylvania Public Utility Commission's (Commission) regulations, the Pennsylvania Office of Consumer Advocate (OCA) files this Answer to Pennsylvania American Water Company (PAWC or Company) Petition for extension of time to implement certain information technology changes related to its Arrearage Management Program (Petition).[1] To the extent the Commission chooses to grant the Petition, the OCA requests that the Commission require PAWC to retroactively grant the arrearage forgiveness that would have been earned had PAWC implemented the change at the time the Commission directed and require PAWC to place a collection hold on any affected accounts.

I. INTRODUCTION

On July 16, 2026, the Commission entered an Order in PAWC's consolidated water and wastewater base rate case.[2] In the Order, the Commission required PAWC to make modifications to its Bill Discount Program (BDP), Arrearage Management Program (AMP), and screening,

[1] 52 Pa. Code § 5.61.
[2] *Pa. PUC v. Pa. American Water Co.*, Docket Nos. R-2025-3057983 *et al*, Order (July 27, 2026)(*PAWC 2026*).

outreach, and enrollment procedures.[3] The Commission's Order gave PAWC until November 11, 2026, to implement these changes.[4]

On September 30, 2026, PAWC filed a petition requesting an additional seven months to implement portions of the Commission's Order. PAWC avers that due to an update to its SAP S/4HANA[5], an Information Technology (IT) program used by the Company, PAWC is unable to implement certain Commission-ordered updates to its AMP. In its Petition PAWC is seeking a seven-month extension to implement the following: 1) Allowing a participant to earn a monthly arrearage-forgiveness credit for each complete payment, regardless of timeliness; 2) Applying retroactive credits once the participant pays the in-program balance in full; and 3) Providing complete arrearage forgiveness over a twenty four month period.[6]

II. ANSWER

If the Commission determines to grant PAWC's requested extension that more time should be afforded to implement the changes directed as part of the Order, the Commission should require PAWC to retroactively grant the arrearage forgiveness that would have been earned had PAWC implemented the change at the time the Commission directed, November 11, 2026, and require PAWC to place a collection hold on any affected accounts.

The Commission issued its order in this matter on July 16, 2026.[7] Now, approximately three months later and one month before the Commission's deadline, PAWC avers that it needs a seven-month extension and cannot comply with portions of the Commission's Order due to a previously unknown IT upgrade that was not included in the record evidence of this proceeding.[8]

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[3] *PAWC 2026* at 351-353.
[4] *PAWC 2026* at 353.
[5] The OCA notes that PAWC's Petition did not elaborate on what "S/4HANA" is an abbreviation for and did not provide a specific description of what "S/4HANA" encompasses.
[6] Petition at 4.
[7] *PAWC 2026*.
[8] Petition at 4-5.

If PAWC knew of this pending update, it should have informed the Commission and the parties in the base rate case more than a month before the Commission's deadline. Had PAWC proactively reached out to the Commission and the other parties, the parties could have engaged in a collaborative process which may have resolved the issue in a way that allowed PAWC to implement its IT update and provided AMP participants to receive the benefits they are entitled to. Unfortunately, due to the circumstances created entirely by PAWC, the Commission and the parties to this proceeding have no way of knowing if a lengthy seven-month extension is necessary or reasonable.

Further, PAWC's Petition fails to adequately describe why, specifically, a seven-month extension is necessary. In fact, PAWC's basis for requesting the extension totals less than one page.[9] PAWC vaguely describes that a major IT update will occur in the first quarter of 2027 but does not provide a date certain for when the update will occur.[10] The only harm alleged by PAWC if the Petition is not granted is a risk of temporary or duplicative programming that "could" create additional costs and customer risk. However, PAWC does not even specify what that risk entails.

The OCA alleges that a greater risk is the known and quantifiable harm to AMP participants who will needlessly suffer financial hardship from PAWC's delay. Further, PAWC's requested relief is contrary to the Commission's Order which states "PAWC's low-income customers need these programs to work effectively *now*."[11] It is inappropriate for low-income customers to be harmed because PAWC is updating its IT infrastructure and failed to notify the Commission and the parties in a timely fashion. As such, the Commission should require PAWC to retroactively pay affected customers as of November 11, 2026, and require PAWC to place a collection hold on

[9] Petition at 4-5.
[10] Petition at 4-5.
[11] *PAWC 2026* at 353 (emphasis added) (citations omitted).

any affected accounts if it determines to grant PAWC's Petition. A collection hold on affected accounts is important to prevent any unnecessary terminations or collection activities against any customers who, but for PAWC's delay in implementing the new software, would not have any termination or collection activities imposed on them, thus jeopardizing their access to safe and reliable water service at just and reasonable rates.

PAWC's previously unknown IT upgrades should not prevent the Commission's AMP requirements from becoming effective. If the Commission permits PAWC an extension of time, the Commission should require PAWC to retroactively grant the arrearage forgiveness that would have been earned had PAWC implemented the change on November 11, 2026. For example, if a customer would have earned $320 in forgiveness (8 months X $40) had they made all of their payments in full and on time, as of June 30, 2027, if a customer has made 50% of their payments, the customer would receive $160 in forgiveness. If the customer made 80% of their payments, the customer would receive $256 in forgiveness.

Regardless of PAWC's IT update, PAWC is capable of performing these types of calculations and applying them to their new IT system retroactively once the new IT system is online. Indeed, PAWC did not aver that this could not be done. In the current affordability crisis affecting our Commonwealth,[12] individuals enrolled in the AMP need all the help they can get, and they need help now, not seven months from now.

[12]*See PAWC 2026* at 212 ("we note that PAWC's near-annual filing of base rate cases this decade has exacerbated affordability concerns in the Company's service territory. … These affordability issues are further compounded when considering current economic conditions. For instance, while we have recognized, in setting the Company's base ROE above, that PAWC has faced increased inflationary pressures, the record indicates that PAWC's ratepayers have also been negatively impacted by inflationary concerns. Namely, increases in fuel prices because of inflation and the conflict in Iran have cause ratepayer to pay more for gasoline, diesel, and heating oils.")(citations omitted).

III. CONCLUSION

For the reasons set forth above, the Office of Consumer Advocate respectfully requests that if the Commission grants PAWC's petition, the Commission should require PAWC to retroactively grant the arrearage forgiveness that would have been earned had PAWC implemented the change at the time the Commission directed and require PAWC to place a collection hold on any affected accounts.

Respectfully submitted,

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