

## FAQ: Our Water Future

Answers to frequently asked questions about our rate proposal submitted to the Pennsylvania Public Utility Commission (PUC).

*On March 6, 2020, the Pittsburgh Water and Sewer Authority (PWSA) submitted a multi-year rate proposal to the Pennsylvania Public Utility Commission (PUC). The PUC will evaluate the request, which includes revenue increases totaling \$43.8 million in 2021 and \$12.6 million in 2022. The PUC review process can take up to nine months before approving a rate request.*

### How will PWSA's current rate filing affect me?

The typical residential customer using 3,000 gallons of water currently pays \$72.49 per month under the existing rates. If our rate request is approved by the Pennsylvania Public Utility Commission (PUC) next year, this would increase to \$86.03 or by \$13.54 per month. More information is available at [www.pgh2o.com/ourwaterfuture](http://www.pgh2o.com/ourwaterfuture).

### What financial relief is offered to customers that may have difficulty paying their bill?

We offer a Bill Discount Program that provides income eligible customers with a reduction on fixed monthly water and wastewater conveyance charges for one year. The program currently provides a 75 percent reduction on these charges. Due to PWSA's response to COVID-19, our Board of Directors has lifted the recertification requirement for the entire year of 2020. Our rate proposal includes a request to expand the program to a 100 percent reduction on the fixed monthly charges. More information is available at [www.pgh2o.com/cap](http://www.pgh2o.com/cap).

### When will the new rates go into effect?

The effective date will be determined as part of the PUC review process, which can take up to nine months. We submitted the rate filing to the PUC on March 6, 2020.

### Will customers have an opportunity to participate in the rate setting process?

Yes, there is greater transparency and more opportunity for the public to participate in the rate setting process under PUC oversight. We will co-host a series of community listening sessions scheduled from July 7<sup>th</sup> through July 9<sup>th</sup>. These hearings are an opportunity for the public to present their views to the PUC. Any testimony given, whether supporting or opposing our request, can be helpful when the PUC investigates our proposal and makes a final determination on the rate request. The public will be notified about the upcoming public input sessions.

### Why did we request a multi-year rate increase?

Our five-year capital improvement program (CIP) budget identifies the projects that are needed to modernize our water system. This budget is closely linked to our rates. By requesting a multi-year rate increase, we are providing customers with more transparency about our budget needs, being more proactive about our rate setting process, and efficiently managing the time and expense of the process. Approving rates across multiple years

provides PWSA with more revenue stability while also giving customers more information about rate fluctuations.

#### **How is PWSA going to use this additional funding?**

We will use this funding to continue the investment that is needed to modernize our water system. In 2019, we spent more than \$100 million on necessary improvements to aggressively replace lead lines, improve our drinking water treatment, refurbish aging sewer lines, and design stormwater projects to reduce flooding and sewer overflows. We plan to invest an additional \$200 million into our capital program in 2020. This funding allows us to maintain the momentum that is needed to complete critical water infrastructure projects.

#### **What is the DSIC and what will it fund?**

The DSIC, which is an acronym for Distribution System Improvement Charge, is a small surcharge placed on a customer's monthly bill. It will fund PUC-approved upgrades to water and sewer mains. We have requested a DSIC equivalent to 10 percent of total monthly charges.

#### **Why did you submit the stormwater compliance plan?**

When we submitted our first rate filing in 2018, the PUC required us to submit a proposal outlining the structure for a stormwater program with the 2020 rate filing. The proposal outlines our approach to managing stormwater, needed stormwater projects, and funding needs. For more information about our approach to managing stormwater, please visit [www.pgh2o.com/gi-overview](http://www.pgh2o.com/gi-overview).