

## NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

The Pittsburgh Water and Sewer Authority (PWSA) has filed a request with the Pennsylvania Public Utility Commission (PUC) on April 13, 2021 to increase your water and wastewater conveyance rates and establish a new stormwater fee. This notice provides more information about the stormwater fee and describes the Authority's rate request, the PUC's role, and what actions you can take.

If the Authority's entire request is approved as filed, the total bill for water, wastewater conveyance, and stormwater service for a typical Residential customer using 3,000 gallons per month and charged the base rate for stormwater services would increase from \$79.34 to \$87.19 per month or by 9.89% in 2022 and increase from \$87.19 to \$91.05 or by 4.43% in 2023.

### **STORMWATER FEE**

The stormwater fee is included in the totals above and is based on the amount of impervious surface on a property. Impervious surface is the hard surface on a property such as roofs, sidewalks, and parking areas that does not absorb stormwater. These hard surfaces generate stormwater runoff that collect trash and send polluted water into local waterways. It can also overwhelm our sewer system causing streets to flood, basements to backup, and sewage to overflow into rivers and streams.

In Pittsburgh, the average amount of impervious surface on a property is approximately 1,650 square feet. This is equal to one equivalent residential unit (ERU) of impervious surface, which is the unit of measure for calculating the stormwater fee and is accepted as the industry standard for determining a stormwater fee. If approved, the stormwater fee will be applied to all residential and non-residential properties in Pittsburgh in the following way:

<b>Stormwater Monthly Fees</b>	<b>ERUs</b>	<b>2022</b>	<b>2023</b>
Residential Tier 1 (>=400 to <1,015 sf)	.5	\$2.99	\$3.98
Residential Tier 2 (>=1,015 to <2,710 sf)	1	\$5.96	\$7.95
Residential Tier 3 (>=2,710 sf)	2	\$11.93	\$15.90
Non-Residential	Per ERU	\$5.96	\$7.95

### **RATE REQUEST**

PWSA has requested a total rate increase of 17.1% to be recovered through an 11.7% rate increase, or \$22.0 million, beginning in 2022 and a 5.4% rate increase or \$10.2 million in 2023 for its water and wastewater conveyance operations and stormwater management.

For a typical Residential customer using 3,000 gallons per month with a 5/8-inch meter and generating stormwater from one ERU, the total bill would increase from \$79.34 to \$87.19 per month or by 9.89% in 2022, and from \$87.19 to \$91.05 per month or by 4.43% in 2023, as shown in the table below:

<b>Residential</b>	<b>Current Rates</b>	<b>2022 Rates</b>	<b>2023 Rates</b>
Water	54.36	58.09	61.79
Wastewater	24.98	23.14	21.30
Stormwater	N/A	5.96	7.95
<b>Total</b>	<b>79.34</b>	<b>87.19</b>	<b>91.05</b>

For a typical Residential customer enrolled in PWSA's Bill Discount Program using 3,000 gallons per month with a 5/8-inch meter and a reduced stormwater fee, the total bill would increase from \$41.77 to \$45.34 per month or by 8.54% in 2022, and from \$45.34 to \$47.90 per month or by 5.64% in 2023, as shown in the table below:

<b>Residential Bill Discount</b>	<b>Current Rates</b>	<b>2022 Rates</b>	<b>2023 Rates</b>
Water	25.73	29.17	32.59
Wastewater	16.04	14.68	13.31
Stormwater	N/A	1.49	1.99
Total	41.77	45.34	47.90

For a typical Commercial customer using 13,000 gallons per month with a 1-inch meter and generating stormwater runoff from 8 ERU's, the total bill would increase from \$294.27 to \$351.21 per month or by 19.35% in 2022, and from \$351.21 to \$376.31 per month or by 7.15% in 2023, as shown in the table below:

<b>Commercial</b>	<b>Current Rates</b>	<b>2022 Rates</b>	<b>2023 Rates</b>
Water	194.69	216.48	238.18
Wastewater	99.58	87.06	74.53
Stormwater	N/A	47.68	63.60
Total	294.27	351.21	376.31

For an Industrial customer using 680,000 gallons per month with a 4-inch meter and generating stormwater runoff from 30 ERU's, the total bill would increase from \$12,267.35 to \$13,079.05 per month or by 6.62% in 2022, and from \$13,079.05 to \$13,758.83 per month or by 5.20% in 2023, as shown in the table below:

<b>Industrial</b>	<b>Current Rates</b>	<b>2022 Rates</b>	<b>2023 Rates</b>
Water	7,742.05	8,768.38	9,788.30
Wastewater	4,525.30	4,131.87	3,732.03
Stormwater	N/A	178.80	238.50
Total	12,267.35	13,079.05	13,758.83

For a Health and Education customer using 50,000 gallons per month with a 2-inch meter and generating stormwater runoff from 32 ERU's, the total bill would increase from \$1,276.07 to \$1,459.07 per month or by 14.34% in 2022, and from \$1,459.07 to \$1,514.67 per month or by 3.81% in 2023, as shown in the table below:

<b>Health/Education</b>	<b>Current Rates</b>	<b>2022 Rates</b>	<b>2023 Rates</b>
Water	833.40	900.76	968.13
Wastewater	442.67	367.58	292.14
Stormwater	N/A	190.72	254.40
Total	1,276.07	1,459.07	1,514.67

PWSA's rate request is scheduled to go into effect on June 12, 2021; however, in most cases, the PUC suspends the increase for up to an additional seven (7) months.

Since 2017, PWSA has invested approximately \$328 million in capital improvements including necessary upgrades to water and sewer facilities, storage tanks, and pumping stations. In 2021, a total of approximately \$233 million is budgeted for much needed upgrades to critical water and sewer infrastructure. This investment will improve drinking water quality, improve system reliability, and meet all regulatory standards.

PWSA has been focusing on improved stormwater management for several years. Currently, several initiatives are underway that will establish a comprehensive approach to managing stormwater. This includes developing a stormwater master plan, updating city codes and ordinances, and constructing innovative stormwater solutions across the city.

After deliberate analysis and input from stakeholders, the stormwater fee, if approved, would begin to address the wet weather challenges experienced in Pittsburgh. It would provide a dedicated funding source to improve stormwater management, build innovative stormwater infrastructure, reduce sewer overflows, and lessen the amount of pollution entering our rivers and streams.

A stormwater fee based on impervious surface is a more equitable way to charge for stormwater. Our rates are currently based on water usage, which does not consider the amount of runoff generated by a property. Using impervious surface as the standard unit of measure, will ensure that each parcel within the city of Pittsburgh is contributing a proportional share to help address our most pressing wet weather challenges.

To find out your customer class or how the requested increase may affect your water and wastewater conveyance bill, contact PWSA at 412-255-2423. The rates requested by the Authority may be found in the Tariff Water – PA. P.U.C. No.1 Supp. No. 7, Tariff Wastewater – PA. P.U.C. No.1 Supp. No. 6, and Tariff Stormwater – PA. P.U.C. No. 1. You may also examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of these documents is kept at PWSA's office. Upon request, the Authority will send you the Statement of Reasons for these Tariffs, explaining why the rate increase has been requested.

## **PUC ROLE**

The state agency which now approves rates for PWSA is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Authority must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the utility as shown above.

## **ACTIONS YOU CAN TAKE**

There are three ways to support or challenge PWSA's request to change its rates:

1. You can be a witness at a public input hearing. Public input hearings are held if the PUC opens an investigation of the utility's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and to the PWSA representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the utility.
2. You can send the PUC a letter telling why you support or object to the requested rate increase. At times there is information in these letters that makes the PUC aware of successes or problems with the utility's service or management. This information can be helpful when the PUC investigates the rate request.
3. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before June 12, 2021. If no formal complaints are filed, the Commission may grant all, some, or none of the request without holding a hearing before a judge. Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

For more information, call the PUC's Bureau of Consumer Services at 1-800-692-7380. You may leave your name and address so you can be notified of any public input hearings that may be scheduled in this case. You may also contact the Pennsylvania Office of Consumer Advocate (OCA). The OCA represents the interests of consumers in cases before the PUC. You may contact the OCA with questions or requests for public input hearings at 1-800-684-6560 or by email at [consumer@paoca.org](mailto:consumer@paoca.org).

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