BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

VOLUME I

RESPONSES TO FILING REQUIREMENTS

ON BEHALF OF
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)

JUNE 4, 2025

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

Pittsburgh Water has filed a request with the Pennsylvania Public Utility Commission (PUC) on June 4, 2025 to increase your rates for water, wastewater conveyance and stormwater management. This notice describes the rate request, the PUC's role, and what actions you can take. The bill impacts in this Notice do not include ALCOSAN[1] charges for wastewater treatment.

Pittsburgh Water has requested an overall rate increase of $84.4 million over two years. If the entire request is approved, the total bill for water, wastewater conveyance, and stormwater management for a typical Residential customer using 3,000 gallons of water per month and charged the base rate for stormwater services would increase from $100.27 to $123.02 per month or by 22.7% in 2026. It would increase from $123.02 to $135.49 or by 10.1% in 2027.

The typical Residential customer enrolled in our low-income customer assistance Bill Discount Program using 3,000 gallons of water per month and charged the base rate for stormwater currently pays $49.94 per month under the existing rates. If the rate request is approved, this would change to $55.31 per month or by 10.8% in 2026. It would increase from $55.31 to $60.81 or by 9.9% in 2027.

Pittsburgh Water's rate request is scheduled to go into effect on August 8, 2025. In most cases, and in all previous cases filed by Pittsburgh Water, the PUC has suspended our proposal for up to an additional seven (7) months.

Pittsburgh Water's rate filing will support ongoing infrastructure improvements, provide needed resources to meet more stringent environmental and regulatory requirements, address increasing construction and manufacturing costs related to inflation, and expand capacity to perform needed system maintenance and operations. These factors are substantially driving the need for the rate filing and if approved, will ensure ongoing investment to modernize our water systems and improve service reliability for our customers.

As a publicly owned and operated water utility, every dollar we receive is reinvested back into the water systems you rely on. In recent years, Pittsburgh Water has made tremendous progress to renew Pittsburgh's water, sewer, and stormwater infrastructure and since 2018, has invested approximately $898 million in capital improvements. Over the next five years, a total of approximately $1.2 billion is budgeted for needed upgrades to critical infrastructure.

To support this investment, Pittsburgh Water aggressively pursues state and federal funding and since 2018 has received more than $877 million in low-interest loans and grants from the Pennsylvania Infrastructure Investment Authority (PENNVEST). This funding supports our capital program and provides essential financial resources to construct large components of our water pumping and distribution system, improve public health by replacing lead service lines, replace water mains, and rehabilitate aging sewer pipes. The grants and low-interest loans from state and federal funding partners are projected to save ratepayers $945 million over time in comparison to traditional financing.

As we continue the necessary work of modernizing Pittsburgh's aging water infrastructure, capital spending in 2024 reached a record-setting amount of more than $204 million. These investments add needed redundancy, improve system reliability, and help to protect water quality and public health. We are quickly approaching the replacement of 13,000 lead service lines, are making steady progress constructing Water Reliability Plan projects, and are continuing to invest in projects that will support the delivery of safe and reliable water, sewer, and stormwater systems for decades to come.

These investments align with the top priorities identified by customers in our 2022 and 2024 Customer Satisfaction Surveys and 2023 Customer Perception Survey. Consistently, customers have placed the highest priority on the projects and programs that will protect the quality and reliability of the water services they rely on

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[1] ALCOSAN is the Allegheny County Sanitary Authority, located along the Ohio River, responsible for sewage treatment in Allegheny County. They are a separate entity responsible for setting their own rates. Pittsburgh Water bills and collects on their behalf.

each day. This includes ensuring drinking water quality, protecting our source water, keeping lead levels low, and investing in the water and sewer system so it operates well into the future. The investments and operational improvements that Pittsburgh Water is making today will deliver on these priorities and meet the expectations of current and future generations of customers.

CUSTOMER ASSISTANCE

In 2018, Pittsburgh Water established a series of customer assistance programs designed to provide financial relief for income-qualified customers. These programs benefit thousands of Pittsburgh Water customers each year and we remain committed to providing financial assistance for essential water services. As such, this rate filing maintains the existing programs and expansions established in 2024.

These expansions included increasing income eligibility for the Bill Discount Program to 200% of the federal poverty level (FPL) and providing two separate $450 grants through the Hardship Grant Program. More than 8,000 customers are currently enrolled in the Bill Discount Program and since 2018, we have provided grants to more than 2,804 households and distributed over $1,025,123 in grants.

STORMWATER FEE

In 2022, Pittsburgh Water established a stormwater fee to equitably charge for stormwater services across Pittsburgh. It is included in the total bill amounts referenced above and is based on the amount of impervious or hard surfaces on a property. Incentives are available to residential and non-residential customers wanting to reduce their monthly stormwater fee. For more information about the stormwater fee and credit program, please visit www.pgh2o.com/stormwater.

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. The proposed monthly stormwater fees are shown in the table below:

Stormwater Monthly Fees	ERUs	2025	2026	2027
Residential Tier 1 (>=400 to <1,015 sf)	.5	$5.03	$6.17	$6.31
Residential Tier 2 (>=1,015 to <2,710 sf)	1	$10.06	$12.34	$12.62
Residential Tier 3 (>=2,710 sf)	2	$20.12	$24.68	$25.24
Non-Residential	Per ERU	$10.06	$12.34	$12.62

Distribution System Improvement Charge (DSIC)

The DSIC (Distribution System Improvement Charge) was approved by the PUC in 2020 at a rate of 5% on total water and wastewater charges. It is used to accelerate the replacement of aging infrastructure without having to wait for the next rate filing, providing customers with greater rate stability. Pittsburgh Water has used the DSIC to replace aging water and sewer mains throughout our system. This rate filing proposes increasing the DSIC to 7.5%.

PENNVEST Charge (PVC)

Pittsburgh Water will begin assessing costs pursuant to the PENNVEST Charge (PVC) to pay the debt service associated with low interest loans from PENNVEST. This provides customers with greater transparency related to repayments for debt service associated with our capital investment. Previously incorporated into base rates, these charges will now be identified separately.

RATE REQUEST

The additional revenue would be recovered through a 25.9% rate increase, or $63.7 million, beginning in 2026 and a 6.7% rate increase, or $20.7 million in 2027 for water and wastewater conveyance operations and stormwater management. Rates proposed for 2027, include a proposal to change the rate structure to eliminate the current minimum charge. If approved, customers would be charged a flat service fee per meter size, unrelated to water

usage, to recover customer-related costs and a volumetric charge to recover actual volume of water used. The following tables describe how the typical customer in each customer class would be impacted by this rate filing.

For the typical Residential customer using 3,000 gallons of water per month with a 5/8-inch meter and generates stormwater runoff from 1 ERU.

Residential	Current Rates	2026 Rates	2027 Rates
Water	$64.30	$73.18	$78.75
Wastewater Conveyance	$21.61	$23.75	$26.16
Stormwater	$10.06	$12.34	$12.62
DSIC	$4.30	$7.72	$8.57
PVC	-	$6.03	$9.39
Total	**$100.27**	**$123.02**	**$135.49**

For the typical Residential customer enrolled in the Bill Discount Program using 3,000 gallons of water per month with a 5/8-inch meter and generates stormwater runoff from 1 ERU.

Residential Bill Discount	Current Rates	2026 Rates	2027 Rates
Water	$32.76	$33.84	$36.94
Wastewater Conveyance	$13.36	$12.88	$13.17
Stormwater	$1.51	$1.85	$1.89
DSIC	$2.31	$3.73	$4.11
PVC	-	$3.01	$4.70
Total	**$49.94**	**$55.31**	**$60.81**

For the 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 $425.81 to $525.74 per month or by 23.5% in 2026, and from $525.74 to $610.54 per month or by 16.1% in 2027.

Commercial	Current Rates	2026 Rates	2027 Rates
Water	$254.02	$288.29	$331.33
Wastewater Conveyance	$74.87	$84.84	$102.01
Stormwater	$80.48	$98.72	$100.96
DSIC	$16.44	$29.79	$35.55
PVC	-	$24.10	$40.69
Total	**$425.81**	**$525.74**	**$610.54**

For the typical 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 $16,763.15 to $23,699.18 per month or by 41.4% in 2026, and from $23,699.18 to $28,064.48 per month or by 18.4% in 2027.

Industrial	Current Rates	2026 Rates	2027 Rates
Water	$11,627.27	$15,207.74	$18,401.79
Wastewater Conveyance	$4,050.21	$4,656.04	$5,224.12
Stormwater	$301.80	$370.20	$378.60
DSIC	$783.87	$1,627.60	$1,931.57
PVC	-	$1,837.60	$2,128.40
Total	**$16,763.15**	**$23,699.18**	**$28,064.48**

For the typical 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 $1,784.43 to $2,199.57 per month or by 23.3% in 2026, and from $2,199.57 to $2,544.06 per month or by 15.7% in 2027.

Health and Education	Current Rates	2026 Rates	2027 Rates
Water	$1,084.14	$1,229.08	$1,425.14
Wastewater Conveyance	$308.73	$350.29	$409.26
Stormwater	$321.92	$394.88	$403.84
DSIC	$69.64	$125.91	$149.32
PVC	-	$99.41	$156.50
Total	**$1,784.43**	**$2,199.57**	**$2,544.06**

To find out your customer class or how the requested increase may affect your water, wastewater conveyance, and stormwater management bill contact Pittsburgh Water at **412-255-2423**. The rates requested by Pittsburgh Water may be found in the Tariff Water – PA. P.U.C. No.1 Supp. No. 16, Tariff Wastewater – PA. P.U.C. No.1 Supp. No. 15, and Tariff Stormwater – PA. P.U.C. No. 1 Supp No. 7. 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 Pittsburgh Water'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 approves rates for Pittsburgh Water is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates or holds hearings on the request. Pittsburgh Water 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 Pittsburgh Water'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 Pittsburgh Water representatives. All testimony given ''under oath'' becomes part of the official rate case record. These hearings are held in the utility's service area.
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 August 8, 2025. 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**.