

MOTION OF THE COUNCIL OF ALLEGHENY COUNTY

Expressing the sense of Council urging the Pennsylvania Public Utilities Commission to carefully and deliberately evaluate the rate increase proposed by Pennsylvania American Water Company, and for both the Commission, the Company, and external stakeholders to work cooperatively in order to strike an appropriate balance between the time sensitivity relating to the Company's most important infrastructure needs and the health, safety and well-being of the residents of the Commonwealth.

Whereas, as of December 31, 2019, Pennsylvania American Water Company ("PAWC") provided service to approximately 665,829 water customers and approximately 74,354 wastewater customers located in 37 counties across Pennsylvania; and

Whereas, on April 29, 2020, PAWC filed a request with the Pennsylvania Public Utility Commission ("PUC") to increase water and wastewater rates for its customers; and

Whereas, according to figures provided by PAWC, the monthly bill for the average customer using 3,458 gallons of water a month would increase to \$65.91 from \$57.85 in the first year, and this rate would further increase to \$69.73 in the second year, with the first increase originally scheduled to take effect as of January 1, 2021; and

Whereas, if the rate increase request is granted as proposed by the company, PAWC will be permitted to recover an additional \$138.6 million in total annual operating revenues over a two-year period; \$92.4 million in 2021 (12.9% over annual revenues at present rates), and \$46.2 million in 2022 (5.8% over annual revenues at present rates); and

Whereas, in response to multiple complaints regarding the proposed increase, the PUC suspended the proposed rate increase, pending investigation; and

Whereas, public input hearings relating to that investigation were scheduled by the PUC for August 18, 20, 26 and 27, 2020, with the Commission rendering a final decision regarding the proposed increase at some point thereafter; and

Whereas, as the body charged with responsibility for crafting Allegheny County's annual operating and capital budgets, Allegheny County Council is acutely aware of the importance of maintaining and improving infrastructure, particularly when it relates to the provision of a service that is vital to the health, safety, and well-being of the public; and

Whereas, at the same time, Council is also acutely aware of the serious deleterious impacts of the COVID-19 pandemic upon the public, and notes that the PUC suspended non-emergency utility shutoffs for much of 2020 in an attempt to abate these deleterious impacts in a

fashion that allowed the Commonwealth's residents to reduce their public exposure to the disease by remaining in a safe, sanitary home environment; and

Whereas, it is the judgment of Council that, while PAWC should not overlook vital and time-sensitive infrastructure needs, and while PAWC would not necessarily have foreseen the full duration and impact of the pandemic upon the residents of the Commonwealth when the rate increase was proposed, the timing of this proposed rate increase runs directly contrary to the rationale underlying the PUC's previous actions regarding public health and safety; and

Whereas, it is further the judgment of Council that a prudent course may be to opt to defer some or all of the impact of the proposed rate increase until after the effects of the COVID-19 pandemic have abated to the point that individuals' uncertainty and concern regarding their ability to absorb additional utility costs are reduced;

The Council of the County of Allegheny therefore hereby moves as follows:

That the Council of Allegheny County hereby urges the Pennsylvania Public Utilities Commission to carefully and deliberately evaluate the rate increase proposed by Pennsylvania American Water Company and strike an appropriate balance between the time sensitivity relating to the Company's most important infrastructure needs and the health, safety and well-being of the residents of the Commonwealth.

It is further moved that:

The Council further urges Pennsylvania American Water Company to re-evaluate the extent and implementation of the proposed rate increase by carefully prioritizing their infrastructure needs in an effort to defer the increase and/or more gradually phase in higher rate fees.

PRIMARY SPONSORS: COUNCIL MEMBER FUTULES

CO-SPONSORS: COUNCIL MEMBERS PRIZIO and MACEY

Read and approved in Council, this 25th day of August, 2020,

Council Agenda No. 11555-20



Patrick Catena
President of Council

Attest: 

Jared E. Barker, Chief Clerk
Allegheny County Council