

## COMMONWEALTH OF PENNSYLVANIA



## OFFICE OF CONSUMER ADVOCATE

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November 4, 2022

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Proposed Water Audit Methodology Regulation 52 Pa.  
Code § 65.20a Water conservation measures – statement  
of policy  
Docket No. L-2020-3021932

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Reply Comments in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Proposed Water Audit Methodology Regulation :  
52 Pa. Code § 65.20a Water conservation : Docket No. L-2020-3021932  
measures – statement of policy :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Reply Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 4<sup>th</sup> day of November 2022.

**SERVICE BY E-MAIL ONLY**

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Proposed Revisions to Water Audit :  
Methodology 52 Pa. Code § 65.20 : Docket No. L-2020-3021932  
Water Conservation Measures - Statement :  
Of Policy :

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THE OFFICE OF CONSUMER ADVOCATE'S  
REPLY COMMENTS  
TO THE NOTICE OF PROPOSED RULEMAKING

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I. INTRODUCTION

The Public Utility Commission (Commission) promulgated a Notice of Proposed Rulemaking (NOPR) published in the Pennsylvania Bulletin on August 6, 2022. 52 Pa.B. 4406-11. The Office of Consumer Advocate (OCA) continues to support the Commission's proposal to promulgate a water audit regulation.<sup>1</sup> The OCA specifically urges the Commission to retain provisions in the NOPR as set forth in the OCA's Comments in the Advanced Notice of Proposed Rulemaking (ANOPR). The OCA will respond to the Comments filed by the National Association of Water Companies-Pennsylvania Chapter (NAWC-PA) regarding key provisions in the NOPR. The OCA supports the Comments filed by American Water Works Association Committee (AWWA Committee Members) on September 19, 2022.

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<sup>1</sup> The OCA filed Comments on November 24, 2020 in response to the Commission's September 17, 2020 Order initiating an Advanced Notice of Proposed Rulemaking (ANOPR). The Commission's September 2020 Order was published in the Pennsylvania Bulletin on October 10, 2020. 50 Pa.B. at 5657-5659.

## II. REPLY COMMENTS

The OCA's Reply Comments focus on two areas in the proposed regulation, as set forth below.

### § 65.20a(c)(1)(I)

In its proposed regulation, at Section 65.20a(c) *Water loss audit for a Class A water public utility*, the Commission would require water utilities to conduct an annual water loss audit to determine real water loss and apparent water loss volumes and to file an annual water loss report with the Commission. § 65.20a(c); 52 Pa.B. at 4410. The report would be required to meet certain criteria. § 65.20a(c)(1); 52 Pa.B. at 4410. One of the criteria is that a water utility must file data for each “discrete system.”<sup>2</sup> § 65.20a(c)(1)(i). The OCA supports this criterion as it will provide the necessary information that will assist the Commission and all stakeholders to understand the water loss specific to each system. That information will be helpful to understand where additional steps may need to be taken by the water utility to address higher levels of water loss.

The AWWA Committee Members' Comments explained that this requirement “should mean each public water system, with a discrete PWSID number, should have an annual water audit compiled and submitted for its operations.” AWWA Committee Members' Comments at 4. The AWWA Committee Members explained why the data for discrete systems is integral to the software and to a full understanding of the water loss:

The AWWA Software calculates performance indicators for discrete systems and each system should be assessed using its own performance indicators. Water companies should be required to report performance indicators as generated by the FWAS for each individual system, and not use data from groups of systems. A

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<sup>2</sup> A “discrete system” is defined in § 65.20a(b) as: A stand-alone pipe network with boundaries that encompass all sources of water and endpoints. 52 Pa.B. at 4410.

grouped indicator such as shown in Figure 1 inevitably masks the performance indicators of Aqua Pennsylvania's high loss individual water systems, making it less obvious where to direct loss control activities and track their performance in controlling losses.

AWWA Committee Members' Comments at 8.

In its Comments, NAWC-PA opposes the requirement that an annual audit and report be filed for discrete systems. NAWC-PA claims that the requirement for separate reports, rather than a report on a company-wide basis would cause increased costs for the individual utility and may include the need for additional staff and outside consultants, as well as additional investment in system renewal projects that were not anticipated prior to the audit.<sup>3</sup> (NAWC-PA Comments at 3-4). NAWC-PA also asserts that reports for discrete systems would reduce cost savings from reducing lost water. *Id.*

The general statements and lack of support for the assumptions in NAWC-PA's Comments make it impossible to determine the accuracy and validity of NAWC-PA's criticisms of the proposed requirement for audit reports to be conducted for discrete systems. It is important to note that water utilities across the country have been using the AWWA water audit software for a very long time. As the Commission noted in its Order promulgating the NOPR, it established the pilot program for water utilities in late 2008, or nearly 14 years ago. 52 Pa.B. at 4406. If the industry-provided water audit software did not produce reasonable results at a reasonable cost, it is difficult to understand why the software and methodology would be in wide use by the water industry over such a long time. Unreasonable or unnecessary costs, as NAWC-PA claims will happen, are not what any stakeholders want to see, especially because those costs will be borne by the ratepayers.

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<sup>3</sup> NAWC did not provide the basis for the costs included in its discussion or the basis of its conclusions regarding additional staff and consultants.

However, it is important that the water audit methodology be implemented properly. The AWWA Committee Members' Comments and working knowledge about methodology, validation, indicators, benchmarks, and training are valuable for the stakeholders and the Commission as it moves forward with the NOPR.<sup>4</sup> The OCA continues to support this section of the NOPR as written that would require Class A water utilities to file an annual audit on a discrete system basis.

§65.20a(c)(1)(iv)

The OCA supports the requirement that the annual audit report be provided in working electronic format and would suggest that the regulation clarify that the “live” reports it receives from the Class A water utilities will be publicly available on the Commission’s website.

Consistent with the OCA’s Comments in the Advanced Notice of Proposed Rulemaking (ANOPR), the OCA continues to urge the Commission to take steps to make it easy for the public and all stakeholders to find the data on the Commission’s website. Specifically, the OCA proposed that the Water Audit Methodology be added to the Document Type on the search page. This addition to Document Type would permit stakeholders to look for the submissions more easily, including all submissions (document type) for a broad look at the data, or for a specific utility (utility code or name). OCA ANOPR Comments at 2.

The OCA also supports the AWWA Committee Members’ Comments regarding the availability of the data to the public, where they recommend that:

the annual water audit data of each water system submitted to the Commission be extracted and placed in a single spreadsheet format in a manner similar to that conducted by the State of Georgia’s Environmental Protection Division, and made available to the public in an easy-to-find manner such as found at the below link:

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<sup>4</sup> AWWA Committee Members’ Comments reference numerous studies that AWWA has undertaken regarding various components of the water audit methodology, including indicators, and the use of the water audit methodology by large water utilities. *See e.g.*, AWWA Committee Members’ Comments at 5, 7, and 11.

**<https://epd.georgia.gov/watershed-protection-branch/water-efficiency-and-water-loss-audits>**

The Commission should include the water audit data as shown in the Georgia weblink as well as data grading and the utility answers to the Interactive Data Grading questions in the AWWA Free Water Audit Software. Compiling the data in a form similar to the Georgia webpage can be facilitated by employing the AWWA Compiler Tool, a free companion tool to the AWWA Free Water Audit Software.

By implementing the above recommendations, the Commission will improve the data collection and presentation process and ensure that completeness and transparency of water audit data is achieved.

AWWA Committee Members' Comments at 4-5.

The OCA appreciates this opportunity and looks forward to working with all stakeholders and the Commission as this proposed rulemaking moves forward.

### III. CONCLUSION

The OCA appreciates the opportunity to provide these Reply Comments on the Commission's Notice of Proposed Rulemaking regarding 52 Pa. Code § 65.20a.

Respectfully Submitted,

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DATED: November 4, 2022

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