

Philadelphia Water Department  
FY 2009-12 Rate Hearings  
Filing of the Water Department  
Standard Interrogatories

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**24. Please indicate the status of contracts with all suburban wholesale customers.**

**Answer:** A summary of the status of the aforesaid contracts is set forth below.

**Aqua Pennsylvania**

On June 29, 2000 the Water Department entered into a contract with the Philadelphia Suburban Water Company, which in January of 2004 became known as Aqua Pennsylvania (AP), a division of Aqua America, under which the Water Department agreed to provide wholesale water service through March 1, 2026. This Agreement provides for service through two interconnections – one in Tincicum Township, Delaware County and another in Cheltenham Township, Montgomery County. An amendment to the agreement has been executed which will reduce the average daily draw from 4.5 MGD to 3.705 MGD through its Tincicum Connection. AP can draw up to 2.0 MGD on average per day through its Cheltenham interconnection. Sales of water to AP generated a total annual revenue of \$2,400,000 in Fiscal Year 2006, and \$3,081,000 in Fiscal Year 2007.

Contracts for wastewater treatment service with ten neighboring municipalities and authorities provide for the billing of charges based on operating costs attributable to the volume and strength of wastewater received from each of these customers. Capital costs for the wholesale wastewater customers are recovered by one of two different methods - four contract customers are billed monthly for depreciation and return on investment on allocated wastewater conveyance and treatment facilities, while six contracting entities have made capital contributions to the Water Department for their allocated share of the investment in facilities related to the provision of service to these customers. Based on recent contract amendments, in the future any increase in plant investment allocable to Bucks County will be recovered through depreciation and return charges instead of the capital contribution methodology used in the past. Fiscal Year 2005 payments totaled \$32,032,000 for operating expenses, depreciation and return on investment for all ten wholesale wastewater customers. Fiscal Year 2006 payments from these wholesale wastewater customers were \$32,800,000, and Fiscal Year 2007 revenues were \$26,402,000. Revenues from these customers are projected to be about \$27,100,000 for FY 2008. Capital contributions from wholesale wastewater customers received by the Water Department as of March 3, 2008 have totaled \$109,986,257.

**Bucks County Water and Sewer Authority (BCWSA)**

Bucks County has also disputed a portion of a recent bill for wastewater services and has requested that the disputed amount (\$345,000) be deposited in an escrow, as provided for in the agreement. The dispute centers on the accuracy of certain high strength samples that were noted on the bill. Resolution discussions are on-going.

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**Bensalem Township**

Bensalem Township has exceeded its contractual maximum instantaneous flow limit. Wastewater service to Bensalem is provided under a contract which has been transferred to the Bucks County Water & Sewer Authority (BCWSA). BCWSA has indicated its desire to control its wet weather peak flows by constructing a holding tank inside their jurisdiction. Negotiations concerning the approval of the size and location of the proposed holding tank and on an amendment to their agreement to ensure there are no future exceedances are expected to continue in the near future is nearing anticipated conclusion. BCWSA will design, construct and operate the holding tank located in Bensalem and will install new meters in all connections to the City system not presently metered.

**Lower Southampton Township**

Lower Southampton has also exceeded its contractual maximum instantaneous flow limit. Lower Southampton has indicated its desire to control its wet weather peak flows by participating in a project whereby the Department builds a holding tank in the city. Lower Southampton has clearly committed itself to the tank project, and negotiations on an amendment to their agreement are expected to continue in the near future.

**Delaware County Regional Water Quality Control Authority (DELCORA)**

The Department has been serving DELCORA under a thirty year agreement to provide 50 MGD of wastewater treatment capacity at its Southwest Water Pollution Control Plant. Fiscal Year 2005 and 2006 revenues under this agreement were approximately \$8.2 million and \$7.2 million, respectively. In mid-2006 the Water Department and DELCORA agreed to extend their long-term wastewater agreement. In accordance with a written agreement between the parties the contract will expire on July 25, 2011, unless a new agreement is reached prior to that date. Negotiations have been ongoing for several months on a new contract.

**Lower Moreland Township**

Lower Moreland Township has also exceeded its contractual instantaneous flow limit. Similarly, Lower Moreland has clearly indicated its willingness to participate in the Department's holding tank project described above. A new contract to codify the Township's obligations in the tank project as well as increases in Lower Moreland's relatively small contractual flows was executed on April 1, 2007.

**Cheltenham Township**

Cheltenham Township was recently notified of the Department's intention to negotiate a new contract. A new contract to codify the many changes in the terms and conditions since the last contract is anticipated. The Township has relatively small contractual flows.

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**25. Please provide a copy of the Department's most recent cost of service study.**

**Answer:** The most recent cost of service study applicable to retail service customers is described in the Direct and Supplemental Testimony of J. Rowe McKinley and its findings are detailed in Exhibits JRM-1, JRM-2 and JRM-3 which are a part of the rate filing.

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**26. Please describe the average test year cost of service for (A) the water utility; and (B) the wastewater utility, with reference to the cost of service studies for the respective utilities.**

**Answer:** (A) The overall cost of service in FY 2009 for the water utility to be met from rate revenue amounts to \$189,218,000. (B) The overall cost of service in FY 2009 for the wastewater utility to be met from rate revenue amounts to \$313,868,000.

Tables 14 and 26 of Exhibit JRM-1 present the various elements of the test year revenue requirements, deductions of funds from other sources and the cost of service to be derived from rates for the water and wastewater utilities, respectively.

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**27. Please state how the revenue requirements for retail and wholesale customers are determined.**

**Answer:** The total revenue requirements to be derived from charges for water and wastewater service are synonymous with, and are the definition of, the total cost of service. As a basis for developing an equitable rate structure, these costs are allocable to the various customer classifications according to respective service requirements.

For the water utility, allocations of these requirements to customer classes should take into account the quantity of water use, relative peak capacity requirements placed on the system, the number and size of services to customers, and proprietary interest in the system investment.

For the wastewater utility, cost of service allocations recognize annual average and peak flows contributed to the wastewater collection system, the strength of wastewater (in terms of BOD and suspended solids) and the number and size of customers.

Allocation of cost of service responsibility for capital related costs to the wholesale customers recognizes the contract capacities for various water and wastewater system facilities which are utilized by each individual wholesale customer. Capital cost responsibility for the wholesale customers recognizes annual depreciation expense and an appropriate rate of return on the investment allocate to each contract customers, which is determined based on the relationship of the contract capacity versus the design capacity of the facilities utilized by individual customers. Certain of the wholesale wastewater customers have chosen to contribute to the City their share of allocated plan investment in lieu of paying annual depreciation expense and return on investment.

Operation and maintenance expenses allocable to wholesale customers recognize the facilities used by each particular customer and the contribution of annual volume, peak rates of flow, and wastewater strength by each customer relative to the total units of service treated or handled at the various facilities by the customer.

The total annual cost of service for operation and maintenance expense and capital costs, after deducting the cost of service allocable to wholesale customers, is allocated among the various classes of customers provided retail service in proportion to the test year units of service attributable to various retail customer classes.

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**28. Please state whether wholesale customers have direct capital contributions in certain facilities which impact upon their revenue responsibility.**

**Answer:** The following wholesale customers have provided payments for their share of the Department's capital investment in treatment, pumping, and collection facilities. These payments reduce the need for future payments for "return on investment and depreciation expense" during the remaining contractual periods:

**WHOLESALE WASTEWATER CUSTOMER CAPITAL CONTRIBUTIONS**

| <u>Date of Initial<br/>Capital Contribution</u> | <u>Original Contribution</u> | <u>Total Subsequent<br/>Contributions As Of 03/03/08</u> |
|---|------------------------------|--|
| 3/74  | \$ 15,200,000                | \$ 29,414,023 *  |
| 7/89  | 5,553,553                    | 3,205,773  |
| 1/88  | 12,273,000                   | 11,969,360   |
| 4/88  | 4,553,320                    | 3,647,821  |
| 7/88  | 5,550,120                    | 6,155,895  |
| 5/92  | 6,668,000                    | 5,795,392  |
|   | \$ 49,797,993                | \$ 60,188,264  |

\* DELCORA's contribution includes \$26,737,535 in payments made under the "RRR" section of their contract. Although these payments are paid through the operating and expense portion of their bills, the payments are capital in nature.

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**29. Please provide the basis for the determination of the cost of various facilities allocated to wholesale customers.**

**Answer:** See response to Standard Interrogatory 27.

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**30. Please explain whether wastewater flows and strengths are measured at the point of discharge to the City sewers for wholesale customers.**

**Answer:** For all wholesale customers except DELCORA, flow and strength measurements are taken at the point of discharge to the City's sewer system. In the case of DELCORA (whose wastewater is delivered via a force main flow directly into the Southwest Water Pollution Control Plant) strength measurements are made at the end of the force main, inside the City's SWWPCP. Certain of the wholesale customer flows and strengths are estimated or have a standardized strength assigned, however, the point of delivery is at the City's boundary.

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**31. Please state what assumptions are made in the cost of service study with respect to infiltration/inflow for (A) wholesale customers; and (B) retail customers.**

**Answer:** (A) The wholesale customers' wastewater flow is metered at the City limits. Any infiltration/inflow (I/I) which occurs within the wholesale customer's service area is included in the wholesale customer's annual volume units, in the cost of service analysis Black & Veatch includes an allowance for I/I downstream of the wholesale customer's connection point(s) into the City's system.

This downstream allowance is to recognize that major interceptor sewers, such as are used to transport the township customers' flows to the City's wastewater treatment plants, are designed to assume some allowance for groundwater seepage or infiltration into the sewers over their useful lives. Based upon discussions with Black & Veatch engineering design staff, an allowance of 1.5 percent of the contract customers' contract peak flow capacity (generally stated in the contracts in cubic feet per second, or cfs) was included as an annual allowance for downstream I/I. Peak rates of I/I (for the capacity cost component) was assigned to the wholesale customers at 1.50 times the annual volume allowance for I/I.

(B) Infiltration/inflow enters into the wastewater collection system through various ways including leakage through cracked or broken laterals from the customer's premises to the main sewer in the street, foundation and/or roof drains which may be connected to the sewer system, and rainfall runoff into the combined sewer system through the stormwater inlets and/or sewer manholes. The total I/I into the wastewater system is generally a function of the number of lateral sewer connections to the system, the miles of sewer mains in the system, and the overall age of the system, in turn, are generally proportional to the number of and size of customers connected to the system.

The cost of service allocable to I/I for retail customers must be distributed back to the "rate paying" classes of retail service. As in the case of stormwater costs, the relative customer class responsibility for I/I is not exactly determinable, nor can it directly be related to the parameters of sanitary wastewater service. In general, I/I due to leakage in lateral sewers of individual residences would be expected to be less than in the services of individual large commercial or industrial establishments. The greater length, due to larger lot frontage, and greater size of main sewer required for the larger customers would also contribute to potential increased I/I with the size of customer. The number of equivalent meters of each customer class, which is based on the capacity of larger meter sizes relative to the capacity of a 5/8 inch meter, provides a reasonable means of recognizing both numbers and relative sizes of customers and provides a measure of class responsibility for I/I. Another measure of the responsibility for I/I is the volume of sanitary wastewater contributed by each class of customer.

The rate design for the recovery of retail customer I/I costs reflects a 30 percent recovery of I/I costs through the monthly service charge based on equivalent meters and 70 percent recovery through the wastewater volume charge in keeping with the practices established in the past three rate proceedings.

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**32. Please indicate the suspended solids and biochemical oxygen demand (“BOD”) strengths used in the cost of service study for retail wastewater accounts and the methodology used to arrive at such strengths.**

**Answer:** The average suspended solids strength for retail customers amounts to 235 milligrams per liter (mg/l) and the average BOD strength amounts to 230 mg/l in the cost of service study. The average strength of the retail customers are determined by starting with the total projected annual volume, suspended solids, and BOD loadings to be treated at the three wastewater treatment plants during the FY 2009 test year. The projected test year volume and strength loadings at the plants are based on an analysis of historical loadings in recent years. From the projected total volume and strength loadings, deductions of projected loadings from various customer groups and classes other than the general retail customers are made, with the balance of the total test year suspended solids and BOD loadings being assignable to the general retail customers.

The strength loadings which are deducted from the total plant loadings in the determination of retail customer average strengths include the loadings from the wholesale wastewater customers, extra strength surcharge customers, water plant sludge loadings, and infiltration/inflow (I/I). The projected strength loadings from the wholesale customers are based upon historical flows and strengths from these customers. The loadings from the extra strength surcharge customers are also based upon historical measured strengths from customers. The water treatment plant sludge loading, which is from sedimentation and filter backwashing operations at the water treatment plants, is based upon discussions with Water Department staff regarding estimated sludge volume and suspended solids quantities from these processes. The strength loadings from I/I are based up application of estimated strength of 100 mg/l for suspended solids and 25 mg/l for BOD to the annual test year I/I volume.

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**33. Please explain all assumptions used in the cost of service study with regard to stormwater and run-off costs.**

**Answer:** Costs of service for stormwater drainage are not related to the sanitary wastewater service requirements. The most appropriate theoretical measure of stormwater runoff and cost responsibility by respective customer classes would be one which includes consideration of (1) the overall area of customer properties, and (2) stormwater runoff potential, the latter factor reflecting the relative slopes and physical characteristics of the properties, including the impervious area of the property.

In the mid-1990s the Water Department established a citizens advisory or review panel to address the issue of stormwater cost allocation and recovery. This citizens group consisted of a cross-section of stakeholders within the community. Through a series of meetings over approximately a two-year period, this citizens advisory group decided that an appropriate cost responsibility for stormwater related costs (excluding the fixed costs associated with billing) would be to recover 80 percent of the total stormwater cost on the basis of a customer's impervious area and 20 percent based on a customer's total gross property area. A three tiered approach would be used for residential accounts, including row homes, twins, and detached single family homes, in which each tier would be assessed a flat rate, based upon the median gross and impervious area features associated with each tier. All nonresidential accounts would be billed based upon each individual customer's gross and impervious property area. All streets and the Fairmount Park system would be exempt from stormwater charges. Also, any existing discounts, such as for senior citizens, schools, charities and the Philadelphia Housing Authority, would be maintained.

The findings of the analyses made during the citizens advisory group deliberations clearly indicated that solely recognizing equivalent meter size as a surrogate measure of the potential size of a customer's property, and hence the potential for stormwater runoff to occur, resulted in charges to residential properties, particularly for row homes and twins, that were significantly greater than would be supportable under a more theoretically appropriate parcel-based cost recovery system.

In order to implement a stormwater cost recovery system that assessed stormwater charges for nonresidential accounts on an individual property basis (individual charges for both impervious and gross area), both the billing system used by the Department and the City's Geographical Information System (GIS) needed significant improvements and enhancements. Work towards the necessary improvements to the billing system was unexpectedly terminated during 2000 and the final delivery of the recovery system, did

not contain sufficient accuracy for use by the Department as the basis for the new stormwater billing system.

Based on the studies made during and subsequent to the citizens advisory committee process, and the findings that residential accounts were significantly overpaying for stormwater based solely on an equivalent meter basis, the information obtained during these studies were used to assign appropriate stormwater cost responsibility to residential accounts through the 5/8 inch meter service charge which recognized the weighted average gross and impervious areas for residential parcels. As suggested by the citizens advisory committee in their report, the shift in costs from residential accounts to non-residential accounts, recognizing the impervious and gross area attributes of both groups of customers, was phased in over the three year rate period of FY 2002-2004. The stormwater costs allocable to customers with greater than 5/8 inch meters were recovered on an equivalent meter size basis with the cost transition to the larger customers also being phased-in over a three year period of FY 2002-2004.

There was continued discussion of the need to implement a more equitable basis for stormwater cost recovery related to non-residential (larger meter) customers during the last rate proceeding. At the time, however, the necessary support systems to enable a transition to parcel based stormwater recovery charges for such customers were still not in place. As a result, the stormwater cost recovery for larger customers continued to be based upon the equivalent meter system in the last rate case.

A new customer billing system has been recently implemented for the Department and this system has the capability to handle the transition from the equivalent meter system of stormwater cost recovery for larger customers to a parcel based system. In addition, recent changes in the City's GIS technology have enabled the Department to develop impervious and gross area layers for most of the City's parcels and to develop a cross-reference between the parcels and associated utility accounts. Taken together, the Department has been able to develop a stormwater parcel database with parcel/utility account references and parcel gross and impervious area data that can effectively support a parcel based stormwater cost recovery system and related billing.

The Department's Office of Watershed staff has been working with the Board of Revision of Taxes (BRT) and various other departments within the City over the past year in establishing utility/parcel cross references and in analyzing and compiling gross area and impervious area for parcels to accommodate the transition to the parcel based system for stormwater cost recovery in conjunction with the current rate process. It is now possible to phase-out the equivalent meter basis of charge for stormwater service and concurrently phase-in a parcel based system of charges during the period FY 2010-2012. This would complete the total phase-out of the equivalent meter based system. The current system is proposed to be continued for larger customers through FY 2009 in the rate filing.

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- 34. Please describe all collection factors, compression factors, lag factors and any related adjustments set forth in the cost of service study. Please also provide analysis and documentation for use of all factors and adjustments identified in response to this question.**

**Answer:** The collection factors utilized in the study recognize that less than 100% of billings after July 1, 2008 under proposed rates will be collected by the end of the fiscal year, and that the actual timing of these collections will occur over several months. From an analysis of historical collection patterns of the Department, approximately 85.50% of current year billings, 9.00% of the immediate prior year's billings, and 2.50% of the second prior year's billings are collected as receipts.

Compression factors were applied to volume charge billings to recognize the proration of billings under existing and proposed rates for the first month following the effective date of the rate increase. Approximately one-half of the first month's volume billings will be at the existing rates and the other one-half will be at the adopted new rate.

The overall lag factor applied to the cost of service rates reflects the combined impact of collections and compression factors on anticipated receipts. The overall "lag factor" increases the necessary rate level to provide the additional revenue collections required to meet cash, coverage and working capital requirements of the utility during the test year period.

The work papers used in the analysis and documentation for the collection and compression factors may be found in the provided calculation books under Rreq04.xls (Wrev-6), Scos08.xls (Lagrate-13 and 14) and Wcos08.xls (Lagrate-8 and 9).

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**35. Please generally describe the components of the proposed charges for retail water and wastewater service.**

**Answer:** The proposed general service retail water rates consist of a fixed monthly service charge, which varies with the size of the customer's water meter, and a schedule of declining unit volume charges which are applied to the customer's metered water volume. In addition there is a fixed annual charge applicable to the City for public fire protection as well as fixed monthly charges applicable to customers with private fire protection services.

The proposed wastewater rates also consist of a fixed monthly service charge which varies by meter size and a uniform volume charge applicable to metered water usage. In addition, there is an extra strength surcharge applicable to customers with high strength suspended solids and/or BOD loadings.

The proposed service charges for wastewater service include costs associated with stormwater management. These charges vary with the customer's meter size. Under the current system, the charge for customers with 5/8 inch meters is based upon the average gross and impervious area associated with a residential parcel. Charges for larger customers are recovered on an equivalent meter basis. It is proposed that a transition to a parcel based system for the recovery of stormwater management costs for all customers be phased-in over the period FY 2010-2012. Under the new system, larger (non-residential) customers would be billed for stormwater service on the basis of the individual gross and impervious area of each customer's parcel. The parcel based charge would be phased-in over three years (FY 2010-2012) while stormwater cost recovery on the basis of the customer's meter size is being phased-out.

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**36. Please explain what costs will be recovered on a volumetric basis and what costs will be recovered through service charges.**

**Answer:** The service charges for the water utility include customer costs associated with meter reading, billing, collection and customer service and maintenance and capital costs associated with the customer meters. The declining block volume rates recover the operating and capital costs allocable to retail customers associated with raw water supply and pumping, treatment, treated water pumping, storage, and the water transmission and distribution system.

Since the Department has a single schedule of water rates applicable to all customers, the schedule must recognize the cost of service responsibilities and characteristics of all classes of customers served by the Department. Accordingly, the declining block volume rates reflect the differing service characteristics of the residential, commercial and industrial customers, in terms of their system peak use responsibilities for facilities designed to handle maximum day and maximum hour demands. The rates do not reflect “quantity discounts” for large volume users, as is a common misinterpretation of the declining block rate structure, but rather this rate form recognizes the cost of service responsibilities for each class of service for their relative peak demands on the water system.

The service charges for the wastewater utility include similar costs as described above for the water utility, as well as the costs associated with the stormwater related portion of the wastewater utility operation, and a portion of the costs associated with infiltration/inflow (I/I). For purpose of this rate filing we have included 30% of the cost of service related to I/I in the wastewater service charges, with the balance of 70% included in the wastewater volume charge.

The wastewater volume charge includes the operation, maintenance, and capital costs of collection, pumping, treating, and disposing of the sanitary wastewater contribution by retail customers of the Department. The estimated strength of the sanitary wastewater contributed by retail customers recognizes a suspended solids strength of 235 mg/l and a BOD strength of 230 mg/l. A separate charge for those retail customers that contribute high strength wastewater is included in the rate filing. In addition to the costs associated with normal strength wastewater, and in accordance with the rate decisions in 1993, 2001 and 2005, the proposed volume charge includes 70 percent of the costs associated with I/I.

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**37. Please explain any proposed changes in rate design in the current rate filing.**

**Answer:** Except as discussed in the Supplemental Direct Testimony of J. Rowe McKinley with respect to the proposed stormwater cost reallocation, the proposed water and wastewater rate forms do not reflect any major variances from existing rates.

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**38. Please provide the most recent Five Year Plan for the City of Philadelphia.**

**Answer:** See attachment. (Attachment 10)

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**39. Please provide the most recent Combined Annual Financial Report (CAFR) for the City of Philadelphia.**

**Answer:** See attachment. (Attachment 11)

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**40. Please provide the Department's FY 2008-2009 proposed budget detail.**

**Answer:** See attachment. (Attachment 12)

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**41. Please provide the most recent Capital Budget for the City of Philadelphia, including the Water Department.**

**Answer:** See attachment. (Attachment 13)

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**42. Please provide the most recent rating agency reports for the Department.**

**Answer:** See attachment. (Attachment 14)

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**43. Please provide the Water Fund accounts receivable balances for the most recent period available.**

**Answer:** See attachment. (Attachment 15)

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**44. Please provide a history of indemnity payments by the Department since the last rate proceeding.**

**Answer:** See attached Philadelphia Water Department Financial Statements.  
(Attachment 1)

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**45. Please describe the Department's proposal to reallocate stormwater collection costs among large users.**

**Answer:** See Supplemental Direct Testimony of J. Rowe McKinley, Direct Testimony of Joanne Dahme and proposed stormwater regulations included in the rate filing. Reference should also be made to the Community Advisory Committee Final Report - Stormwater Charge Allocation (July 1, 1996) and the response to Standard Interrogatory 33.

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**46. Please provide a copy of the Ordinance authorizing wholesale wastewater and water contracts.**

**Answer:** See attachment. (Attachment 16)

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**47. Please provide the year-end budget update for the last fiscal year.**

**Answer:** See attachment. (Attachment 17)

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**48. Please provide a summary of wholesale contract revenues for the last three fiscal years.**

**Answer:** See attachments.

**SUBURBAN WHOLESAL WASTEWATER CUSTOMERS**

| Customer<br>_Original Contract Date)  | Initial Year of<br>Current Contract | Contract Term   | Capital<br>Payment Method   | Last Contract<br>Action/ Amendment  |
|---|-------------------------------------|---|---|---|
| <b>Abington Twp.</b><br><i>Dec. 9, 1958</i>   | 1983                                | 7 years, then 6<br>months notice by<br>either party   | Depreciation expense - 2.5%<br>Return on Investment - 7.5%  | Contract signing  |
| <b>Bucks County Water<br/>&amp; Sewer Authority</b><br>(Bensalem Township)<br><br><i>Jan. 3, 1955</i>   | 1988                                | 35 years; City may<br>cancel anytime with<br>5 years notice, but<br>only for cause. Otherwise<br>term ends 1/1/2038 | Direct payments for Capital<br>Expenditures   | 8/31/1999<br>Assignment of Contract<br>from Bensalem Township<br><br>Sewer Authority. |
| <b>Bucks County Water<br/>&amp; Sewer Authority</b><br>(Totem Road Connect.)<br><br><i>Feb. 8, 1971</i> | 1988                                | 50 years; City may<br>cancel anytime with<br>5 years notice, but<br>only for cause.                                 | Direct payments for Capital<br>Expenditures for projects<br>begun prior to 3/10/2005; for<br>projects begun after 3/10/2005,<br>Depreciation (2.5%) & Return on<br>Investment (7.5%) applies. | 3/10/2005<br>Amendment to<br>increase capacity.                                       |
| <b>Cheltenham Twp.</b><br><br><i>Nov. 20, 1923</i>  | 1987                                | 5 years; either party<br>can cancel with 6<br>months notice.  | Depreciation expense - 2.5%<br>Return on Investment - 7.5%  | Contract signing  |
| <b>DELCTORA</b><br><br><i>Mar. 4, 1974</i>  | 1974                                | 30 years; after 25<br>years, either party<br>can cancel with<br>5 years notice.                                     | Direct payments for Capital<br>Expenditures via RRR billings  | 6/15/2006<br>Agreement to extend<br>contract to 7/25/2011.                            |

**SUBURBAN WHOLESAL WASTEWATER CUSTOMERS**

|  |   |  |                                  |
|--|---|--|----------------------------------|
| <p><b>Lower Merion Twp.</b><br/>Sep. 2, 1903</p>       | <p>1992</p> <p>City can cancel with 5 years notice but only for cause.</p>  | <p>Direct payments for Capital Expenditures</p>                    | <p>Contract signing</p>          |
| <p><b>Lower Moreland Twp.</b><br/>Jun. 12, 1967</p>    | <p>2007</p> <p>10 Years</p>   | <p>Depreciation expense - 2.5%<br/>Return on Investment - 7.5%</p> | <p>4/1/2007<br/>New Contract</p> |
| <p><b>Lower Southampton Twp.</b><br/>Feb. 18, 1957</p> | <p>1988</p> <p>35 years; City can cancel with 5 years notice, but only for cause.</p>   | <p>Direct payments for Capital Expenditures</p>                    | <p>Contract signing</p>          |
| <p><b>Springfield Twp.</b><br/>Aug. 5, 1931</p>        | <p>1995</p> <p>5 years; City can cancel with 6 months notice, but only for cause. After 5 years either party can cancel with 6 months notice.</p>   | <p>Depreciation expense - 2.5%<br/>Return on Investment - 7.5%</p> | <p>Contract signing</p>          |
| <p><b>Upper Darby Twp.</b><br/>Jan. 10, 1957</p>       | <p>1995</p> <p>28 years; City can cancel with 5 years notice, but only for cause. Township can cancel with 5 years notice through 12/5/2000. Thereafter, Twp. has no right to cancel.</p> | <p>Direct payments for Capital Expenditures</p>                    | <p>Contract signing</p>          |

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**49. Please provide a summary of the 10 wholesale wastewater contracts and 2 wholesale water contracts.**

**Answer:** See attachments.

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**50. Please provide a summary of customer assistance programs offered by the Department.**

**Answer:** See attachment. (Attachment 18)

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**51. Please provide a description of the New River City Program and supporting detail.**

**Answer:** See attachment. (Attachment 19)

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**52. Please provide a listing of the Department's top 10 customers during the last three fiscal years.**

**Answer:** See attachment. (Attachment 20)

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**53. Please provide a copy of the budget testimony submitted by the Department to City Council for FY 2008 and 2009.**

**Answer:** See attachment. (Attachment 21)

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**54. Please provide Department brochures describing rate regulations in effect during the last fiscal year.**

**Answer:** See attachment. (Attachment 22)

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**55. Please provide the most recently available water quality report for the Department.**

**Answer:** See attachment. (Attachment 23)

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**56. Please provide Department Water Audits (water accountability analyses) for the last fiscal year.**

**Answer:** See attachment. (Attachment 24)

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**57. Please provide the most recent updates to the Interim Report on Wet Weather Basement Flooding in Philadelphia.**

**Answer:** See attachment. (Attachment 25)

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**58. Please provide a copy of the Community Advisory Committee Final Report (Stormwater Charges).**

**Answer:** See attachment. (Attachment 26)

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**59. Please provide a copy of the most recent Monthly Managers' Reports.**

**Answer:** See attachment. (Attachment 27)