

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-38. Please provide copies of the PWD Annual Financial Report for the last two fiscal years.

Response: See, PWD Exhibit 4 (SI- 7) for the PWD Annual Financial Report for the last two fiscal years.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-39. Please provide an electronic worksheet with the monthly actual number of customers by the following customer classes for each budget year FY2012 to the most recent month available:

- a. General Service 5/8 inch Meter (Intl Sr Citizens) Service Codes 4, D, G, H, P, W, Z
- b. General Service > 5/8 inch Meter (Intl Sr Citizens) Service Codes 4, G, H, P, W, Z
- c. Housing Authority Service Code A Charities & Schools Service Codes C, E, L and N
- d. City Properties Leased Service Code 821 (a)
- e. Unmetered Service Code S

Response:

We are providing an electronic workbook of the cost of service report 1A, 1B, 1C as Attachment ‘Response PA-EXE-39 EXE-40’, a printout of which was provided in exhibit 2 of Henrietta Locklear’s testimony (HL-2), Appendix D. As described in the Digest for the reports, in this report, an account of interest to be counted was a unique customer at a location, that is, an account, with a “bill” type transaction in a certain month. This is the metric that was used in the cost of service study and that likely most closely corresponds to the request language “actual number of customers”.

The data are provided for fiscal years 2012 through 2015. The last month available is June of 2015.

The annualized data for a. through e. above were already provided in the report printouts. In report 1B, tab name “Rpt1B v5 2015.02” the annualized numbers for each are available by adding the column “fy12 # of accounts” (or whatever fiscal year is of interest) for the following line types:

- a. General Service 5/8 inch Meter (Intl Sr Citizens) Service Codes 4, D, G, H, P, W, Z. *For the below instructions, it is assumed that “Intl Sr Citizens” means include senior citizens:*
 - a. Only lines where meter Size column is “1-5/8””, and
 - b. “Customer type” column is:
 - i. 1-General Service Residential

- ii. 2-General Service –Commercial
 - iii. 3-General Service-Industrial
 - iv. 4-General Service-Public Utilities
 - v. 08-Senior Citizens
 - vi. 09-Hand Bill
 - vii. 14-City Government
- b. General Service > 5/8 inch Meter (Intl Sr Citizens) Service Codes 4, G, H, P, W, Z. *For the below instructions it is assumed that “Intl Sr Citizens” means, include senior citizens, even though the code “D” used to designate senior citizen discount in the billing system is not included in the list of codes requested for this item:*
 - a. Only lines where meter Size column is not “1-5/8””, and
 - b. “Customer type” column is:
 - i. 1-General Service Residential
 - ii. 2-General Service –Commercial
 - iii. 3-General Service-Industrial
 - iv. 4-General Service-Public Utilities
 - v. 08-Senior Citizens
 - vi. 09-Hand Bill
 - vii. 14-City Government
- c. Housing Authority Service Code A Charities & Schools Service Codes C, E, L and N. *For the below instructions, note that “L” has been included. “L” is equal to “10-City-Leased”. City Leased is requested separately in the next item.*
 - a. “Customer type” column is:
 - i. 05-P.H.A.
 - ii. 06-Charity/Non-Public Schools
 - iii. 07-Public Schools
 - iv. 10-City Leased
 - v. 11-Hospital University
 - d. City Properties Leased Service Code 821 (a). *For the below instructions, please note that “City Properties Leased” are actually coded “L” and are included as c.(iv) above.*
 - a. Customer type” column is:
 - i. 10-City Leased
 - e. Unmetered Service Code S. *For the below instructions, please note that there are some metered and one unmetered accounts coded “S”. To total metered and unmetered “S”, do not filter by meter size.*
 - a. Only lines where Meter Size column is “A-Unknown” and
 - b. “Customer type” column is:
 - i. 12-Scheduled

To allow the requester to view the monthly data, we are also providing the raw data. Refer to the tab in this workbook named “Raw t2 v02”. These data are given by month. Similar to the instructions above for obtaining the annualized data of interest, the user would filter for the exact

same categories as in a through e above. To look at monthly data, there is an additional step. Column A, “CEXTRACT” denotes the month. The format is “YYMMDD”. The workbook provides a key to these dates on the tab “List of Extracts and Counts” and this key is replicated below:

Fiscal Year	“CEXTRACT” Date	Month the Data Represent
FY12	20110803	Jul 2011
FY12	20110907	Aug 2011
FY12	20111006	Sep 2011
FY12	20111104	Oct 2011
FY12	20111204	Nov 2011
FY12	20120105	Dec 2011
FY12	20120207	Jan 2012
FY12	20120306	Feb 2012
FY12	20120405	Mar 2012
FY12	20120507	Apr 2012
FY12	20120606	May 2012
FY12	20120705	Jun 2012
FY13	20120806	Jul 2012
FY13	20120905	Aug 2012
FY13	20121004	Sep 2012
FY13	20121105	Oct 2012
FY13	20121205	Nov 2012
FY13	20130104	Dec 2012
FY13	20130131	Jan 2013
FY13	20130228	Feb 2013
FY13	20130405	Mar 2013
FY13	20130506	Apr 2013

FY13	20130531	May 2013
FY13	20130630	Jun 2013
FY14	20130731	Jul 2013
FY14	20130831	Aug 2013
FY14	20130930	Sep 2013
FY14	20131031	Oct 2013
FY14	20131130	Nov 2013
FY14	20131231	Dec 2013
FY14	20140131	Jan 2014
FY14	20140228	Feb 2014
FY14	20140331	Mar 2014
FY14	20140430	Apr 2014
FY14	20140531	May 2014
FY14	20140630	Jun 2014
FY15	20140701	Jul 2014
FY15	20140801	Aug 2014
FY15	20140901	Sep 2014
FY15	20141001	Oct 2014
FY15	20141101	Nov 2014
FY15	20141201	Dec 2014
FY15	20150101	Jan 2015
FY15	20150201	Feb 2015
FY15	20150301	Mar 2015
FY15	20150401	Apr 2015
FY15	20150501	May 2015
FY15	20150601	Jun 2015

Response Provided by: Henrietta Locklear, RFC.

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-40. Please provide an electronic worksheet with the monthly actual usage by the following customer classes for each budget year FY2012 to the most recent month available:

- a. General Service 5/8 inch Meter (Intl Sr Citizens) Service Codes 4, D, G, H, P, W, Z
- b. General Service > 5/8 inch Meter (Intl Sr Citizens) Service Codes 4, G, H, P, W, Z
- c. Housing Authority Service Code A Charities & Schools Service Codes C, E, L and N
- d. City Properties Leased Service Code 821 (a)
- e. Unmetered Service Code S

Response: Response:

We are providing an electronic workbook of the cost of service report 1A, 1B, 1C as Attachment ‘Response PA-EXE-39 EXE-40’, a printout of which was provided in exhibit 2 of Henrietta Locklear’s testimony (HL-2), Appendix D. As described in the Digest for the reports, in this report, an account of interest for the report was a unique customer at a location, that is, an account, with a “bill” type transaction in a certain month. It is assumed that “monthly actual usage” refers to water usage. Thus, the report provides billed water usage.

The data are provided for fiscal years 2012 through 2015. The last month available is June of 2015.

The annualized data for a. through e. above were already provided in the report printouts except that meter size was not differentiated. However, these are available in the raw data, as described later in this response. In report 1A, tab name “Rpt1A v5 2015.02” the annualized numbers for the categories are available by adding the column “fy12 Water Usage Charges” (or whatever fiscal year is of interest) for the following line types:

- a. As described, a and b are must be looked at together because meter size is not provided in report 1A. General Service 5/8 inch Meter *and* > 5/8 inch meter (Intl Sr Citizens) Service Codes 4, D, G, H, P, W, Z. *For the below instructions, it is assumed that “Intl Sr Citizens” means include senior citizens:*
 - a. “Customer type” column is:
 - i. 1-General Service Residential

- ii. 2-General Service –Commercial
 - iii. 3-General Service-Industrial
 - iv. 4-General Service-Public Utilities
 - v. 08-Senior Citizens
 - vi. 09-Hand Bill
 - vii. 14-City Government
- b. As described above, within the annual data, a and b must be looked at together since meter size is not provided in report 1A.
- c. Housing Authority Service Code A Charities & Schools Service Codes C, E, L and N. *For the below instructions, note that “L” has been included. “L” is equal to “10-City-Leased”. City Leased is requested separately in the next item.*
- a. “Customer type” column is:
 - i. 05-P.H.A.
 - ii. 06-Charity/Non-Public Schools
 - iii. 07-Public Schools
 - iv. 10-City Leased
 - v. 11-Hospital University
- d. City Properties Leased Service Code 821 (a). *For the below instructions, please note that “City Properties Leased” are actually coded “L” and are included as c.(iv) above.*
- a. Customer type” column is:
 - i. 10-City Leased
- e. Unmetered Service Code S. *For the below instructions, please note that there are some metered and one unmetered accounts coded “S”. To total metered and unmetered “S”, do not filter by meter size.*
- a. Only lines where Meter Size column is “A-Unknown” and
 - b. “Customer type” column is:
 - i. 12-Scheduled

To allow the requester to view the monthly data and to differentiate customers by meter size for the requested categories a. and b. we are also providing the raw data. Refer to the tab in this workbook named “Raw t1 v02”. These data are given by month. Similar to the instructions above for obtaining the annualized data of interest, the user would filter for the exact same categories as in a through e above. To look at water usage only with the monthly data, there are two additional steps. First, the user would filter by Column E “CREVGLIFCD” for only “10-Water Usage Charges”. Second, the user would need to select the months of interest. Column A, “CEXTRACT” denotes the month. The format is “YYMMDD”. The workbook provides a key to these dates on the tab “List of Extracts and Counts” and this key is replicated in the answer to PA-EXE-39. Please refer to one of those two locations.

Response Provided by: Henrietta Locklear, RFC

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-41. Please provide calculations of actual current year collection factors for the three most recent fiscal years ended FY2013.

Response:

The collections percentages for billings and collections within the same fiscal year for 2015, 2014, 2013, and 2012 were provided in exhibit 2 of Henrietta Locklear’s testimony (HL-2), in Appendix D page “2 page 1” in the report printouts. Electronic workbook is provided. The line labeled “Retail Collections Factor (FY)” contains the percent of billings collected within the fiscal year. This percentage was calculated by dividing the line “Retail Billings Collected (FY)” by “Retail Billings”. For example, in FY2012, Retail Billings were \$510,374,617.05. Retail Billings Collected (FY), that is, collections from July 1, 2011 through June 30, 2012, were \$422,548,534.46. Thus, as shown in the table, the Retail Collections Factor (FY) for 2012 was 82.8%.

The collections percentage for billings and collections within the same fiscal year for 2011 was provided in exhibit 2 of Henrietta Locklear’s testimony (HL-2), Appendix D page “4 REVISED (Summary) Page 1” in the report printouts. Electronic workbook is provided. Billings are shown in the column “Billings” on the row “Total less City Government (\$491,411,043.48). Payments within the fiscal year are shown in the column for the fiscal year 2011 section labeled “7/1/10 to 6/30/11” in the row “Total less City Government” (\$411,105,567.38). This percentage was calculated by dividing the collections by the billings. In the table, the percentage is shown in “7/1/10 to 6/30/11” in the row “Percent collected (excludes City)” (83.66%).

Please see Attachment Response PA-EXE-41.

Response Provided by: Henrietta Locklear, RFC

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-42. Please provide an electronic worksheet separately showing the actual and budgeted expenses by division and class for the most recent four fiscal years ended and the year to date amount for the current fiscal year.

Response: The actual and budgeted expenses by division and class for the most recent four fiscal years ended (FY 2012-FY2015) are presented in response Attachment PA-EXE-42 Budget to Actual. The Year to Date amount for the current fiscal year (FY 2016) by division and class is not readily available.

For Year to Date information for the Department please see Attachment SI-64 – City of Philadelphia Quarterly City Managers Report for the period ending September 30, 2015. This report and other Quarterly City Manager's Reports are available and may be downloaded from Office of Director of Finance Website at <http://www.phila.gov/finance/reports.html>.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch and Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-43. Please provide an update to Standard Interrogatory SI-2013-09 from the 2013 rate proceeding regarding “the Department’s approved budget detail” for the last three fiscal years ended and the current fiscal year.

Response: See, PWD Exhibit 4 (SI- 16) for the Department’s approved budget detail for the last two fiscal years. Additional approved budget detail can be found on the Office of the Director of Finance’s website, under financial reports, budget detail. <http://www.phila.gov/finance/reports-BudgetDetail.html>

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-44. Please provide copies of all justification schedules included in the budget detail for the most recent fiscal year ended and for the current fiscal year.

Response: See, PWD Exhibit 4 (SI- 16) for the Department’s approved budget detail for the last two fiscal years. Additional approved budget detail can be found on the Office of the Director of Finance’s website, under financial reports, budget detail. <http://www.phila.gov/finance/reports-BudgetDetail.html>

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-45. Please provide a schedule similar to Exhibit JC-3B in the 2013 rate case regarding “Rate Process expenses” for the proposed rate case.

Response:

Rate Process Expenses	

	Budget (\$)
Water Rate Board	
Public Advocate, Community Legal Services	300,000
Hearing Officer, Nancy Brockway	100,000
Legal Services, Hamburg Rubin Mullin Maxwell Lupin	32,000
Financial Consulting, Amawalk Consulting Group	32,000
Court Reporting, TBD	60,000
Remaining Budget	225,000
sub-total	<u>749,000</u>
Water Department Consultants and Experts	Budget
Cost of Service, Black & Veatch	445,000
Cost of Service Reporting, RFC	300,000
Legal Services, Andre C Dasent, PC	150,000
sub-total	<u>895,000</u>
Total	1,644,000

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-46. Please provide a schedule similar to OMone-2 in the 2013 rate proceeding regarding O&M budget request expense by the Division and class for the last three fiscal years ended and the current fiscal year to date.

Response: Please reference PWD Exhibit 5 – Assumptions Provided to the Public Advocate on 12-8-2015. Additionally, the following response is for Question PA-EXE-46 with regard to providing a schedule similar to “OMone-2 in the 2013 rate proceeding.” A similar table “Historical O&M Budget” is provided in PWD Exhibit 6: Black & Veatch Corporation Cost of Service Work papers, work paper Assumptions-22B (PDF Page # 49 and 50). Please see PA-EXE-42 Response Attachment.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-47. Please provide a schedule similar to OMone-3 in the 2013 rate proceeding regarding actual O&M obligations expense by division and class for the last three fiscal year ended and the current fiscal year to date.

Response: The following response is for Question PA-EXE-47 with regard to providing a schedule similar to “OMone-3 in the 2013 rate proceeding.” A similar schedule of “Historical O&M Actuals” is provided in PWD Exhibit 6: Black & Veatch Corporation Cost of Service Work papers, Assumptions-22B O&M (PDF Page # 49 and 50). Please see PA-EXE-42 Response Attachment.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-48. Please provide a schedule similar to OMone-4 in the 2013 rate proceeding regarding percent difference (% actual of budget O&M) by division and class for each year FY2013 to the most recent fiscal year. Please provide this data in electronic format with the formulae intact.

Response: The following response is for Question PA-EXE-48 with regard to providing a schedule similar to “OMone-4 in the 2013 rate proceeding.” A similar schedule of “Actual to Budget Factors” is provided in PWD Exhibit 6: Black & Veatch Corporation Cost of Service Work papers, Assumptions-22A (PDF Page # 47 and 48). This schedule is also provided in electronic format with formulae intact in PA-EXE-42 Response Attachment.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-49. Please provide a schedule detailing the actual percentage increases for Class 100 expenditures FY2012 to date.

Response:

Please reference PWD St.-2 - Direct Testimony and Exhibits of Melissa LaBuda exhibit ML-3 for Personal Services expenditures for FY2013, FY2014 and FY2015. See below for FY2012.

FY2012 Expenditures	(000s)(\$)
Personal Services	100,907
Personal Services – Employee Benefits	87,226
Sub-Total Employee Compensation	187,915

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-50. Please provide a schedule showing the most recent wage increases granted and the wage increases to be granted over the next two fiscal years per the current labor contract.

Response: See, PWD Exhibit 4 (SI- 31) page 357 of 468, Table 18- Status of Arbitration Awards and Labor Contract Settlement as of January 2015. Also see, PWD Exhibit 4 (SI- 63)

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-51. Please provide an update of PA-MAB-115 from the 2013 rate proceeding relating to Interdepartmental charges.

Response: Please see Attachment PA-EXE-51 Response for the 2015 Interfund Memo.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-52. Please provide an update of Standard Interrogatory SI-2013-36 from the 2013 rate proceeding regarding indemnity charges.

Response:

See PWD Exhibit 4 (SI- 29). Also, please see the City of Philadelphia, Water Operating Fund, Budgetary Comparison Schedule, provided in the City’s CAFR for FY 2013, FY2014, and FY2015. The schedule and page number references are provided below.

- ❖ Schedule VIII Budgetary Comparison Schedule - Water Operating Fund, page 138
- ❖ FY14 - Schedule VIII Budgetary Comparison Schedule - Water Operating Fund, page 144
- ❖ FY15 Unaudited CAFR, Exhibit 18 Budgetary Actual and Estimated Revenues and Obligations – Water Operating Fund, page 29

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-53. Please provide the actual and budgeted fringe benefits expense data for the last three fiscal years and the current fiscal year to date. Please provide this data broken down by type of benefit.

Response: See, PWD Exhibit 4 (SI-64) and Attachment SI-64 for the City of Philadelphia, Quarterly City Managers Report, for the period ending September 30, 2015 for the most recent budget update.

Summary of Fringes and Pension							
Water Fund, Operating							
32-020	FY2013				FY 2015		FY 2016
	Original	FY 2013	FY2014	FY 2014	Amended	FY 2015	ORIGINAL
Fringe	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Flex Cash	85,000.00	41,884.24	60,000.00	22,233.85	42,650.00	29,595.00	30,000.00
WC-Disability	1,900,000.00	1,703,485.12	2,300,000.00	1,327,564.13	2,200,000.00	1,859,758.00	2,400,000.00
WC-Medical	1,200,000.00	1,674,689.39	1,500,000.00	1,741,455.87	2,000,000.00	1,756,884.00	2,000,000.00
Medicare	1,550,000.00	1,448,298.34	1,650,000.00	1,506,359.23	1,700,000.00	1,640,330.00	1,800,000.00
Pens Oblig	9,430,000.00	20,452,251.63	10,400,000.00	22,450,402.66	11,700,000.00	11,415,451.00	12,100,000.00
Pension	46,638,000.00	35,507,146.67	48,800,000.00	38,305,051.79	42,000,000.00	40,861,335.00	45,700,000.00
FICA	6,500,000.00	6,258,944.96	6,000,000.00	6,436,898.70	7,100,000.00	7,002,249.00	7,250,053.00
Health-Medical	30,800,000.00	28,402,301.19	30,800,000.00	29,276,512.70	39,058,948.00	35,231,175.00	38,717,895.00
Life	250,000.00	126,440.61	200,000.00	136,801.09	153,768.00	141,612.00	153,768.00
Legal	300,000.00	271,230.34	275,000.00	271,723.31	328,546.00	298,656.00	328,546.00
Unempl Comp	500,000.00	399,516.93	500,000.00	282,194.70	475,000.00	275,522.00	375,000.00
Tool Allow	45,000.00	42,600.00	45,000.00	42,600.00	61,297.00	57,350.00	60,000.00
	99,198,000.00	96,328,789.42	102,530,000.00	101,799,798.03	106,820,209.00	100,569,917.00	110,915,262.00

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-54. Please provide all-in interest issuance rates on all bond issues issued since the 2013 rate proceeding.

Response: See, PWD Exhibit 4 (SI- 31). The Official Statements for the Series 2015 Bonds and other bond transactions since the last rate proceeding are available and may be downloaded from the City's Investor Website at <http://www.phila.gov/investor>. The all in interest issuance rates can be found on the inside front cover.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-55. Please provide an analysis showing the actual and budgeted capital improvement program expenditures for the three most recent fiscal years ended and the current fiscal year to date.

Response:

Fiscal Year	Budget (000s)	Actual Obligated (000s)
FY 2013	\$228,573	\$170,498
FY 2014	\$235,153	\$181,342
FY 2015	\$260,353	\$235,834
FY 2016 (YTD)	\$284,041	\$178,120

See, PWD St.-3-Direct Testimony and Exhibit of Stephen J. Furtek for more information on large capital projects over the rate period in the Top Ten Capital Projects by Estimated Cost Table. As of December 2015, PWD has \$212 Million of capital project ready to be bid, we are confident that our actual obligations per fiscal year will increase over the rate period.

Response Provided by: Steve Furtek, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-57. Please provide a schedule showing actual fiscal year-end Residual Fund balances for the last three fiscal years and the budgeted/forecasted balances for the same time period.

Response:

Fiscal Year	Residual Fund Projected Balance as of 8/8/2012 (000s)(\$)	Actual Residual Fund Year End Cash Balance (000s)(\$)
2013	7,726	2,085
2014	9,429	25,275
2015*	11,794	14,990

- ❖ While preparing the FY 2014 year-end fund transfers, PWD erroneously omitted to request a transfer from the Residual Fund to the Capital Funds in the amount of \$18.6 million. Because the error was discovered after the FY 2014 preliminary financial statements were issued, Central Finance approved for the transfer transaction to occur in FY 2015.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
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PA-EXE-58. Please provide a schedule comparing actual fiscal year-end balances for the Rate Stabilization Fund for the last three fiscal years and the budgeted/forecasted balances for the same time period.

Response:

Fiscal Year	Rate Stabilization Fund Projected Balance as of 8/8/2012(000)(\$)	Actual Rate Stabilization Fund Year End Cash Balance (000)(\$)
2013	98,513	161,239
2014	78,188	184,631
2015	74,513	206,298

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-59. Please explain the major reasons for the proposed rate increase, including the percentage increase in revenue requirements attributable to each cost factor listed.

Response: See, PWD Exhibit 4 (SI- 1) and PWD St.-2 - Direct Testimony and Exhibits of Melissa LaBuda

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-60. Please provide the Mayor's Operating Budget and supporting detail for the last fiscal year end and the current fiscal year to date.

Response:

See, PWD Exhibit 4 (SI- 16) and the following attachments for Operating Budgets

Attachment SI-16a – Mayor's Operating Budget in Brief for Fiscal Year 2014; and

Attachment SI-16b – Mayor's Operating Budget in Brief for Fiscal Year 2015.

Also all approved budget detail can be found on the Office of the Director of Finance website, under budget detail: <http://www.phila.gov/finance/reports-BudgetDetail.html>

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-61. Please provide the end of year budget updates for the two most recent fiscal year ended.

Response: The end of year budget updates for the two most recent fiscal years ended (FY 2014 and FY 2015) are provided in PWD Exhibit 6: Black & Veatch Corporation Cost of Service Work papers, Assumptions-22B (PDF Page # 49 and 50) and Assumptions-30 (PDF Page # 64 and 66). This schedule is also provided in PA-EXE-42 Response Attachment Budget to Actual.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-62. Please provide copies of the Monthly Managers' Report for the most recent fiscal year end and the current fiscal year to date.

Response: See, PWD Exhibit 4 (SI- 18). See Attachments SI-18a (monthly reports for FY2014) and SI-18b (monthly reports for FY 2015).

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-63. Please provide the Department's annual reports for the last two fiscal years ended.

Response: See, PWD Exhibit 4 (SI- 7) for the PWD Annual Financial Report for the last two fiscal years.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-64. Please provide copies the most recent Five Year Plan for the City of Philadelphia.

Response: See, PWD Exhibit 4 (SI- 8). See Attachment SI-8, which is The City of Philadelphia Five Year Financial and Strategic Plan for Fiscal Years 2016-2020.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-65. Please provide the Department’s most recent Capital Budget, as approved by City Council.

Response: See, PWD Exhibit 4 (SI- 10). See the following documents:

Attachment SI-10a – Fiscal Year 2016-2021 Capital Budget (Summary); and

Attachment SI-10b – Fiscal Year 2016-2021 Capital Budget (with Project Description).

Response Provided by: Stephen J. Furtek, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-66. Regarding Payroll Expenses, please provide:

- a. The current fiscal year number of authorized positions funded by the Department's operating fund (vacant and filled);
- b. The plan by PWD and WRB to fill any vacant positions; and
- c. The number of employees for each month for the three most recent fiscal years ended through the most recent date available.

Response:

- a. See, PWD Exhibit 4 (SI- 22). Authorized positions funded by the Department's operating fund in FY 2015 were budgeted at 1,947 employees. For FY 2016, 1,959 positions are budgeted and there are 147 vacancies as of October 2015.
- b. PWD would like to have very few vacancies on any given month. Due to the extremely long time period required to fill a vacancy in the Civil Service system (up to 6 months), reaching a vacancy number below 100 is unlikely now or in the immediate future. What we have done over the past few years and will continue to do is to work with OHR to align civil service test schedules with our anticipated vacancies. On any given date we may have 75-100 vacancies for which there are no eligible lists to hire from. We have also worked with OHR to amend job specifications to better align them with the current labor pool. Additionally, we are working with organizations such as Community College of Philadelphia to assist with training to provide qualified candidates for some of our difficult to fill positions such as electronic and instrumentation techs.
- c. See, PWD Exhibit 4 (SI- 66) and attachment PA-EXE-66 for a monthly report for FY2015 to present. A monthly report of positions is not available before FY2015.

Response Provided by: Melissa LaBuda and Gerald Leatherman, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-67. Please provide all Official Statements of the Department issued in connection with bond transactions since the last rate proceeding.

Response: See, PWD Exhibit 4 (SI- 31). The Official Statements for the Series 2015 Bonds and other bond transactions since the last rate proceeding are available and may be downloaded from the City's Investor Website at <http://www.phila.gov/investor>.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-68. Please provide a summary of PWD's rating history and the most recent rating agency reports for the Department.

Response: See, PWD Exhibit 4 (SI- 32) and PWD St.-2 - Direct Testimony and Exhibits of Melissa LaBuda Exhibit ML-2.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-69. Please indicate the assumptions in the proposed rate filing with regard to minimum reserve requirements for the Department.

Response: See, PWD St.-2 Testimony of Melissa LaBuda (pages 6-7); and PWD St.-7 Katherine Clupper (pages 8-9).

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-70. Please state the coverage levels projected in each fiscal year of the Rate Period with the proposed rate relief.

Response: See, any of the following locations in the rate filing:

PWD St.-2 - Direct Testimony and Exhibits of Melissa LaBuda Exhibit ML-2 (pg 6 of 109).

PWD St.-9A - Direct Testimony and Exhibits of Black & Veatch Corporation, Exhibit BV-E1, Table C-1.

PWD Exhibit 5 - Assumptions Provided to the Public Advocate on 12-8-2015, (pg 14 of 182).

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-71. Please provide actual Rate Stabilization fund transfers for the three most recent fiscal year ended.

Response: Please see PWD Exhibit 4 Attachment SI-7c – Comprehensive Annual Financial Report Fiscal Year 2014.

Pledged Revenue Coverage for FY 2005 to FY2014, Table 16. As noted in the title, this table provides historical review of pledged revenue coverage and as such details transfers to (from) the RSF.

The FY2015 unaudited CAFR does not yet contain the aforementioned table.

For FY2015, the Department transferred \$21.4 million to the RSF.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-72. Please provide an update to PA-MAB-16 in the last rate proceeding regarding the “Water Rate Stabilization Fund Activity”.

Response: Please see response to PA-EXE-71 for Water Rate Stabilization Fund Activity. All Water Rate Stabilization Fund Activity happens at the end of each fiscal year and is reflected on the CAFR Pledged Revenue Coverage for FY 2005 to FY2014, Table 16. There has been no emergency mid-year activity since the last rate proceeding.

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-73. Please provide an update to PA-MAB-87 in the last rate proceeding regarding the “Capital Account Deposits”.

Response: Please see PWD Exhibit 4 Attachment SI-7c – Comprehensive Annual Financial Report Fiscal Year 2014.

Please see the FY14 CAFR, City of Philadelphia, Pledged Revenue Coverage for FY 2005 to FY14, Table 16. As noted in the title, this table provides historical review of pledged revenue coverage and as such details the required transfers to the Capital Account.

	Projected Pay-go in Last Rate Case	1% of NPPE	Discretionary Transfer	Total Transfers to Capital Trust (1% NPPE + Discretionary Transfer)
FY2013	\$16,500	\$19,380	\$-	\$19,380
FY2014	\$42,880	\$20,193	\$-	\$20,193
FY2015	\$45,767	\$20,705	\$36,800	\$57,505
	\$105,147	\$60,278	\$36,800	\$97,078

Response Provided by: Melissa LaBuda, Philadelphia Water Department

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-74. Please provide copies of all water, wastewater, and storm water cost of service studies included in the PWB's application in Microsoft Excel format with all formulas intact. Also include all support schedules and workpapers in Excel format with all formulas intact.

Response: Subject to the Hearing Officer's requirements, the Microsoft Excel Based Computer Models included in PWD's application will be made available to Participants. A Confidentiality Agreement with the Philadelphia Water Department will be circulated for approval by the Hearing Officer. This includes the following models which are presented in PWD Exhibit 6: Black & Veatch Corporation Cost of Service Work papers:

1. Financial Plan (Finplan15.xls)
2. Wastewater Cost of Service (SCOS15_2017.xls)
3. Water Cost of Service (WCOS15_2017.xls)

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
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PA-EXE-75. Please explain in detail any changes in the cost of service/cost allocation methodologies since the last proceeding.

Response: Except as noted in the Direct and Supplemental Direct Testimony of Black & Veatch, there are no changes in the cost of service or cost allocations methodologies since the last rate proceeding. The cost of service and cost allocation methodologies are described in PWD Statement 9A: Direct Testimony and Exhibits of Black & Veatch Corporation and PWD Statement 9B: Supplemental Testimony and Exhibits of Black & Veatch Corporation. Minor changes are noted in the respective testimonies. Please also refer to PWD Exhibit-4: Standard Interrogatories and Responses with Attachments, SI-46.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

PA-EXE-76. Please explain in detail the basis for any changes in the water customer demand factors compared to the last proceeding.

Response: The following water customer demand factors were changed since the last rate case:

- Industrial Max Hour Demand Factor – Increased from 180 to 200. Based on the current bill tabulation analysis, the industrial customer type has lower distribution of billed volumes in the higher volume rate blocks. The Max Hour Demand factor was increased slightly to reflect that there are fewer large volume customers with low peaking demands.
- Housing Authority Max Day Demand Factor – Reduced from 200 to 190. The Housing Authority accounts are both residential and commercial properties. The Max Day Demand Factor was reduced to reflect the combined demand of the residential and commercial properties. The previous rate proceeding reflected residential demand factor levels.
- Housing Authority Max Hour Demand Factor – Reduced from 360 to 315. The Housing Authority accounts are both residential and commercial properties. The Max Hour Demand Factor was reduced to reflect the combined demand of the residential and commercial properties. The previous rate proceeding reflected residential demand factor levels.
- Hospital/University Max Hour Demand Factor – Reduced from 270 to 235. Based on the current bill tabulation analysis, the Hospital/University customer type has higher distribution of billed volumes in the higher volume rate blocks. The Max Hour Demand factor was reduced slightly to reflect larger volume customers with lower peaking demands.
- City Leased Properties Max Hour Demand Factor – Reduced from 270 to 235. Based on the current bill tabulation analysis, the City Leased Property customer type has a higher distribution of billed volumes in the higher volume rate blocks. The Max Hour Demand factor was reduced slightly to reflect larger volume customers with lower peaking demands.
- City Max Hour Demand Factor – Reduced from 270 to 235. The City Max Hour Demand Factor was reduced to be consistent with Hospital/University and City Leased Properties customer types.

The customer demand factors are provided in PWD Exhibit 6: Black & Veatch Corporation Cost of Service Work Papers, WCOS15_17 Units-2 (PDF Page # 719)

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-77. Please explain in detail the basis for any changes to the non-residential GA and IA units of service since the last proceeding.

Response: Consistent with the last rate proceeding, the non-residential GA and IA billable units of service is projected to reflect adjustments in GA and IA square footage due to stormwater credits, and stormwater appeals/data exceptions. A primary difference from the last proceeding is that stormwater credit projections include the potential impact of the SMIP and GARP incentives program, and the stormwater appeals/data adjustments are projected based on PWD’s historical data that is being maintained since the last rate proceeding.

The methodology used to develop the non-residential GA and IA units of service is discussed in detail in Q7 (Page 4) in PWD Statement 9-B: Supplemental Direct Testimony of Black & Veatch Corporation.

Additional details on the approach used to project the non-residential units of service are provided in the supplemental paper titled “Stormwater Units of Service Analysis” (Exhibit BV-S4) included in PWD Statement 9-B: Supplemental Direct Testimony of Black & Veatch Corporation.

Response Provided by: Ann Bui, Prabha Kumar and David Jagt, Black & Veatch

**RESPONSE TO PUBLIC ADVOCATE’S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-78. Please provide a schedule detailing the actual fiscal year-end balances in the revenue account for the last three fiscal years ended.

Response:

For purposes of rate setting, calculating compliance with the Rate Covenant and debt service coverage and budgeting, the Water Fund accounts are maintained on the modified accrual basis of accounting, also referred to as the “Legally Enacted Basis.” Under this basis of accounting, revenues are recorded on a receipts basis, except revenues from other governments and interest, which are accrued as earned. A 100% reserve is provided for all doubtful non-governmental receivables. With respect to governmental receivables, a 100% reserve is provided when the City has reason to believe that no appropriation has been made by other governments to finance these receivables. The Water Department does not account for payments for water and sewer service from its governmental contract customers as “revenues from other governments.”

The City reports its financial performance on a “Consolidated Basis” in its audited Comprehensive Annual Financial Report (“CAFR”). The CAFR is audited by the City Controller. Fiscal year-end balances in the revenue account for the last three fiscal years ended can be found in the CAFR, but these are not reported on a Legally Enacted Basis.

Response Provided by: Melissa LaBuda, Philadelphia Water Department