

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

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5 **PA-V-1.** PLEASE PROVIDE THE GROSS UNCOLLECTIBLES FOR WRAP
6 PARTICIPANTS BY YEAR FOR FISCAL YEARS 2014 TO PRESENT
7 INCLUSIVE.

8 **RESPONSE:**

9 Please note there are no reports available that capture the gross uncollectibles for WRAP
10 participants. Additionally, the term “gross uncollectibles” is vague and undefined in the
11 discovery request.

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23 **RESPONSE PROVIDED BY:** Michelle Bethel, Water Revenue Bureau
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1 **PA-V-2.** PLEASE PROVIDE THE NET UNCOLLECTIBLES FOR WRAP
2 PARTICIPANTS BY YEAR FOR THE FISCAL YEARS 2014 TO PRESENT
3 INCLUSIVE.

4 **RESPONSE:**

5 Please note there are no reports available that capture the net uncollectibles for WRAP
6 participants. Additionally, the term “net uncollectibles” is vague and undefined in the
7 discovery request.

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22 **RESPONSE PROVIDED BY:** Michelle Bethel, Water Revenue Bureau

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1 **PA-V-3.** PLEASE PROVIDE PAYMENT PATTERN REPORTS BY MONTH FOR JULY
2 2016 TO PRESENT LIMITED TO WRAP PARTICIPANTS.

3 **RESPONSE:**

4 Please note there are no reports available that capture the payment patterns of WRAP
5 participants.

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22 **RESPONSE PROVIDED BY:** Michelle Bethel, Water Revenue Bureau

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1 **PA-V-4.** REFERENCE: PWD RESPONSE TO PA-ADV-6. PLEASE DEFINE THE
2 TERMS:
3 A. BILLINGS
4 B. PAYMENTS
5 C. TOTAL PERCENT COLLECTED

6 **RESPONSE:**

7 Billings are defined as service and quantity transaction types from the basis2
8 *cis_transactions* table, with creation dates during the fiscal year in question. Billings do
9 include all City accounts except those designated as PWD accounts; they include only
10 retail customers, excluding any wholesale customers. Total billings are split between Non-
11 Stormwater Only (Non-SWO) and Stormwater Only (SWO) accounts based on the
12 account's installation designation contained in the basis2 *cis_installations* table.

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14 Payments for accounts other than City accounts are defined as receipt or transfer credits
15 allocated to Billings (see definition above). Payments are reported only when they link to
16 specific Bill transactions reported for the fiscal year in question. Payments in the 'Billing
17 Year' are those that were received by the end of the fiscal year in which they were billed.
18 Payments in 'Billing year +1' are those that were received during the subsequent fiscal
19 year. Payments in 'Billing year +2 and beyond' are those that were received any time after
20 the subsequent fiscal year. Payments are dated based on their Allocation Date in the basis2
21 *cis_crdr_allocations* table.

22
23 Total percent collected is calculated as the Total Payments (see definition above) for the
24 time period of interest (Billing Year, Billing Year + 1, or Billing Year + 2 and Beyond)
25 divided by the Total Billings (see definition above) for the fiscal year of interest.

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27 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-5.** IN ASSESSING COLLECTIONS FOR PWD, PLEASE:
2 A. DEFINE THE TERM “RECEIPTS”
3 B. SEPARATELY INDICATE HOW THE DISTINCTION BETWEEN
4 “BILLINGS” AND “RECEIPTS” IS USED IN CALCULATING RATE LEVELS.

5 **RESPONSE:**

6 A. Receipts in the Cost of Service Study are defined as follows:

- 7
- 8 • In the context of retail revenues, receipts refer to the cumulative anticipated actual
9 revenues in each fiscal year, for the water, sanitary sewer, and stormwater services.
10 The cumulative actual revenues of a given fiscal year are estimated as the sum of
11 payments received in “Billing Year”, “Billing Year Plus 1”, and “Billing Year Plus
12 2 and Beyond.” *Please also see the explanation provided in BV-E5, WP-1.*
13 • In the context of wholesale revenues, receipts refer to 100% of billings estimated
14 for each wholesale customer.

15 B. For the purpose of this response, we assume “RATE LEVELS” referenced in the
16 question above refers to the annual “level of revenue adjustments” projected in the FY
17 2019 through FY 2023 financial plan. “Billings” are first projected based on existing
18 rate schedules and projected units of service, for each fiscal year. Appropriate
19 collection factors are then applied to Billings to estimate the actual cumulative
20 “Receipts” for the fiscal year. The annual “revenue adjustments” (RATE LEVELS) for
21 each fiscal year are then calculated based on the estimated cumulative Receipts and the
22 corresponding net revenue requirements of the fiscal year.

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25 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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PA-V-6. REFERENCE: BV-E5; WP-2. PROVIDE A COPY OF THE CITY OF PHILADELPHIA’S NEW POLICY WHEREBY WATER USER RATES AND CHARGES WILL DIRECTLY PAY FOR THE COST OF PUBLIC FIRE PROTECTION.

RESPONSE:

Please see response attachment PA V 6.

RESPONSE PROVIDED BY: Philadelphia Water Department

1 **PA-V-7.** REFERENCE: BV-E5; WP-2. PROVIDE A COPY OF ALL
2 CORRESPONDENCE DATED JANUARY 1, 2016 OR LATER, INCLUDING
3 MEMOS, LETTERS, E-MAIL OR OTHER WRITTEN DOCUMENTS OF ANY
4 NATURE, TO ANY MEMBER OF THE PHILADELPHIA CITY COUNCIL
5 (INCLUDING HIS OR HER STAFF), THE MAYOR (AND/OR MAYOR'S
6 STAFF); OR ANY NON-PWD MUNICIPAL EMPLOYEE (INCLUDING ANY
7 CONSULTANT) REGARDING ANY PROPOSAL AND/OR DECISION TO
8 RECOVER THE COSTS OF PUBLIC FIRE PROTECTION THROUGH
9 WATER RATES AND CHARGES, WHICH CORRESPONDENCE WAS
10 FROM:
11 A. PWD
12 B. WRB
13 C. RAFTELLIS
14 D. BLACK AND VEATCH

15 **RESPONSE:**

16 Please see response to PA-V-6.
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19 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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PA-V-8. REFERENCE: BV-E5; WP-2. PLEASE PROVIDE:

A. THE DATE ON WHICH THE CITY OF PHILADELPHIA ADOPTED A NEW POLICY WHEREBY WATER USER RATES AND CHARGES WILL DIRECTLY PAY FOR THE COST OF PUBLIC FIRE PROTECTION;

B. THE IDENTITY OF THE BODY ADOPTING THE NEW POLICY;

C. THE AGENDA FOR THE MEETING AT WHICH THE NEW POLICY WAS ADOPTED;

D. THE MINUTES OF THE MEETING AT WHICH THE NEW POLICY WAS ADOPTED;

E. ANY AND ALL STAFF PRESENTATIONS TO THE BODY AT OR FOR THE MEETING AT WHICH THE NEW POLICY WAS ADOPTED.

RESPONSE:

Please see response to PA-V-6.

RESPONSE PROVIDED BY: Philadelphia Water Department

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PA-V-9. PLEASE PROVIDE ALL WRITTEN DOCUMENTS, OF ANY NATURE, INCLUDING SPREADSHEETS, E-MAIL, MEMOS, LETTERS OR OTHER WRITTEN DOCUMENTS, FOR FISCAL YEARS 2014 TO PRESENT INCLUSIVE, FROM PWD AND/OR WRB TO THE CITY OF PHILADELPHIA NOTIFYING THE CITY OF THE DOLLAR AMOUNT THAT SHOULD BE PAID TO PWD/WRB TO RECOVER, IN WHOLE OR PART, THE COSTS OF PROVIDING PUBLIC FIRE PROTECTION.

RESPONSE:

Please see response to PA-V-6.

RESPONSE PROVIDED BY: Philadelphia Water Department

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PA-V-10. CONFIRM OR DENY. IF DENIED, PROVIDE A DETAILED EXPLANATION OF THE BASIS FOR THE DENIAL. ASSUMING 5/8 INCH METERS FOR EACH HOUSING UNIT IDENTIFIED IN THIS QUESTION:

A. A FOUR-PLEX WITH INDIVIDUAL METERS WOULD PAY THE SAME FOR PUBLIC FIRE PROTECTION AS FOUR SINGLE-FAMILY HOMES;

B. A TWO-DECKER HOME WITH A SINGLE METER WOULD PAY THE SAME FOR PUBLIC FIRE PROTECTION AS A SINGLE-FAMILY HOME.

C. THREE-DECKER HOME WITH A SINGLE METER WOULD PAY THE SAME FOR PUBLIC FIRE PROTECTION AS A SINGLE FAMILY HOMES.

RESPONSE:

- A. Confirm.
- B. Confirm.
- C. Confirm.

RESPONSE PROVIDED BY: Black & Veatch Management Consulting, LLC

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PA-V-11. CONFIRM OR DENY. IF DENIED, PROVIDE A DETAILED EXPLANATION OF THE BASIS FOR THE DENIAL. ALL ELSE EQUAL, THE POLICY WHEREBY WATER USER RATES AND CHARGES WILL DIRECTLY PAY FOR THE COST OF PUBLIC FIRE PROTECTION INVOLVES CHANGING THE RESPONSIBILITY FOR PAYING SUCH COSTS FROM TAXPAYERS TO WATER RATE PAYERS.

RESPONSE:

Please see response to PA-V-6.

RESPONSE PROVIDED BY: Philadelphia Water Department

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PA-V-12. CONFIRM OR DENY. IF DENIED, PROVIDE A DETAILED EXPLANATION OF THE BASIS FOR THE DENIAL. ALL ELSE EQUAL, THE POLICY WHEREBY WATER USER RATES AND CHARGES WILL DIRECTLY PAY FOR THE COST OF PUBLIC FIRE PROTECTION INVOLVES A CHANGE IN PAYMENT RESPONSIBILITY FROM A NON-OCCUPANT OWNER OF A HOME WITH DIRECT BILLED WATER SERVICE TO AN OCCUPANT TENANT OF A HOME WITH DIRECT BILLED WATER SERVICE.

RESPONSE:

Confirm.

RESPONSE PROVIDED BY: Black & Veatch Management Consulting, LLC

1 **PA-V-13.** PLEASE PROVIDE A COPY OF ALL AGENDAS OF TAP ADVISORY
2 COMMITTEE MEETINGS FROM JULY 1, 2016 TO PRESENT.

3 **RESPONSE:**

4 Please see response attachment PA-V-13_PA-V14. These materials were previously
5 provided to Community Legal Services (CLS).

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28 **RESPONSE PROVIDED BY:** Joanne Dahme, Philadelphia Water Department

1 **PA-V-14.** PLEASE PROVIDE A COPY OF ALL WRITTEN PRESENTATIONS, MEMOS
2 OR OTHER WRITTEN DOCUMENTS OF ANY NATURE FROM PWD OR
3 WRB (INCLUDING THEIR CONSULTANTS) PROVIDED TO TAP
4 ADVISORY COMMITTEE MEMBERS AT AN ADVISORY COMMITTEE
5 MEETING FROM JULY 1, 2016 TO PRESENT.

6 **RESPONSE:**

7 Please see response attachment PA-V-13_PA-V-14. These materials were previously
8 provided to Community Legal Services (CLS).

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25 **RESPONSE PROVIDED BY:** Joanne Dahme, Philadelphia Water Department
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1 **PA-V-15.** REFERENCE: SCHEDULE BC-E5; WP-1, PAGE 3. IS THE TAP RATE
2 REDUCTION ADJUSTMENT WHITE PAPER REFERENCED ON PAGE 3
3 IDENTICAL TO OR DIFFERENT FROM THE WHITE PAPER IN PWD'S
4 PRE-FILING? IF DIFFERENT, INDICATE ALL DIFFERENCES.

5 **RESPONSE:**

6 The Proposed Tap Rate Rider White Paper, provided in PWD Statement 9B – Schedule
7 BV-S1 is different than the white paper discussed during pre-filing as follows:

- 8 • Page 1: Changed the estimated TAP Revenue Loss from \$16.3 million for FY
9 2019 to FY 2021 to state that revised estimates provided by RFC will be used
10 (see final paragraph);
- 11 • Updated Example Calculations provided in Appendix B to reflect the following
12 figures from the FY 2019 to FY 2021 rate proceeding:
 - 13 ○ FY 2019 Projected Revenue Loss
 - 14 ○ FY 2019 Projected LiCAP Costs
 - 15 ○ FY 2020 Water and Sewer Quantity Charges

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17 Note that PWD Statement 9B – Schedule BV-S1 supersedes the draft white paper
18 provided as part of the pre-filing discussions.

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25 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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1 **PA-V-16.** REFERENCE: SCHEDULE BV-E5; WP-6. THIS DOCUMENT STATES THAT
2 TAP COSTS ARE RECOVERED THROUGH “PROPORTIONATE
3 RECOVERY FROM ALL RETAIL SERVICE TYPES.” PLEASE PROVIDE
4 FOR ALL RATE PERIODS SUCH PROPORTIONATE RECOVERY HAS
5 BEEN DEVELOPED FOR IN THIS PROCEEDING:
6 A. IDENTIFY EACH “RETAIL SERVICE TYPES” SUBJECT TO
7 PROPORTIONATE RECOVERY;
8 B. INDICATE THE PROPORTIONATE RECOVERY PERCENTAGE FOR
9 EACH SUCH RETAIL SERVICE TYPE;
10 C. INDICATE THE NUMBERS AND UNITS OF MEASURES USED IN EACH
11 NUMERATOR AND DENOMINATOR IN CALCULATING THAT
12 PROPORTIONATE RECOVERY PERCENTAGE;
13 D. IDENTIFY AND PROVIDE THE SOURCE DOCUMENT FOR THE
14 NUMBERS USED IN EACH NUMERATOR AND DENOMINATOR.

15 **RESPONSE:**

16 Please refer to the previously provided response to PA-RDC-4.
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25 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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PA-V-17. REFERENCE: PWD STATEMENT 8, PAGE 8. PROVIDE A COPY OF THE RIDER, IF ANY, UNDER WHICH EXCESS GARP COSTS ARE RECOVERED. PROVIDE A COPY OF ALL SUCH CALCULATIONS OF EXCESS GARP COSTS HAVE BEEN CALCULATED FOR RATE RECOVERY BY YEAR FOR EACH YEAR IN WHICH THE RIDER OPERATED.

RESPONSE:

No rider exists.

RESPONSE PROVIDED BY: Melissa LaBuda, Philadelphia Water Department

1 **PA-V-18.** BY YEAR, SINCE FISCAL YEAR 2015, PLEASE PROVIDE HOW MUCH
2 EACH OF THE SMIP AND GARP COSTS HAVE BEEN PROVIDED TO:
3 A. RESIDENTIAL CUSTOMERS;
4 B. NON-RESIDENTIAL CUSTOMERS.

5 **RESPONSE:**

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7 A. FY15: \$0

8 FY16: \$0

9 FY17: \$0

10 FY18: \$0

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12 B. These costs include the grant amount plus service and administration fees to PAID.

13 FY15: \$13,758,993

14 FY16: \$11,208,295

15 FY17: \$16,666,524

16 FY18: \$16,400,920 (this value is current as of 2/27/2018)

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21 **RESPONSE PROVIDED BY:** Erin Williams, Philadelphia Water Department

1 **PA-V-19.** BY YEAR SINCE FISCAL YEAR 2015, INDICATE HOW MUCH EACH OF
2 THE SMIP AND GARP COSTS HAVE BEEN PROVIDED TO:

3 A. MUNICIPAL, NON-SCHOOL PROJECTS;

4 B. MUNICIPAL, SCHOOL PROJECTS.

5 **RESPONSE:**

6 A. PWD does not provide SMIP or GARP grants to projects owned by the City of
7 Philadelphia. The City is ineligible for both SMIP and GARP grants.

8 B. This response assumes that municipal school projects are equivalent to projects
9 implemented on property owned by School District of Philadelphia. These costs include
10 the grant amount as well as service and administration fees to PAID.

- 11 • FY15: \$1,374,310
- 12 • FY16: \$195,139
- 13 • FY17: \$540,493
- 14 • FY18: \$351,456

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22 **RESPONSE PROVIDED BY:** Erin Williams, Philadelphia Water Department
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PA-V-20. REFERENCE: PWD STATEMENT 6, PAGES 10 – 11. PLEASE PROVIDE ALL COMMENTS RECEIVED BY PWD/WRB FROM NRDC ON SMIP AND/OR GARP SINCE JANUARY 1, 2015.

RESPONSE:

Please see response attachment PA V 20.

RESPONSE PROVIDED BY: Erin Williams, Philadelphia Water Department

1 **PA-V-21.** REFERENCE: MONTHLY MANAGERS REPORT, PAGE 14. PLEASE
2 IDENTIFY:
3 A. HOW MANY OF THE NINE EVENTS RELATED TO TAP;
4 B. HOW MANY OF THE 225 EVENT PARTICIPANTS WERE AT EVENTS
5 RELATED TO TAP;
6 C. HOW MANY OF THE 88 TWITTER POSTS RELATED TO TAP;
7 D. HOW MANY OF THE 37 FACEBOOK POSTS RELATED TO TAP.

8 **RESPONSE:**

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10 The June events did not cover TAP. All September events did cover TAP.

11 Tweets related to TAP

12 June: 4

13 September: 10

14 Facebook Posts related to TAP

15 June: 0

16 September: 4

17 Tweets

18 June

19 <https://twitter.com/PhillyH2O/status/877188533194297345>

20 <https://twitter.com/PhillyH2O/status/877185180418666496>

21 <https://twitter.com/PhillyH2O/status/877178274136436737>

22 <https://twitter.com/PhillyH2O/status/877176053873221634>

23
24 September

25 <https://twitter.com/PhillyH2O/status/903580713232060418>

26 <https://twitter.com/PhillyH2O/status/903667781719207936>

27 <https://twitter.com/PhillyH2O/status/903966750726873088>

28 <https://twitter.com/PhillyH2O/status/904045032008818688>

1 <https://twitter.com/PhillyH2O/status/904350799668682754>
2 <https://twitter.com/PhiladelphiaGov/status/907725627863822339>
3 <https://twitter.com/PhillyH2O/status/909852610823368704>
4 <https://twitter.com/PhiladelphiaGov/status/910235857524871169>
5 <https://twitter.com/PhillyH2O/status/898899873310932992>
6 <https://twitter.com/PhiladelphiaGov/status/913538876500738048>

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9 Facebook Posts

10 September:

11 <https://www.facebook.com/PhillyH2O/posts/2115759005117024>
12 <https://www.facebook.com/PhillyH2O/posts/2114202271939364>
13 <https://www.facebook.com/PhillyH2O/posts/2113222465370678>
14 <https://www.facebook.com/PhillyH2O/posts/2112741988752059>

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19 **RESPONSE PROVIDED BY:** Joanne Dahme, Philadelphia Water Department

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PA-V-22. REFERENCE: TEMPLE UNIVERSITY COMPREHENSIVE
CUSTOMER SATISFACTION SURVEY. PLEASE PROVIDE ALL
EQUIVALENT DATA THAT ARE EQUIVALENT TO FIGURE 9 AND
FINDING 4, BUT RELATING TO:
A. WRAP;
B. PAYMENT PLAN NEGOTIATIONS.

RESPONSE:

Regarding WRAP and payment agreements, PWD did have one question about awareness and participation in Customer Assistance Programs in the customer survey. WRAP was an option in a multiple choice question about awareness and participation in CAPs. Please see response attachment PA V 24.

RESPONSE PROVIDED BY: Joanne Dahme, Philadelphia Water Department

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PA-V-23. REFERENCE: TEMPLE UNIVERSITY COMPREHENSIVE CUSTOMER SATISFACTION SURVEY. PLEASE PROVIDE ALL EQUIVALENT DATA THAT ARE EQUIVALENT TO FIGURE 11 AND FINDING 6, BUT RELATING TO:
A. WRAP;
B. PAYMENT PLAN NEGOTIATIONS.

RESPONSE:

Regarding WRAP and payment agreements, PWD did have one question about awareness and participation in Customer Assistance Programs in the customer survey. WRAP was an option in a multiple choice question about awareness and participation in CAPs. Please see response attachment PA V 24.

RESPONSE PROVIDED BY: Joanne Dahme, Philadelphia Water Department

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PA-V-24. REFERENCE: TEMPLE UNIVERSITY COMPREHENSIVE CUSTOMER SATISFACTION SURVEY. PLEASE PROVIDE ALL EQUIVALENT DATA THAT ARE EQUIVALENT TO FIGURE 12 AND FINDING 6, BUT RELATING TO:
A. WRAP;
B. PAYMENT PLAN NEGOTIATIONS.

RESPONSE:

Regarding WRAP and payment agreements, PWD did have one question about awareness and participation in Customer Assistance Programs in the customer survey. WRAP was an option in a multiple choice question about awareness and participation in CAPs. Please see response attachment PA V 24.

RESPONSE PROVIDED BY: Joanne Dahme, Philadelphia Water Department

1 **PA-V-25.** REFERENCE: PWD STATEMENT 7, PAGE 4: PLEASE PROVIDE BY
2 MONTH THE NUMBER OF TAP ENROLLEES WHO HAVE INCOME
3 GREATER THAN 150% OF FEDERAL POVERTY LEVEL BUT HAVE
4 SPECIAL HARDSHIPS. SEPARATELY PROVIDE THE NUMBER OF EACH
5 SPECIAL HARDSHIP ENROLLEE BY THE TYPE OF SPECIAL HARDSHIP
6 FOUND.

7 **RESPONSE:**

8 This information is currently being compiled and is not available due to the shortened
9 period allotted to compile discovery responses in this proceeding. The discovery response
10 will be updated when the information is available.
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28 **RESPONSE PROVIDED BY:** Philadelphia Water Department

1 **PA-V-26.** REFERENCE: PWD STATEMENT 7, PAGE 4: PLEASE PROVIDE BY
2 MONTH THE NUMBER OF CUSTOMERS WHO APPLIED FOR TAP BUT
3 WERE DENIED ENROLLMENT FOR BEING OVER-INCOME.

4 **RESPONSE:**

5 This information is currently being compiled and is not available due to the shortened
6 period allotted to compile discovery responses in this proceeding. The discovery response
7 will be updated when the information is available.

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27 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-V-27.** REFERENCE: PWD STATEMENT 7, PAGE 4: PLEASE PROVIDE A
2 COMPLETE LIST OF “SPECIAL HARDSHIPS” THAT WOULD QUALIFY
3 AN OVER-INCOME CUSTOMER TO ENROLL IN TAP.

4 **RESPONSE:**

5 For applicants who have experienced one or more of the following situations in the twelve
6 (12) months prior to application, there are seven (7) Special Hardships that might qualify
7 an over-income customer to enroll in TAP:

- 8 1. A job loss that extends beyond four (4) months;
- 9 2. A serious illness that extends beyond nine (9) months;
- 10 3. The death of the primary wage earner in the household;
- 11 4. A victim of domestic violence;
- 12 5. The addition of a dependent child to the household;
- 13 6. The addition of an elderly, disabled, returning veteran, or other dependent to the
14 household;
- 15 7. If circumstances threaten the household’s access to the necessities of life if
16 payment of a delinquent water bill is required.

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18 For more details, see generally The Philadelphia Code section 19-1605(2)(f) and the
19 Philadelphia Water Department Regulations section 206.2(a)(2).
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25 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
26 Bureau
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1 **PA-V-28.** REFERENCE: PWD STATEMENT 7, PAGE 4: PLEASE PROVIDE BY
2 MONTH THE NUMBER OF CUSTOMERS WHO APPLIED FOR TAP BUT
3 WERE DENIED FOR BEING OVER-INCOME WHO WERE INSTALLED
4 ENROLLED IN A WRAP PROGRAM COMPONENT.

5 **RESPONSE:**

6 This information is currently being compiled and is not available due to the shortened
7 period allotted to compile discovery responses in this proceeding. The discovery response
8 will be updated when the information is available.

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28 **RESPONSE PROVIDED BY:** Philadelphia Water Department

1 **PA-V-29.** REFERENCE: PWD STATEMENT 7, PAGE 7: PLEASE IDENTIFY ALL
2 EFFORTS TO MIGRATE:

3 A. INCOME ELIGIBLE CUSTOMERS CURRENTLY PARTICIPATING IN
4 WRAP TO TAP;

5 B. OVER-INCOME CUSTOMERS CURRENTLY PARTICIPATING IN WRAP
6 TO TAP.

7 **RESPONSE:**

8 There has been a robust outreach program including three (3) mailings targeted to prior and
9 existing WRAP participants. Additionally, letters were sent to current WRAP customers
10 informing them that their current WRAP agreements would be extended during the
11 transition period as TAP began. See pages 9 and 25 of "PA-V-30 Attachment Jan18."
12 Finally, the Customer Assistance Management Program (CAMP) is designed to place the
13 applicant in the most advantageous program available to the applicant, resulting in some
14 current WRAP customers being placed in TAP.

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27 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
28 Bureau

1 **PA-V-30.** REFERENCE: PWD STATEMENT 7, PAGE 9: PROVIDE A COPY OF:
2 A. THE JUNE 2017 TAP MAILING;
3 B. THE JANUARY 2017 TAP MAILING;
4 C. THE NOVEMBER 2017 TAP MAILING.

5 **RESPONSE:**

6 See PDF attachments titled: "PA-V-30_Attachment_June17," "PA-V-
7 30_Attachment_Nov17," and "PA-V-30_Attachment_Jan18."
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17 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-31.** PLEASE PROVIDE A COPY OF ALL OUTREACH DIRECTED TO
2 CUSTOMERS WHO:
3 A. WERE NOT WRAP PARTICIPANTS AT THE TIME OF THE OUTREACH
4 BUT WHO WERE DEFAULTED WRAP PARTICIPANTS AT THE TIME OF
5 THE OUTREACH.
6 B. WERE NOT WRAP PARTICIPANTS AT THE TIME OF THE OUTREACH
7 BUT WHO HAD VOLUNTARILY EXITED WRAP.

8 **RESPONSE:**

9 Please see response attachment "PA-V-30_Attachment_June17."
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27 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
28 Bureau

1 **PA-V-32.** REFERENCE: PWD STATEMENT 7, PAGE 10: BY MONTH SINCE
2 JANUARY 2015, PROVIDE:

3 A. THE NUMBER OF WRAP PARTICIPANTS;

4 B. THE NUMBER OF WRAP DEFAULTS;

5 C. THE NUMBER OF WRAP DEFAULTS BY REASON FOR THE DEFAULT;

6 D. THE NUMBER OF WRAP VOLUNTARY EXITS;

7 E. THE NUMBER OF WRAP VOLUNTARY EXITS BY REASON FOR THE
8 EXIT;

9 F. THE NUMBER OF WRAP PARTICIPANTS WHO FAILED TO RECERTIFY
10 THEIR INCOME TO CONTINUE IN WRAP.

11 **RESPONSE:**

12 See response attachment PA V 32 WRAP Report. Please note there are no reports available
13 that capture the data requested in subsections (B) though (E).

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24 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
25 Bureau

1 **PA-V-33.** REFERENCE: PWD STATEMENT 7, PAGE 10: BY MONTH SINCE
2 JANUARY 2017, PLEASE PROVIDE THE NUMBER OF WRAP
3 PARTICIPANTS WHO WERE DISCONNECTED FOR NONPAYMENT.

4 **RESPONSE:**

5 WRBCC WRAP participants do not have their service disconnected for nonpayment.
6 Please note there are no reports available that capture the number of Disposable Income
7 WRAP participants whose service was disconnected for nonpayment.

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28 **RESPONSE PROVIDED BY:** Michelle Bethel, Water Revenue Bureau

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PA-V-34. REFERENCE: PWD STATEMENT 7, PAGE 10: PLEASE PROVIDE A LIST OF STAFF POSITIONS BY JOB TITLE AND SALARY FOR EACH OF THE 22 STAFF POSITIONS DEVOTED TO TAP.

RESPONSE:

See response attachment PA V 34 for the listing of FY2018 budgeted positions.

RESPONSE PROVIDED BY: Michelle Bethel, Water Revenue Bureau

1 **PA-V-35.** REFERENCE: PWD STATEMENT 7, PAGE 10: FOR EACH OF THE 22
2 STAFF POSITIONS DEVOTED TO TAP, PROVIDE:
3 A. THE JOB SEARCH ANNOUNCEMENT;
4 B. A LIST OF EVERY PLACE THE JOB SEARCH ANNOUNCEMENT WAS
5 POSTED;
6 C. FOR ALL JOB ANNOUNCEMENTS POSTED IN PUBLIC MEDIA,
7 PROVIDE FOR EACH POSITION THE DATES IN WHICH THE
8 ANNOUNCEMENT WAS PUBLISHED AND IN WHICH MEDIA.

9 **RESPONSE:**

- 10 A. The City on an ongoing basis offers exams for the titles of the 22 staff positions devoted to
11 TAP. See response Attachment PA V 34 for a listing of the job class titles. You can search
12 for each Job class specification on the Office of Human Resources Webpage:
13 <https://www.phila.gov/personnel/Specs.html>. Job class specifications are included in all
14 job search announcements.
- 15 B. All City of Philadelphia job opportunities are posted on the City's website :
16 <https://www.phila.gov/personnel/Jobs/CivilServiceJobOpps.html>
- 17 C. There are no documents responsive to this request since all City of Philadelphia job
18 opportunities are posted on the City's website. See above.

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28 **RESPONSE PROVIDED BY:** Michelle Bethel, Water Revenue Bureau

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PA-V-36. REFERENCE: PWD STATEMENT 7, PAGE 10: FOR EACH OF THE 22 STAFF POSITIONS DEVOTED TO TAP, PROVIDE:

A. THE DATE THE INDIVIDUAL FILLING THE POSITION WAS FIRST HIRED BY PWD OR WRB;

B. SEPARATELY PROVIDE FOR EACH OF THE 22 POSITIONS, IF THE PERSON FILLING THE POSITION WAS ALREADY AN EMPLOYEE OF PWD, WRB OR THE CITY OF PHILADELPHIA, THE DATE TRANSFERRED TO TAP.

C. FOR EACH OF THE 22 POSITIONS, IF THE PERSON FILLING THE POSITION WAS ALREADY AN EMPLOYEE OF PWD OR WRB, OR THE CITY OF PHILADELPHIA, IDENTIFY THE PRIOR POSITION HELD BY THE INDIVIDUAL IMMEDIATELY BEFORE BEING TRANSFERRED TO TAP.

RESPONSE:

A. All 22 positions were filled by persons who were already an employee of WRB or the City of Philadelphia. In February 2017, 1 WRB employee transferred to TAP. In May 2017, 8 City of Philadelphia employees were transferred to TAP. In June 2017, 2 WRB employees transferred to TAP. In July 2017, 11 WRB employees were transferred to TAP.

B. See above.

C. Collections Representative Supervisor, Clerk Typists, Customer Collections Representatives Custodial Worker, Revenue Investigator, Clerk 3 and Service Representative

RESPONSE PROVIDED BY: Michelle Bethel and RaVonne Muhammad, Water Revenue Bureau

1 **PA-V-37.** REFERENCE: PWD STATEMENT 7, PAGE 10: FOR EACH OF THE 22
2 POSITIONS, PROVIDE A SAMPLE OF EACH RECORD-KEEPING FORM OR
3 FORMAT INDICATING WHETHER TIME SPENT DURING THE COURSE
4 OF A WORK DAY WAS DEVOTED TO TAP OR TO NON-TAP ACTIVITIES.

5 **RESPONSE:**

6 There are no documents responsive to this request. However, all employees in TAP work
7 on TAP activities only. Those employees, who began prior to the launch in July 2017,
8 participated in WRB and TAP training.
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26 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
27 Bureau
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1 **PA-V-38.** REFERENCE: PWD STATEMENT 7, PAGE 10: FOR EACH OF THE 22
2 POSITIONS, FOR JULY 1, 2017 TO PRESENT, PROVIDE:

3 A. THE NUMBER OF HOURS FOR WHICH COMPENSATION WAS PAID;
4 AND

5 B. THE PERCENTAGE OF SUCH HOURS THAT WERE DEVOTED TO TAP.

6 **RESPONSE:**

7 A) and B) See response to PA-V-37.
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25 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
26 Bureau
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1 **PA-V-39.** REFERENCE: PWD STATEMENT 8, PAGE 9: PLEASE PROVIDE A
2 BREAKDOWN OF THE 28,070 BY THE MONTH RECEIVED.

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4 **RESPONSE:**

5 This information is currently being compiled and is not available due to the shortened
6 period allotted to compile discovery responses in this proceeding. The discovery response
7 will be updated when the information is available.

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27 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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PA-V-40. REFERENCE: PWD STATEMENT 8, PAGE 10: PLEASE PROVIDE A
BREAKDOWN OF THE 5,142 BY THE MONTH RECEIVED. SEPARATELY
INDICATE IN THIS BREAKDOWN THE NUMBER WHO HAD INCOME AT
OR BELOW 150% OF POVERTY LEVEL AND THE NUMBER WHO HAD
INCOME ABOVE 150% OF POVERTY LEVEL.

RESPONSE:

This information is currently being compiled and is not available due to the shortened
period allotted to compile discovery responses in this proceeding. The discovery response
will be updated when the information is available.

RESPONSE PROVIDED BY: Philadelphia Water Department

1 **PA-V-41.** REFERENCE: PWD STATEMENT 8, PAGES 9-10: PLEASE PROVIDE THE
2 NUMBER OF APPLICATIONS DENIED BY MONTH DISAGGREGATED BY
3 THE REASON FOR DENIAL.

4 **RESPONSE:**

5 This information is currently being compiled and is not available due to the shortened
6 period allotted to compile discovery responses in this proceeding. The discovery response
7 will be updated when the information is available.

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26 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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PA-V-42. REFERENCE: PWD STATEMENT 8, PAGE 10: PLEASE PROVIDE THE NUMBER OF TAP DENIALS BY MONTH FOR JULY 2017 TO PRESENT BROKEN DOWN BY WHETHER OR NOT THE DENIED APPLICANT WAS ENROLLED IN WRAP BY COMPONENT OF WRAP, IF ANY, IN WHICH ENROLLMENT OCCURRED.

RESPONSE:

This information is currently being compiled and is not available due to the shortened period allotted to compile discovery responses in this proceeding. The discovery response will be updated when the information is available.

RESPONSE PROVIDED BY: Philadelphia Water Department

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PA-V-43. REFERENCE: PWD STATEMENT 8, PAGE 10-11: PLEASE IDENTIFY THE NUMBER OF CUSTOMERS WHO HAVE ENROLLED IN TAP THROUGH AN INTER-UTILITY MATCHING BETWEEN PWD AND PGW'S CRP.

RESPONSE:

No customers have been enrolled in TAP through an inter-utility matching between PWD and PGW's CRP.

RESPONSE PROVIDED BY: Michelle Bethel and RaVonne Muhammad, Water Revenue Bureau

1 **PA-V-44.** PLEASE PROVIDE A COPY OF ALL AGREEMENTS BETWEEN PGW AND
2 PWD/WRB TO MATCH RECORDS TO ENROLL CRP PARTICIPANTS IN
3 TAP.

4 **RESPONSE:**

5 There are no documents available that are responsive to this request as there is no
6 agreement between PGW and the City to match records to enroll CRP participants in TAP.
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24 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
25 Bureau
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1 **PA-V-45.** PLEASE PROVIDE A COPY OF ALL CORRESPONDENCE BETWEEN PGW
2 AND PWD/WRB SINCE JANUARY 1, 2016 IN ANY FORM, INCLUDING E-
3 MAILS, LETTERS, MEMOS OR OTHER WRITTEN DOCUMENT,
4 CONCERNING THE POSSIBILITY OF INTER-UTILITY MATCHING TO
5 ENROLL CRP PARTICIPANTS IN TAP AND/OR VICE VERSA.

6 **RESPONSE:**

7 After reasonable investigation, there are no documents in response to this request.
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24 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-V-46.** REFERENCE: PWD STATEMENT 8, PAGES 14-15: PLEASE EXPLAIN HOW
2 ONE GETS FROM 11,200 APPLICATIONS ON JANUARY 19, 2018 TO 11,200
3 PARTICIPANTS ON JUNE 30, 2018. PLEASE PROVIDE THE EXPECTED
4 PARTICIPATION BY MONTH FOR JANUARY 2018 THROUGH JUNE 2018.

5 **RESPONSE:**

6 Refer to the response for PA-V-54 to see expected enrollment by month. Enrollment was
7 projected based on limited, actual experience with the program (through October 2017) at
8 the time of the analysis. There is no direct connection between the number of applications
9 produced and the number of projected enrollees.

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28 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

1 **PA-V-47.** REFERENCE: PWD STATEMENT 8, PAGE 14: PLEASE PROVIDE A
2 BREAKDOWN OF THE 11,200 APPLICATIONS SUBMITTED BY MONTH,
3 SEPARATELY INDICATING THE SOURCE OF THE APPLICATIONS
4 DISAGGREGATED BY THE FOUR SOURCES IDENTIFIED IN TESTIMONY
5 AT STATEMENT 8, PAGE 10.

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7 **RESPONSE:**

8 This information is currently being compiled and is not available due to the shortened
9 period allotted to compile discovery responses in this proceeding. The discovery response
10 will be updated when the information is available.
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28 **RESPONSE PROVIDED BY:** Philadelphia Water Department

1 **PA-V-48.** REFERENCE: PWD STATEMENT 8, PAGE 15: PLEASE EXPLAIN THE
2 RELATIONSHIP BETWEEN TAP ENROLLMENT OF 11,200 (PAGE 15, LINE
3 2) WITH RATE PERIOD ENROLLMENT OF 26,400 (PAGE 15, LINE 18).

4 **RESPONSE:**

5 For purposes of projections made for FY 2018-2021, TAP enrollment is projected to
6 increase over time as the program matures. Enrollment through June 2018 (beginning of
7 FY 2019) is projected to be approximately 11,200. By the end of June 2021 (end of FY
8 2021), TAP is projected to reach full enrollment of approximately 26,400. Refer to the
9 response for PA-V-54 to see projected enrollment by month.

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28 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

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PA-V-49. REFERENCE: PWD STATEMENT 8, PAGE 16: PLEASE IDENTIFY HOW MUCH LOST REVENUE IS INCLUDED IN RATES IN FISCAL YEAR 2018 RATES.

RESPONSE:

\$16.3 million.

RESPONSE PROVIDED BY: Black & Veatch Management Consulting, LLC

1 **PA-V-50.** REFERENCE: PWD STATEMENT 8, PAGE 16: PROVIDE A DETAILED
2 EXPLANATION OF THE TREATMENT OF THE EXCESS RECOVERY OF
3 TAP LOST REVENUE IN FISCAL YEAR 2018 OVER AND ABOVE THE
4 CURRENT ESTIMATE OF \$3.9 MILLION.

5 **RESPONSE:**

6 For FY 2018, the recovery of TAP lost revenue above the current estimate of \$3.9 million
7 is reflected in the projected ending balance of the rate stabilization fund (RSF) in FY
8 2018. The FY 2018 ending RSF balance is then utilized in future years via planned RSF
9 withdrawals to reduce required annual revenue adjustments during the rate period.

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27 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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PA-V-51. REFERENCE: PWD STATEMENT 8, PAGE 16: PLEASE INDICATE WHETHER THE LOST REVENUE IS BASED ON, OR EQUIVALENT TO, “LOST BILLINGS” OR “LOST PAYMENTS” AS THE TERMS “BILLINGS” AND “PAYMENTS” ARE USED IN THE ATTACHMENT TO PWD’S RESPONSE TO PA-ADV-6.

RESPONSE:

The lost revenue is equal to the sum of TAP discounts applied to current charges on TAP bills. As the terms “billings” and “payments” are used in the attachment to PWD’s response to PA ADV 6, the lost revenue is equivalent to “lost billings”.

RESPONSE PROVIDED BY: Raftelis Financial Consultants, Inc.

1 **PA-V-52.** REFERENCE: PWD STATEMENT 8, PAGE 16: IF “LOST REVENUES” IS
2 IDENTIFIED IN THE IMMEDIATELY PRECEDING DISCOVERY
3 RESPONSE AS BASED ON LOST PAYMENTS, PLEASE PROVIDE IN AN
4 ACTIVE EXCEL SPREADSHEET WITH ALL FORMULA INTACT, THE
5 DERIVATION OF THE LOST PAYMENTS FROM THE LOST BILLINGS.

6 **RESPONSE:**

7 Please see response to PA-ADV-51 above. Not applicable.
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28 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

1 **PA-V-53.** REFERENCE: PWD STATEMENT 8, PAGE 16: IF THE AVERAGE LOST
2 REVENUE IS EXPECTED TO BE \$56.98 PER MONTH, PLEASE INDICATE
3 WHY:

4 A. $\$3,900,000 / \$56.98 / 12$ DOES NOT EQUAL 11,211.

5 B. $\$9,800,000 / \$56.98 / 12$ DOES NOT EQUAL 16,924.

6 C. $\$13,700,000 / \$56.98 / 12$ DOES NOT EQUAL 22,981.

7 D. $\$17,000,000 / \$56.98 / 12$ DOES NOT EQUAL 26,937.

8 **RESPONSE:**

9 Enrollment in TAP is assumed to increase from the present time through FY 2021 as the
10 program matures. Therefore, we would not expect the year-end enrollment to match the
11 (bill-weighted) average enrollment throughout the fiscal year. In each of the years cited in
12 PWD Statement 8, Page 16, the annual lost revenue projection divided by the average lost
13 revenue per bill divided by 12 would equal the average number of program enrollees for
14 that year, not the year-end number of enrollees for that year.

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27 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-54.** REFERENCE: PWD STATEMENT 8, PAGE 16: PLEASE PROVIDE IN A LIVE
2 EXCEL SPREADSHEET, WITH ALL FORMULA INTACT, THE
3 DERIVATION OF:
4 A. \$3,900,000 FOR FY2018.
5 B. \$9,800,000 FOR FY2019.
6 C. \$13,700,000 FOR FY2020.
7 D. \$17,000,000 FOR FY2021.

8 **RESPONSE:**

9 Explanation provided separately in Excel file "PA-V-54_Attachment."
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21 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-55.** REFERENCE: PWD STATEMENT 8, PAGE 16: FOR EACH NUMBER THAT
2 IS NOT CALCULATED IN THE SPREADSHEETS PROVIDED IN THE
3 RESPONSE(S) TO PA-V-55, IDENTIFY THE SOURCE OF THAT NUMBER
4 AND PROVIDE A COPY OF THE SOURCE DOCUMENT.

5 **RESPONSE:**

6 Assumptions in the Excel file provided in response for PA-V-54 are labeled as to source.
7 Application information and assumptions were calculated based on data available from
8 TAP as of the date of the analysis. We estimated WRBCC recertifications as well as
9 projections of enrollment.
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28 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

1 **PA-V-56.** REFERENCE: PWD STATEMENT 8, PAGE 17: FOR EACH YEAR FY2018
2 THROUGH FY2021, PLEASE INDICATE THE INCREASE IN TAP COSTS
3 THAT, STANDING ALONE, WITH ALL OTHER COSTS AND REVENUES
4 HELD EQUAL, WOULD RESULT IN A VIOLATION OF PWD BOND
5 INDENTURE COVERAGE.

6 **RESPONSE:**

7 Based upon the proposed financial plan including the revenue adjustments, the following
8 table presents the increase in TAP revenue losses (in thousands of dollars) that would
9 result in a violation of bond indenture coverage:

FY 2018	FY 2019	FY 2020	FY 2021
\$36,477	\$16,039	\$20,916	\$20,950

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13 The following table presents the increase in TAP revenue losses (in thousands of dollars)
14 that would result in a violation of bond indenture coverage without the proposed rate
15 increases:

FY 2018	FY 2019	FY 2020	FY 2021
\$36,477	\$6,836	N/A	N/A

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19 As shown above, without the proposed rate increases for FY 2019 to FY 2021, the
20 increase in TAP Revenue losses resulting in a violation of the bond indenture are much
21 different and in FY 2020 and FY 2021, all other items held equal, PWD would not meet
22 coverage requirements.

23
24 Note - The proposed TAP Rate Rider policy includes an emergency adjustment that is
25 intended as a safety measure in the event that future circumstances impact PWD's ability
26 to meet the bond indenture and insurance covenant requirements. The policy is intended to
27 provide protection to PWD and its customers by providing a mechanism to mitigate
28 potential future impacts should they arise. While PWD does not anticipate these

1 circumstances to occur during the requested rate period, the TAP Rate Rider is intended as
2 a long-term mechanism and the proposed policies have been drafted as such.
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14 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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1 **PA-V-57.** REFERENCE: PWD STATEMENT 8, PAGE 17: FOR EACH YEAR FY2018
2 THROUGH FY2021, PLEASE INDICATE THE INCREASE IN TAP COSTS
3 THAT, STANDING ALONE, WITH ALL OTHER COSTS AND REVENUES
4 HELD EQUAL, WOULD RESULT IN A VIOLATION OF ANY POLICY OR
5 POLICIES REGARDING WITHDRAWALS FROM RESERVES. FOR EACH
6 SUCH POLICY VIOLATED, PROVIDE A COPY OF THE POLICY.

7 **RESPONSE:**

8 Based upon the proposed financial plan including the revenue adjustments, the following
9 table presents the increase in TAP revenue losses (in thousands of dollars) that would
10 result in a violation of insurance covenant requirements:

FY 2018	FY 2019	FY 2020	FY 2021
\$90,284	\$64,513	\$62,253	\$72,485

13
14 Note – The above contemplated withdrawals would result in an RSF balance below the
15 targeted \$150 million level and fall below \$100 million in all years, with the exception of
16 FY 2019.

17
18 The following table presents the increase in TAP revenue losses (in thousands of dollars)
19 that would result in a violation of insurance covenant requirements without the proposed
20 rate increases:

FY 2018	FY 2019	FY 2020	FY 2021
\$90,284	\$55,309	\$24,934	\$2,549

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24 As shown above, without the proposed rate increases for FY 2019 to FY 2021, the
25 increase in TAP Revenue losses resulting in a violation of insurance covenant
26 requirements are much different.
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1 Note - The proposed TAP Rate Rider policy includes an emergency adjustment that is
2 intended as a safety measure in the event that future circumstances impact PWD's ability
3 to meet the bond indenture and insurance covenant requirements. The policy is intended to
4 provide protection to PWD and its customers by providing a mechanism to mitigate
5 potential future impacts should they arise. While PWD does not anticipate these
6 circumstances to occur during the requested rate period, the TAP Rate Rider is intended as
7 a long-term mechanism and the proposed policies have been drafted as such.

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20 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC.
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1 **PA-V-58.** REFERENCE: PWD STATEMENT 8, PAGE 18: PLEASE IDENTIFY ALL
2 EXPERIENCES FROM THE YEARS 2000 TO PRESENT THAT WOULD
3 INDICATE IT IS REASONABLE TO EXPECT “UNEXPECTED SWINGS IN
4 ENROLLMENT” BASED ON EXPERIENCE FROM:

5 A. WRAP;

6 B. PGW’S CRP.

7 C. OTHER (IDENTIFYING THE OTHER WITH SPECIFICITY).

8 **RESPONSE:**

9 Expected enrollment in TAP is detailed in the attachment provided for PA-V-54. The lost
10 revenue assumption built into each fiscal year is based on exactly meeting the projections
11 for enrollment as shown in the model. Any deviation from these enrollment levels would
12 constitute an unexpected swing. This analysis did not include a review of actual versus
13 projected enrollments in WRAP. We did not review PGW CRP enrollment rates. PWD
14 does not have access to data from the PGW CRP.

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25 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-59.** REFERENCE: PWD STATEMENT 8, PAGE 18: PLEASE IDENTIFY EACH
2 YEAR IN WHICH THERE WAS AN “UNEXPECTED SWING IN
3 ENROLLMENT” FOR THE YEARS 2000 TO PRESENT FOR:

4 A. WRAP;

5 B. PGW’S CRP.

6 **RESPONSE:**

7 A. As described in the response to PA-V-58, this analysis did not include a review of
8 actual versus projected enrollments in WRAP.

9 B. We did not review PGW CRP enrollment rates. PWD does not have access to data
10 from the PGW CRP.

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18 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

1 **PA-V-60.** REFERENCE: PWD STATEMENT 8, PAGE 18: PLEASE IDENTIFY EACH
2 YEAR FROM 2000 TO PRESENT IN WHICH AN UNEXPECTED SWING IN
3 ENROLLMENT RESULTED IN “A HUGE IMPACT ON LOST REVENUES”
4 FOR:

5 A. WRAP;

6 B. PGW’S CRP.

7 **RESPONSE:**

8 A. Since this analysis did not include a review of actual versus projected WRAP
9 enrollments, it also did not review the revenue impact those swings in enrollment may
10 have caused. However, this information would not have been pertinent as WRAP was
11 a mature program with relatively steady enrollment and predictable costs. WRAP also
12 had a much smaller enrollment than the enrollment projected for TAP, which would
13 tend to negate material impacts on revenue.

14 B. We have not reviewed any PGW CRP cost impacts as driven by enrollment swings.
15 PWD does not have access to data from the PGW CRP.

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24 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

1 **PA-V-61.** REFERENCE: PWD STATEMENT 8, PAGE 18: FOR EACH YEAR
2 IDENTIFIED IMMEDIATELY ABOVE, INDICATE THE DOLLAR AMOUNT
3 CONSTITUTING THE “HUGE IMPACT ON LOST REVENUES.”

4 **RESPONSE:**

5 In the prior PWD Rate Case, Raftelis projected an enrollment of approximately 31,000
6 customers for the new TAP program and estimated lost revenue of approximately \$16.3
7 million based on a full year of operation. In the direct testimony of the Public Advocate’s
8 expert dated March 24, 2016, Roger Colton agreed with these enrollment rate projections
9 and, through use of a different methodology, developed a lost revenue (discounts on
10 current charges) of approximately \$10.3 million. As a direct result of the ramp up to full
11 enrollment detailed in previous responses, the projected lost revenue for the first year of
12 TAP is now projected at \$3.9 million. While we expect enrollment, and resulting lost
13 revenue, to ultimately achieve the original targets, the results for the first year of TAP
14 clearly illustrate the challenges of projecting for a new program and we believe they
15 constitute “unexpected swings in enrollment” and a “huge impact on lost revenues”.

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27 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-62.** REFERENCE: PWD STATEMENT 8, PAGE 19: PLEASE PROVIDE EACH
2 WEEKLY CUSTOMER ASSISTANCE APPLICATION PROCESSING
3 REPORT FOR JULY 1, 2017 TO PRESENT.

4 **RESPONSE:**

5 Available weekly reports are included as *PA-V-62_Attachment*.
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17 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-63.** REFERENCE: PWD STATEMENT 8, PAGE 19: PLEASE PROVIDE EACH
2 "PERIODIC" COST OF PROGRAM REPORT FOR TAP FOR THE MONTHS
3 JANUARY 2017 TO PRESENT INCLUSIVE.

4 **RESPONSE:**

5 The periodic cost of program reports have been provided and they are:

- 6 • PA-V-54 Attachment
- 7 • PA-ADV-86 Response page 111 in the table that starts at line 20 in the column
8 titled "(g) Dollars of TAP Credits/Discounts"

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27 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

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1 **PA-V-64.** REFERENCE: PWD STATEMENT 9B, PAGE 8: PLEASE PROVIDE A COPY
2 OF THE PECO RATE RIDER THROUGH WHICH PECO COLLECTS ITS
3 UNIVERSAL SERVICE COSTS. PROVIDE A COPY OF THE PECO RIDER
4 FOR ELECTRIC SERVICE AND FOR NATURAL GAS SERVICE.

5 **RESPONSE:**

6 PECO's electric service and natural gas service tariffs are available at the following
7 website: <https://www.peco.com>
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24 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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1 **PA-V-65.** REFERENCE: PWD STATEMENT 9B, PAGE 8: FOR EACH YEAR 2016 TO
2 PRESENT, PLEASE INDICATE THE DOLLARS OF UNIVERSAL SERVICE
3 COSTS WHICH PECO COLLECTS:
4 A. THROUGH BASE RATES;
5 B. THROUGH ITS UNIVERSAL SERVICE RATE RIDER. PROVIDE THESE
6 FIGURES FOR PECO ELECTRIC SERVICE AND FOR PECO NATURAL GAS
7 SERVICE.

8 **RESPONSE:**

9 Information regarding PECO's electric service and natural gas service costs at the
10 following website: <https://www.peco.com>
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24 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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1 **PA-V-66.** REFERENCE: PWD STATEMENT 9B, PAGE 8: PLEASE PROVIDE A COPY
2 OF THE PGW RATE RIDER THROUGH WHICH IT COLLECTS ITS
3 UNIVERSAL SERVICE COSTS. SEPARATELY PROVIDE A COPY OF THE
4 MOST RECENT PUC ORDER OR PGW RATE CASE STIPULATION THAT
5 ADDRESSES THE FORM AND OPERATION OF THE PGW RATE RIDER.

6 **RESPONSE:**

7 PGW's natural gas service tariffs are available at the following website:

8 <https://www.pgw.com>

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10 The most recent PUC order or PGW rate case stipulation is available at the following
11 website:

12 <http://www.puc.state.pa.us/>

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25 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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1 **PA-V-67.** PLEASE PROVIDE THE NUMBER OF TAP ENROLLEES WHOSE INCOME
2 WAS DETERMINED WITHIN THE PRIOR TWELVE MONTHS PURSUANT
3 TO PHILADELPHIA CODE § 19-1305, AS REQUIRED BY PHILADELPHIA
4 CODE § 19-1605.

5 **RESPONSE:**

6 This information is currently being compiled and is not available due to the shortened
7 period allotted to compile discovery responses in this proceeding. The discovery response
8 will be updated when the information is available.

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27 **RESPONSE PROVIDED BY:** Philadelphia Water Department

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1 **PA-V-68.** PLEASE PROVIDE A DETAILED DESCRIPTION OF ANY PROCESS, ALL
2 PROCESSES, THROUGH WHICH:
3 A. ACTIVE WRAP PARTICIPANTS ARE CROSS-CHECKED AGAINST
4 PHILADELPHIA’S LOW-INCOME TAXPAYER INSTALLMENT PAYMENT
5 AGREEMENTS TO DETERMINE INCOME-ELIGIBILITY FOR TAP;
6 B. DEFAULTED WRAP PARTICIPANTS ARE CROSS-CHECKED AGAINST
7 PHILADELPHIA’S LOW-INCOME TAXPAYER INSTALLMENT PAYMENT
8 AGREEMENTS TO DETERMINE INCOME-ELIGIBILITY FOR TAP;
9 C. TAP APPLICANTS, IRRESPECTIVE OF THEIR CURRENT OR FORMER
10 STATUS AS A WRAP PARTICIPANT, ARE CROSS-CHECKED AGAINST
11 PHILADELPHIA’S LOW-INCOME TAXPAYER INSTALLMENT PAYMENT
12 AGREEMENTS TO DETERMINE THEIR INCOME-ELIGIBILITY FOR TAP.

13 **RESPONSE:**

14 In response to subsections (A) and (B), WRB does not cross-check active or defaulted
15 WRAP participants against Philadelphia’s low-income taxpayer installment agreements to
16 determine income eligibility for TAP, as WRB only performs such a cross-check during the
17 application process. However, WRB is currently developing a targeted mailing for
18 customers on active low-income taxpayer installment agreements to encourage application
19 for all available WRB customer assistance programs, including TAP.

20
21 In response to subsection (C), currently the WRB uses a manual process to check each
22 Customer Assistance Program Application against Revenue records to determine if the
23 applicant has been approved and placed in a low-income taxpayer installment payment
24 agreement in the prior twelve (12) months. If the applicant has, WRB checks available
25 income information and/or documentation used in that application. If the current Customer
26 Assistance Program Application lacks sufficient information to determine income-
27 eligibility, WRB will use the information and/or documentation from the low-income
28 taxpayer installment payment agreement application. If the current Customer Assistance

1 Program Application contains sufficient and/or more recent information to determine
2 income-eligibility, WRB will use the Customer Assistance Program Application
3 information and forward the same to the Department of Revenue's Taxpayer Services for
4 use as a change of circumstances review in relation to the low-income taxpayer installment
5 payment agreement.
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13 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
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PA-V-69. PLEASE IDENTIFY AND PROVIDE A DETAILED DESCRIPTION OF THE MUNICIPAL OFFICE THAT DETERMINES INCOME-ELIGIBILITY FOR PHILADELPHIA’S LOW-INCOME TAXPAYER INSTALLMENT PAYMENT AGREEMENTS.

RESPONSE:

The Department of Revenue’s Taxpayer Services processes applications for low-income taxpayer installment payment agreements.

RESPONSE PROVIDED BY: Michelle Bethel, Water Revenue Bureau

1 **PA-V-70.** PLEASE PROVIDE A COPY OF ALL WRITTEN CORRESPONDENCE,
2 INCLUDING E-MAILS, LETTERS, MEMOS OR OTHER WRITTEN
3 DOCUMENT OF ANY NATURE, BETWEEN PWD AND/OR WRB AND THE
4 MUNICIPAL OFFICE THAT DETERMINES INCOME-ELIGIBILITY FOR
5 PHILADELPHIA'S LOW-INCOME TAXPAYER INSTALLMENT PAYMENT
6 AGREEMENTS THAT PROPOSES, CONSIDERS, EVALUATES OR
7 OTHERWISE DISCUSSES A POTENTIAL COLLABORATION BETWEEN
8 THE TAP AND PHILADELPHIA'S LOW-INCOME TAXPAYER
9 INSTALLMENT PAYMENT AGREEMENTS PROGRAM WITH RESPECT TO
10 DETERMINING INCOME ELIGIBILITY FOR THE TWO PROGRAMS.

11 **RESPONSE:**

12 This information is currently being compiled and is not available due to the shortened
13 period allotted to compile discovery responses in this proceeding. The discovery response
14 will be updated when the information is available.

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26 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-V-71.** PLEASE COMPARE AND CONTRAST THE INCOME-ELIGIBILITY FOR
2 PHILADELPHIA'S LOW-INCOME TAXPAYER INSTALLMENT PAYMENT
3 AGREEMENTS AND TAP.

4 **RESPONSE:**

5 Please refer to The Philadelphia Code sections 19-1305 and 19-1605 (available here:
6 <http://bit.ly/1OAaRK2>), Philadelphia Water Department Regulations section 206.0 et seq.
7 (available here: <http://www.phila.gov/water/PDF/PWDregCH2.pdf>) and the Department
8 of Revenue Real Estate Tax Regulations For City Of Philadelphia And School District Of
9 Philadelphia section 302 et seq. (available here: <https://beta.phila.gov/documents/owner-occupied-payment-agreement-oopa-regulations/>).

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24 **RESPONSE PROVIDED BY:** Michelle Bethel, Water Revenue Bureau
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1 **PA-V-72.** PLEASE IDENTIFY WHICH DATE TAP PARTICIPANTS ARE DEFINED TO
2 BEGIN THEIR PARTICIPATION IN TAP: (1) THE DATE ON WHICH
3 APPLICANTS SUBMIT A TAP APPLICATION; (2) THE DATE ON WHICH
4 APPLICANTS ARE FOUND TO BE ELIGIBLE FOR TAP; OR (3) SOME
5 OTHER DATE (PLEASE IDENTIFY WITH SPECIFICITY WHAT "OTHER"
6 DATE IS USED).

7 **RESPONSE:**

8 Option (3) some other date. As described in the response to PA-ADV-86 on page 112
9 starting at line 20, customers are enrolled in TAP when they are approved for TAP
10 participation through the new application workflow and reporting software Customer
11 Application Management Program (CAMP). Following approval, the customer's next bill
12 reflects the customer's TAP enrollment. Since that bill could occur at any time following
13 approval, as described in the response to PA-ADV-86 on page 113 starting at line 11, we
14 reported participants as the number of customers that were issued a TAP bill during the
15 calendar month in question. Customers issued more than one TAP bill during a calendar
16 month were counted once. Customers not issued a TAP bill during a calendar month were
17 not counted for the month in question. Note that depending on a customer's billing cycle,
18 a customer enrolled in one month is counted as a participant in the month in which they
19 receive their first bill, which may not be the same month that customer is enrolled.
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22 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-73.** PLEASE IDENTIFY WHETHER THE DATE ON WHICH A TAP APPLICANT
2 IS FOUND TO BE INCOME-ELIGIBLE FOR TAP AND THE DATE ON
3 WHICH A TAP APPLICANT IS ENROLLED IN TAP DIFFERS. FOR ANY
4 DIFFERENCE THAT EXISTS BETWEEN THESE TWO DATES, PROVIDE A
5 DETAILED EXPLANATION OF THE REASON FOR THE TIME
6 DIFFERENCE.

7 **RESPONSE:**

8 As described in the response to PA-ADV-86 on page 112 starting at line 20, customers are
9 enrolled in TAP when they are approved for TAP participation through the new
10 application workflow and reporting software Customer Application Management Program
11 (CAMP).

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17 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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1 **PA-V-74.** FOR TAP PARTICIPANTS WHO EXPERIENCE A TIME LAG BETWEEN
2 THE DATE ON WHICH THEY SUBMIT A TAP APPLICATION AND THE
3 DATE ON WHICH THEY ARE ENROLLED IN TAP, PLEASE PROVIDE A
4 DETAILED DESCRIPTION OF WHAT BILLS SUCH APPLICANTS RECEIVE
5 DURING THE TIME AFTER THEY SUBMIT A TAP APPLICATION AND
6 BEFORE THEY ARE ENROLLED IN TAP.

7 **RESPONSE:**

8 Applicants will continue to receive their regular monthly bills until they are enrolled in
9 TAP. If those bills remain unpaid at the time the applicant is enrolled in TAP, those
10 arrears will be included with any other pre-TAP arrears and will be reflected on the
11 applicants' TAP Bill.

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23 **RESPONSE PROVIDED BY:** Michelle Bethel and RaVonne Muhammad, Water Revenue
24 Bureau

1 **PA-V-75.** IN AN ACTIVE EXCEL SPREADSHEET, PLEASE PROVIDE A LIST OF
2 EACH CUSTOMER PARTICIPATING IN TAP AS OF JANUARY 19, 2018
3 (PERSONAL IDENTIFYING INFORMATION SHOULD BE REDACTED).
4 FOR EACH SUCH CUSTOMER, PROVIDE:
5 A. THE DATE ON WHICH THE PARTICIPANT APPLIED FOR TAP; AND
6 B. THE DATE ON WHICH THE PARTICIPANT WAS ENROLLED IN TAP.
7 C. THE TOTAL BILLS (IN DOLLARS) APPEARING ON BILLS BETWEEN
8 THE DATE OF APPLICATION AND THE DATE OF ENROLLMENT;
9 D. THE TOTAL BILLS (IN DOLLARS) THAT WOULD HAVE APPEARED
10 ON BILLS BETWEEN THE DATE OF APPLICATION AND THE DATE OF
11 ENROLLMENT HAD ENROLLED BEEN EFFECTIVE AS OF THE DATE OF
12 APPLICATION; AND
13 E. THE HOMEOWNER / TENANT / OCCUPANT STATUS OF THE
14 APPLICANT AS IDENTIFIED BY THE APPLICATION.

15 **RESPONSE:**

16 This information is currently being compiled and is not available due to the shortened
17 period allotted to compile discovery responses in this proceeding. The discovery response
18 will be updated when the information is available.
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28 **RESPONSE PROVIDED BY:** Philadelphia Water Department

1 **PA-V-76.** BY WEEK, SINCE JULY 1, 2017, PROVIDE THE NUMBER OF TAP
2 ENROLLEES BY HOMEOWNER/TENANT STATUS.

3 **RESPONSE:**

4 This information is currently being compiled and is not available due to the shortened
5 period allotted to compile discovery responses in this proceeding. The discovery response
6 will be updated when the information is available.

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28 **RESPONSE PROVIDED BY:** Philadelphia Water Department

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PA-V-77. CONFIRM OR DENY: THE ADMINISTRATIVE COSTS ASSOCIATED WITH TAP ARE NOT SUBJECT TO RECONCILIATION THROUGH PWD'S TAP RIDER. IF DENIED, PLEASE IDENTIFY IN THE RATE RIDER, AS WELL AS WITHIN THE ACCOMPANYING WHITE PAPER, THE SPECIFIC LOCATION AT WHICH THE RECONCILIATION OF ADMINISTRATIVE COSTS IS PROPOSED AND DISCUSSED.

RESPONSE:

Confirm - only lost revenue due to TAP and LiCAP costs are subject to the proposed TAP Rate Rider.

RESPONSE PROVIDED BY: Black & Veatch Management Consulting, LLC

1 **PA-V-78.** PLEASE IDENTIFY THE SPECIFIC DOLLAR AMOUNT OF TAP
2 ADMINISTRATIVE COSTS CURRENTLY BEING COLLECTED IN PWD
3 BASE RATES AS OF JULY 2017, DISAGGREGATED BY:
4 A. WAGES;
5 B. BENEFITS;
6 C. OVERHEAD (INDICATING HOW OVERHEAD WAS CALCULATED);
7 D. INFORMATION TECHNOLOGY;
8 E. CONTINGENCY (INDICATING HOW THE CONTINGENCY WAS
9 CALCULATED);
10 F. OTHER (IDENTIFYING WITH SPECIFICITY WHAT THE "OTHER" IS).

11 **RESPONSE:**

12 This information is currently being compiled and is not available due to the shortened
13 period allotted to compile discovery responses in this proceeding. The discovery response
14 will be updated when the information is available.

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28 **RESPONSE PROVIDED BY:** Philadelphia Water Department

1 **PA-V-79.** PLEASE IDENTIFY, BY MONTH SINCE JULY 2017, THE ACTUAL
2 DOLLAR AMOUNT OF ADMINISTRATIVE COSTS EXPENDED ON TAP
3 SINCE JULY 1, 2017, DISAGGREGATED BY:

- 4 A. WAGES;
- 5 B. BENEFITS;
- 6 C. OVERHEAD (INDICATING HOW OVERHEAD WAS CALCULATED);
- 7 D. INFORMATION TECHNOLOGY;
- 8 E. CONTINGENCY (INDICATING HOW THE CONTINGENCY WAS
- 9 CALCULATED);
- 10 F. OTHER (IDENTIFYING WITH SPECIFICITY WHAT THE "OTHER" IS).

11 **RESPONSE:**

12 This information is currently being compiled and is not available due to the shortened
13 period allotted to compile discovery responses in this proceeding. The discovery response
14 will be updated when the information is available.

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27 **RESPONSE PROVIDED BY:** Philadelphia Water Department

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1 **PA-V-80.** PLEASE IDENTIFY BY MONTH FOR THE MONTHS JULY 2017 TO
2 PRESENT INCLUSIVE:

3 A. THE DOLLAR AMOUNTS SPENT ON WAGES FOR INDIVIDUAL STAFF
4 THAT WORK ON BOTH WRAP AND TAP, DISAGGREGATED BY THE
5 DOLLAR AMOUNTS SPENT ON TAP AND THE DOLLAR AMOUNTS
6 SPENT ON WRAP;

7 B. THE DOLLAR AMOUNTS SPENT ON BENEFITS FOR INDIVIDUAL
8 STAFF THAT WORK ON BOTH WRAP AND TAP, DISAGGREGATED BY
9 THE DOLLAR AMOUNTS SPENT ON TAP AND THE DOLLAR AMOUNTS
10 SPENT ON WRAP;

11 C. THE DOLLAR AMOUNTS SPENT ON OVERHEAD FOR INDIVIDUAL
12 STAFF THAT WORK ON BOTH WRAP AND TAP, DISAGGREGATED BY
13 THE DOLLAR AMOUNTS SPENT ON TAP AND THE DOLLAR AMOUNTS
14 SPENT ON WRAP;

15 D. THE DOLLAR AMOUNTS SPENT ON INFORMATION TECHNOLOGY
16 FOR INDIVIDUAL STAFF THAT WORK ON BOTH WRAP AND TAP,
17 DISAGGREGATED BY THE DOLLAR AMOUNTS SPENT ON TAP AND
18 THE DOLLAR AMOUNTS SPENT ON WRAP; E. THE DOLLARS AMOUNTS
19 SPENT ON CONTINGENCY FOR INDIVIDUAL STAFF THAT WORK ON
20 BOTH WRAP AND TAP, DISAGGREGATED BY THE DOLLAR AMOUNTS
21 SPENT ON TAP AND THE DOLLAR AMOUNTS SPENT ON WRAP; AND

22 F. THE DOLLAR AMOUNTS SPENT ON "OTHER" (IDENTIFYING WITH
23 SPECIFICITY WHAT THE "OTHER" IS), DISAGGREGATED BY THE
24 DOLLAR AMOUNTS SPENT ON TAP AND THE DOLLAR AMOUNTS
25 SPENT ON WRAP.

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27 **RESPONSE:**
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1 This information is currently being compiled and is not available due to the shortened
2 period allotted to compile discovery responses in this proceeding. The discovery response
3 will be updated when the information is available.
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5 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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PA-V-81. PLEASE PROVIDE A DETAILED EXPLANATION OF HOW ANY TAP ADMINISTRATIVE COSTS CURRENTLY BEING COLLECTED IN PWD RATES BUT WHICH EXCEED TAP ADMINISTRATIVE COSTS ACTUALLY EXPENDED WILL BE TREATED FOR RATEMAKING PURPOSES IN FUTURE RATE PERIODS.

RESPONSE:

Current administrative costs have exceeded projects levels. Any additional costs would either be offset by underspending in other areas and/or supported via additional funding from the Rate Stabilization Fund (RSF).

RESPONSE PROVIDED BY: Black & Veatch Management Consulting, LLC

1 **PA-V-82.** PLEASE PROVIDE A DETAILED EXPLANATION OF HOW THE 25%
2 "CONTINGENCY" FOR TAP ADMINISTRATIVE COSTS CURRENTLY
3 BEING COLLECTED IN PWD RATES WILL BE TREATED IN FUTURE
4 RATE PERIODS IF THOSE CONTINGENCY FUNDS ARE NOT DRAWN
5 DOWN IN WHOLE OR IN PART.
6

7 **RESPONSE:**

8 Please see response to PA-V-81. The 25% contingency utilized during the prior rate
9 proceeding was used for forecasting anticipated TAP administrative costs. There is no
10 separate contingency line item. Rather, the adopted budget includes the total anticipated
11 TAP administrative program costs. No contingency funding is available and the current
12 administrative costs have exceeded projected levels.
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24 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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1 **PA-V-83.** BY MONTH SINCE JULY 2017, PLEASE IDENTIFY THE DOLLAR
2 AMOUNT FROM THE 25% TAP ADMINISTRATIVE “CONTINGENCY”
3 THAT HAS BEEN UTILIZED FOR TAP ADMINISTRATIVE COSTS.
4 IDENTIFY WITH SPECIFICITY THE COMPONENT(S) OF TAP
5 ADMINISTRATIVE WHICH HAVE CAUSED THE NEED TO DRAW UPON
6 THE 25% CONTINGENCY FOR TAP ADMINISTRATIVE COSTS.

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8 **RESPONSE:**

9 This information is currently being compiled and is not available due to the shortened
10 period allotted to compile discovery responses in this proceeding. The discovery response
11 will be updated when the information is available.

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25 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-V-84.** PLEASE PROVIDE A COPY OF THE CONTRACT PURSUANT TO WHICH
2 PFM SERVES AS FINANCIAL ADVISOR TO, OR WITH RESPECT TO, PWD.
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4 **RESPONSE:**

5 Please see response attachment PA V 84 which includes the Standard Amendment
6 Agreement, Provider Agreement and Scope of Services.
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28 **RESPONSE PROVIDED BY:** Melissa LaBuda, Philadelphia Water Department

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PA-V-85. PLEASE PROVIDE A COPY OF THE CONTRACT PURSUANT TO WHICH ACACIA FINANCIAL SERVES AS FINANCIAL ADVISOR TO, OR WITH RESPECT TO, PWD.

RESPONSE:

Please see response attachment PA V 85 which includes the Standard Amendment Agreement, Provider Agreement and Scope of Services.

RESPONSE PROVIDED BY: Melissa LaBuda, Philadelphia Water Department

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PA-V-86. PLEASE PROVIDE A COPY OF THE CONTRACT PURSUANT TO WHICH
BALLARD SPAHR SERVES AS BOND COUNSEL WITH RESPECT TO
WATER AND WASTEWATER REVENUE BONDS.

RESPONSE:

Please see response attachment PA V 86 which includes the Standard Amendment
Agreement, Provider Agreement and Scope of Services.

RESPONSE PROVIDED BY: Melissa LaBuda, Philadelphia Water Department

1 **PA-V-87.** WITH RESPECT TO THE STATEMENT “THE ANNUAL DEBT RESERVE
2 FUND BALANCE MUST EQUAL THE MAXIMUM FUTURE ANNUAL
3 DEBT SERVICE ESTIMATED FOR THE OUTSTANDING AND PROPOSED
4 BONDS” (PWD ST. 9A AT 38):

5 A. DOES THIS STATEMENT DESCRIBE A LEGAL REQUIREMENT
6 APPLICABLE TO PWD’S DEBT RESERVE FUND? IF SO, PLEASE
7 PROVIDE A COPY OF THE LEGAL AUTHORITY THAT IMPOSES THIS
8 REQUIREMENT.

9 B. IF THE ANSWER TO 4(A) IS ANYTHING OTHER THAN AN
10 UNEQUIVOCAL “YES” PLEASE EXPLAIN WHY THE DEBT RESERVE
11 FUND BALANCE MUST SATISFY THIS REQUIREMENT.
12

13 **RESPONSE:**

14 A. Yes. Please refer to the 1989 General Ordinance, previously submitted. Capitalized
15 terms used with reference to the 1989 Bond Ordinance and not otherwise defined
16 have the meanings given to such terms by the 1989 Bond Ordinance.

17
18 With respect to bonds outstanding, Section 4.09 of the 1989 General Ordinance
19 requires that the balance of the Debt Reserve Account must at all times equal the
20 Debt Reserve Requirement. The Debt Reserve Requirement, with respect to all
21 Bonds (as defined in the 1989 General Ordinance), is defined to mean the maximum
22 annual Debt Service Requirements (as defined in the 1989 General Ordinance)
23 payable or to become payable in any fiscal year.
24

25 With respect to bonds proposed, the City cannot enact a Supplemental Ordinance to
26 issue new Bonds without showing that it expects to meet the Debt Reserve
27 Requirement with respect to the new Bonds. Consistent with Section 8 of the First
28 Class City Revenue Bond Act, Section 5.04 of the 1989 Bond Ordinance requires that

1 for the City to issue new Bonds, the Director of Finance first must deliver a report of
2 the Consulting Engineer that states, on the basis of actual and estimated future annual
3 financial operations of the System, that the System will yield Project Revenues over
4 the amortization period of the new Bonds sufficient to meet the following payment or
5 deposit requirements: (A) all expenses of operation, maintenance, repair and
6 replacement of the System, **(B) all reserve funds required to be established out of**
7 **such Project Revenues** (emphasis added), (C) the principal or redemption price of
8 and interest on Bonds, as the same become due and payable, for which such Project
9 Revenues are pledged, and (D) any state taxes assumed by the City to be paid on the
10 Bonds.

11
12 The Consulting Engineer also must state in its report, on the basis of actual and
13 estimated future annual financial operations of the System, that Net Revenues are
14 then sufficient to comply with the Rate Covenant and are projected to be sufficient to
15 comply with the Rate Covenant for each of the two fiscal years following the fiscal
16 year in which the Bonds are issued. The Rate Covenant, which is contained in
17 Section 5.01 of the 1989 Bond Ordinance, requires that for each fiscal year Net
18 Revenues must be sufficient to cover 100% of (among other things) **amounts**
19 **required to be deposited into the Debt Reserve Account** and other amounts due
20 and payable in such fiscal year.

21
22 Finally, pursuant to Section 5.04(a) of the 1989 Bond Ordinance, for Bonds to be
23 issued City Council must make a finding in the Supplemental Ordinance authorizing
24 such issuance that Project Revenues will be sufficient to comply with the Rate
25 Covenant and also to pay all costs, expenses and payments required to be paid from
26 Project Revenues in the order and priority stated in Section 4.06 of the 1989 Bond
27 Ordinance (i.e., the flow of funds). Every Supplemental Ordinance contains this
28 finding by City Council. The finding is made on the basis of statements made by the

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Director of Finance in reliance on the Consulting Engineer’s report, all of which is filed with Council prior to enactment.

B. Please refer to the response to part (a) of question PA-V-87, above.

RESPONSE PROVIDED BY: Valerie Allen, Ballard Spahr

1 **PA-V-88.** WITH RESPECT TO THE STATEMENT “THE INTEREST EARNINGS IN
2 THE CONSTRUCTION FUND, WHICH PRIMARILY CONSISTS OF BOND
3 PROCEEDS, ARE NOT AVAILABLE TO THE REVENUE FUND AS A PART
4 OF THE OVERALL PROJECT REVENUES AVAILABLE FOR MEETING
5 ANNUAL REVENUE REQUIREMENTS OF THE WATER DEPARTMENT”
6 (PWD ST. 9A AT 39):

7 A. DOES THIS STATEMENT DESCRIBE A LEGAL REQUIREMENT
8 APPLICABLE TO INTEREST EARNINGS ON DEPOSITS IN THE
9 CONSTRUCTION FUND? IF SO, PLEASE PROVIDE A COPY OF THE
10 LEGAL AUTHORITY THAT IMPOSES THIS REQUIREMENT.

11 B. IF THE ANSWER TO 5(A) IS ANYTHING OTHER THAN AN
12 UNEQUIVOCAL “YES” PLEASE EXPLAIN WHY INTEREST
13 EARNINGS ON DEPOSITS IN THE CONSTRUCTION FUND ARE
14 NOT AVAILABLE TO MEETING ANNUAL REVENUE
15 REQUIREMENTS OF PWD.

16 **RESPONSE:**

17 A. Yes, with respect to earnings on tax-exempt bond proceeds on deposit in the
18 Construction Fund.

19
20 Interest earnings on tax-exempt bond proceeds are considered tax-exempt bond
21 proceeds for federal tax purposes. Therefore, earnings on PWD revenue bonds are
22 treated as bond proceeds.

23
24 Under the Internal Revenue Code of 1986, as amended and the rules and regulations
25 promulgated thereunder (collectively, the Code), bond proceeds may not be used for
26 working capital expenditures except to the extent that working capital expenditures
27 exceed available amounts (as such term is defined in the Code). Tax-exempt bond
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proceeds may be used only for capital expenditures or to pay debt service on related tax-exempt bonds and are not available to the Revenue Fund.

A copy of the relevant authority is attached as *Schedule V-88*.

B. Please refer to the response to part (a) of question PA-V-88, above.

RESPONSE PROVIDED BY: Valerie Allen, Ballard Spahr

1 **PA-V-89.** WITH RESPECT TO THE STATEMENT “THE DEPARTMENT MUST ALSO
2 ESTABLISH RATES AND CHARGES TO MEET THE FINANCIAL
3 MANAGEMENT REQUIREMENTS OF THE 1989 GENERAL ORDINANCE
4 WITH RESPECT TO, AMONG OTHER THINGS, (1) MAINTAINING THE
5 RATE STABILIZATION FUND; (2) FINANCING A PORTION OF MAJOR
6 ANNUAL CAPITAL IMPROVEMENT REQUIREMENTS DIRECTLY FROM
7 ANNUAL SYSTEM REVENUES; AND (3) MAKING REQUIRED DEPOSITS
8 INTO THE RESIDUAL FUND OF ANY MONIES REMAINING AFTER
9 PAYMENT OF ALL CURRENT CASH OBLIGATIONS” (PWD ST. 9A AT 47-
10 48):

11 A. PLEASE DESCRIBE THE FINANCIAL MANAGEMENT REQUIREMENTS
12 OF THE 1989 GENERAL ORDINANCE WITH RESPECT TO MAINTAINING
13 THE RATE STABILIZATION FUND.

14 B. PLEASE PROVIDE THE LANGUAGE OF THE 1989 GENERAL
15 ORDINANCE ESTABLISHING THE FINANCIAL MANAGEMENT
16 REQUIREMENTS WITH RESPECT TO MAINTAINING THE RATE
17 STABILIZATION FUND.

18 C. PLEASE DESCRIBE THE FINANCIAL MANAGEMENT REQUIREMENTS
19 OF THE 1989 GENERAL ORDINANCE WITH RESPECT TO FINANCING A
20 PORTION OF MAJOR ANNUAL CAPITAL IMPROVEMENT
21 REQUIREMENTS DIRECTLY FROM ANNUAL SYSTEM REVENUES.

22
23 **RESPONSE:**

24 A. Section 5.01 of the 1989 Bond Ordinance sets forth the Rate Covenant. The Rate
25 Covenant is calculated on the basis of Net Revenues. Net Revenues for any period
26 include Project Revenues plus net transfers from the Rate Stabilization Fund and any
27 interest earnings transferred to the Revenue Fund, less Operating Expenses incurred.
28 In other words, amounts in the Rate Stabilization Fund are available to provide

1 liquidity to ensure that Net Revenues in any given fiscal year are sufficient so that the
2 Rate Covenant is met for such fiscal year.

3
4 If the amounts required to (1) pay Operating Expenses and Debt Service
5 Requirements, (2) make deposits required to eliminate any deficiencies in the Debt
6 Reserve Account and any other account established in the Sinking Fund to secure
7 Bonds (other than Subordinated Bonds), and (3) pay debt service on Subordinated
8 Bonds or General Obligations Bonds issued for the benefit of the System have been
9 paid or transferred from the Revenue Fund, then monies may be transferred from the
10 Revenue Fund to the Rate Stabilization Fund in amounts determined by the Water
11 Commissioner.

12
13 Capitalized terms used with reference to the 1989 Bond Ordinance and not otherwise
14 defined have the meanings given to such terms by the 1989 Bond Ordinance.

15
16 B. Please refer to the 1989 General Ordinance, previously submitted. Capitalized terms
17 used with reference to the 1989 Bond Ordinance and not otherwise defined have the
18 meanings given to such terms by the 1989 Bond Ordinance.

19
20 Section 5.01 of the 1989 General Ordinance requires that Net Revenues in each fiscal
21 year must be sufficient to satisfy the Rate Covenant. As described above, Net
22 Revenues is defined under the 1989 Bond Ordinance to include net transfers from the
23 Rate Stabilization Fund to the Revenue Fund.

24
25 Section 4.06 sets forth the flow of funds, i.e., the provisions under which monies are
26 transferred between the Revenue Fund and the Rate Stabilization Fund.

27
28 Section 4.13 sets forth additional authority concerning the application of monies in the

1 Rate Stabilization Fund.

2
3 C. A deposit must be made to the Capital Account of the Construction Fund in the
4 amount described below in PA-V-90 if the amounts required to (1) pay Operating
5 Expenses and Debt Service Requirements, (2) make deposits required to eliminate
6 any deficiencies in the Debt Reserve Account and any other account established in
7 the Sinking Fund to secure Bonds (other than Subordinated Bonds), (3) pay debt
8 service on Subordinated Bonds or General Obligations Bonds issued for the benefit of
9 the System, and (4) make the any required transfer to the Rate Stabilization Fund
10 have been paid or transferred from the Revenue Fund. Once deposited, monies in the
11 Capital Account may be used only to pay the cost of renewals, replacements and
12 improvements to the System and, in limited circumstances, to pay debt service or
13 retire Bonds.

14
15 Capitalized terms used but not otherwise defined have the meanings given to such
16 terms by the 1989 Bond Ordinance.

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21 **RESPONSE PROVIDED BY:** Valerie Allen, Ballard Spahr

1 **PA-V-90.** PLEASE PROVIDE THE LANGUAGE OF THE 1989 GENERAL ORDINANCE
2 ESTABLISHING THE FINANCIAL MANAGEMENT REQUIREMENTS WITH
3 RESPECT TO FINANCING A PORTION OF MAJOR ANNUAL CAPITAL
4 IMPROVEMENT REQUIREMENTS DIRECTLY FROM ANNUAL SYSTEM
5 REVENUES.
6

7 **RESPONSE:**

8 Please refer to the 1989 General Ordinance, previously submitted. Capitalized terms used
9 with reference to the 1989 Bond Ordinance and not otherwise defined have the meanings
10 given to such terms by the 1989 Bond Ordinance.
11

12 Section 4.06(h) of the 1989 General Ordinance provides that if the transfers in
13 subparagraphs (a) and (b) are being made according to schedule, and following any transfer
14 then required to be made pursuant to subparagraphs (c), (d), (e), (f) and (g), the Fiscal
15 Agent shall transfer to the Capital Account of the Construction Fund on June 20, of each
16 Fiscal Year (or the first business day following June 20 if June 20 is not a business day) an
17 amount equal to the sum of (i) the Capital Account Deposit Amount, (ii) the Debt Service
18 Withdrawal for the preceding Fiscal Year and (iii) the Operating Expense Withdrawal for
19 the preceding Fiscal Year, less any amounts transferred during the Fiscal Year to such
20 Capital Account from the Residual Fund. Section 4.11 of the 1989 Bond Ordinance
21 provides that amounts deposited in the Capital Account may be applied at the written
22 direction of the City to (a) payments for the cost of renewals, replacements and
23 improvements to the System; (b) payments into the Sinking Fund or into the Subordinated
24 Bond Fund to cure a deficiency in one of the foregoing; or (c) the purchase of Bonds if a
25 Consulting Engineer shall first have certified to the City that amounts remaining on deposit
26 in the Capital Account following the proposed purchase of Bonds will be sufficient to pay,
27 the cost of renewals, replacements and improvements to the System projected to be payable
28 during such Fiscal Year; provided, however, that no Bond shall be purchased at a price in

1 excess of the principal amount and redemption price which would be applicable if the Bond
2 were redeemed at the time such Bond was first subject to redemption.
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18 **RESPONSE PROVIDED BY:** Valerie Allen, Ballard Spahr
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1 **PA-V-91.** PLEASE DESCRIBE THE FINANCIAL MANAGEMENT REQUIREMENTS
2 OF THE 1989 GENERAL ORDINANCE WITH RESPECT TO REQUIRED
3 DEPOSITS INTO THE RESIDUAL FUND.
4

5 **RESPONSE:**

6 The Residual Fund is the last of the Water and Wastewater Funds (collectively, the Water
7 Fund) where monies from the Revenue Fund flow under Section 4.06 of the 1989 Bond
8 Ordinance. As the Water Fund is a virtually closed system of funds and accounts, all
9 monies in the Residual Fund may be applied directly to pay costs of operating, maintaining
10 and improving the System, but only for such purposes, with one exception. That exception
11 is that payment of the so-called "scoop." As noted below, Section 4.12(viii) provides for
12 the payment of certain "Net Reserve Earnings" from the Residual Fund to the City's
13 General Fund. Earnings from the Debt Reserve Account are transferred from such account
14 to the Residual Fund to fund any payment of the scoop in a fiscal year.
15

16 As noted below, Section 4.12(ii) provides that monies in the Residual Fund may not be
17 transferred to the Revenue Fund or the Rate Stabilization Fund, and therefore cannot be
18 counted in coverage as Net Revenues.
19

20 Capitalized terms used but not otherwise defined have the meanings given to such terms by
21 the 1989 Bond Ordinance.
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28 **RESPONSE PROVIDED BY:** Valerie Allen, Ballard Spahr

1 **PA-V-92.** PLEASE PROVIDE THE LANGUAGE OF THE 1989 GENERAL ORDINANCE
2 ESTABLISHING THE FINANCIAL MANAGEMENT REQUIREMENTS WITH
3 RESPECT TO REQUIRED DEPOSITS INTO THE RESIDUAL FUND.
4

5 **RESPONSE:**

6 Please refer to the 1989 General Ordinance, previously submitted. Capitalized terms used
7 with reference to the 1989 Bond Ordinance and not otherwise defined have the meanings
8 given to such terms by the 1989 Bond Ordinance.
9

10 Section 4.06(i) provides that amounts in the Revenue Fund must be paid to the Residual
11 Fund after compliance with Section 4.06(a) through (h) and the repayment of any interfund
12 loans.
13

14 Pursuant to Section 4.12, amounts on deposit in the Residual Fund may be used at the
15 written direction of the City (i) to pay Operating Expenses; (ii) to fund transfers to any fund
16 or account established hereunder or under a Supplemental Ordinance (other than the
17 Revenue Fund and the Rate Stabilization Fund); (iii) to make payments required under any
18 Exchange Agreement; (iv) for the payment of principal, redemption premium, if any, and
19 interest on any revenue bonds or notes (the proceeds of which were applied in respect of
20 the System) issued under the Act but not under this Ordinance; (v) for the payment of
21 principal, redemption premium, if any, and interest on any General Obligation Bonds; (vi)
22 for the payment of principal, redemption premium, if any, and interest on other general
23 obligation debt issued in respect of the System; (vii) for the payment of amounts due under
24 capitalized leases or similar obligations relating to the System; and (viii) to fund a transfer
25 to the City's "General Fund" in an amount not to exceed the lower of (A) all "Net Reserve
26 Earnings" as defined below or (B) four million nine hundred ninety-four thousand
27 (4,994,000) dollars. "Net Reserve Earnings" shall mean the amount of interest earnings
28 during the Fiscal Year on amounts in the Debt Reserve Account and the Subordinated

1 Bond Fund less the amount of interest earnings during the Fiscal Year on amounts in any
2 such reserve funds and accounts giving rise to a rebate obligation pursuant to Section 148(f)
3 of the Code.
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26 **RESPONSE PROVIDED BY:** Valerie Allen, Ballard Spahr
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