

# Philadelphia Water, Sewer and Storm Water Rate Board

## Hearing Officer Information Requests of PWD, Set I

April 5, 2018

1. In response to Question 24 in PWD Statement 2, Ms. LaBuda recites a number of statements made by bond rating agencies regarding events that could lead to a downgrade. For each statement, please identify the document from which these statements are drawn. If they have been supplied as Attachments or other elements of the Advance Notice, please identify the document and location within the document. If not supplied in the filing, please provide a copy.
2. Footnote 4 on page 17 of PWD Statement 2 states that potential state and federal grants are immaterial to the discussion. Please explain why.
3. On in response to Question 31 in PWD Statement 2, Ms. LaBuda states that if the Department's revenues exceed projections, "the Department should use the excess revenues to grow coverage beyond the stated minimums to improve the cash funding and the Board's decision should enable the Department to grow coverage if this occurs. The Board's decision also should not limit the Department's ability to use potential releases from the debt service reserve account to reduce future borrowing costs."
  - a. Did the Board's decision in the 2016 rate case not enable the Department to grow coverage as described or limit the Department's use of potential releases from the debt service reserve account as described?
  - b. What provisions would be necessary in the Board's decision to enable the Department to grow coverage or use debt service releases to reduce future borrowing costs? What provisions would constitute a decision not to so enable the Department?
4. Per the New Issue Report regarding the issuance of approximately \$293,000,000 Water and Wastewater Revenue Bond (Series 2017, scheduled to sell the week of April 3, 2017), contained in MLB-4, Fitch is quoted as stating that the customer base economic characteristics remain mixed but that, low income levels and high unaccounted-for water persist, "contributing to historically below-average collection rates." Fitch goes on to say, however, that "implementation of automatic meters and other programs have led to improvement in both areas over the past few years." Later, Fitch is quoted as saying that ongoing efforts to reduce water loss include "the implementation of an automatic meter reading system" among other programs. Please describe fully the automatic meter reading system referenced by Fitch, including the technology used to record, communicate and gather water usage data, the manner in which that data is used to assist in water loss reduction, the annual investment to create the system, and the ongoing costs to operate and maintain the system.
5. Does the Department have any intention of installing or beginning to install a new automatic meter reading and meter data management system within the rate period covered in this docket? If so, please describe fully the business plan for such an investment, including the technology to be used to record, communicate and gather water usage data, the manner in which that data will be used to assist in functions of the Department, the annual investment to create the system, and the ongoing costs to operate and maintain the system.
6. New York City appears to be an outlier in the cities compared in the Peer Review. Please recalculate the rankings and other results without including the New York City data. Also, please explain why New York City should be included despite the large differences in its metrics from all the other Peer Review cities.