

1 **PHILADELPHIA WATER DEPARTMENT RESPONSE TO TRANSCRIPT REQUEST**

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3 **TR-15.** PLEASE PROVIDE MORE DETAIL ON ALL OF THE THINGS THAT ARE IN

4 THE EXPENSE CATEGORY THAT MR. MORGAN CALLS “RATE CASE”

5 EXPENSE.

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8 **RESPONSE:**

9 As detailed in response to PA Discovery Set IX, Question 23, the Department’s 2018 rate case

10 budget is \$2,218,000 of which \$1,468,000 is related to professional services provided by various

11 experts. Please see the table below from the discovery response.

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13 **Rate Proceedings Expenses and Proposed Expenses**

	2016 Rate Proceeding Expenses (\$)	2018 Rate Proceeding Budget (\$)
<b>Water Rate Board</b>		
Hearing Officer	62,000	61,980
Board’s Technical Expert	32,000	76,180
Public Advocate	300,000	325,000
Board’s Counsel and Personnel	9,000	120,000
Court Reporting	17,000	25,000
Remaining Budget TDB	-	361,840
<b>Sub-total</b>	<b>\$ 420,000</b>	<b>\$ 970,000</b>
<b>Water Department Consultants and Experts</b>		
Cost of Service, Rate Design, Billing System Reporting, Testimony	1,300,000	1,043,000
Cost of Service Reporting <sup>(1)</sup>		200,000
Financial Advisory	55,000	55,000
PWD Outside Rate Counsel <sup>(2)</sup>	160,000	170,000
City Personnel Cost <sup>(3)</sup>	695,000	750,000
<b>Sub-total</b>	<b>\$ 2,210,000</b>	<b>\$ 2,218,000</b>
<b>TOTAL</b>	<b>\$ 2,630,000</b>	<b>\$ 3,188,000</b>

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26 <sup>(1)</sup> Cost of Service Reporting was included as Billing System Reporting in 2016 Rate Proceeding

27 <sup>(2)</sup> Includes Bond Counsel

28 <sup>(3)</sup> Estimated Amounts used for City Personnel Cost

1 The Department's scope of services with its financial consultants provides the Department with  
2 the ability to work on other items which are not typically completed in tandem with a cost of  
3 service study including and not limited to the following: Engineering and Financial Feasibility  
4 Evaluations completed as part of bond authorizations and debt issuance, Long Term Control Plan  
5 financial modeling support, and Wholesale Contract billing and contract support etc.

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7 The Department's financial advisory and bond counsel contracts provide the Department with  
8 on-going services related to debt issuance, tax compliance, and other on-going services not  
9 related to cost of service and rate cases.

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12 **RESPONSE PROVIDED BY:** Melissa LaBuda, Philadelphia Water Department