

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

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4 **TR-11.** PLEASE IDENTIFY ANY PENNSYLVANIA PUBLIC UTILITIES
5 COMMISSION DECISIONS APPROVING MULTI-YEAR RATE REQUESTS
6 FOR THE PAST 10 YEARS.
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8 **RESPONSE:**

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10 As noted in PWD Rebuttal Statement No. 1, Page 2, Lines 17-19 only state that the
11 Pennsylvania Public Utilities Commission (PA PUC) has seen multi-year requests, but does not
12 state that the PA PUC has approved any multi-year rate requests. It is Black & Veatch's
13 understanding that the PA PUC will hear multi-year requests. This forms the basis of the
14 referenced sentence.
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16 In our response to PA Statement No. 1, PWD Rebuttal Statement No. 1, Questions 4 and 5,
17 state that approval of multi-year rate increases for municipal utilities is a common occurrence.
18 Municipal utilities elect to take this approach for a number of reasons including cost
19 effectiveness of the rate approval process, revenue certainty, and certainty for capital
20 improvement program execution and resource planning. For municipal utilities that have
21 obtained a multi-year approval, the approved annual rate increase goes into effect as an
22 administrative procedure without the need for additional public hearings and/or approval. The
23 table on Page 4 of PWD Rebuttal Statement No. 1, presents a representative list of municipal
24 utilities that follow this practice.
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26 Within the regulated utility sector, utilities such as Xcel Energy and National Grid commonly
27 receive multi-year increases in states such as Minnesota, Colorado, and Rhode Island. The
28 PUC in these jurisdictions approve 3 to 4-year rate increases for these utilities. For regulated

1 water utilities, the Rhode Island PUC routinely approves multi-year 3-step rate increases for
2 Pawtucket Water Supply Board, Kent County Water Authority, Narragansett Bay Commission,
3 and Newport Water. The Rhode Island PUC approves the increases on an annual basis based
4 on a compliance filing.

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7 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC
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