

**PHILADELPHIA WATER DEPARTMENT REBUTTAL TESTIMONY OUTLINE – JEROME K. MIERZWA**

Summary of Rebuttal Testimony - PWD will proffer rebuttal testimony addressing the following subject areas to rebut the contentions of Public Advocate witness Jerome Mierzwa that (1) modifications to the Maximum Day and Maximum Hour factors for the City and City Leased accounts are appropriate; and (2) City and City Leased properties should be assigned a higher revenue increase, and separate water rate schedules be established for the City and City Leased customer types.

The Outline of Rebuttal Issues for Mr. Mierzwa is stated below. PWD rebuttal witnesses include Black & Veatch (B&V) witnesses, David Jagt, Prabha Kumar and Ann Bui. The subject areas to be addressed are noted in the outline.

Outline of Rebuttal Issues

- I. Mr. Mierzwa erroneously concludes that a modification to the Maximum Day and Maximum Hour Demand factors are necessary. (B&V)
  - a. The significant usage in the fourth block by the City and City Leased customer type indicates a relatively flat level of usage.
  - b. The Maximum Day and Maximum Hours factors that have been proposed for the City and City Leased contributes to a System Diversity Factor that is within the acceptable range of 1.10 to 1.40.
  - c. The Maximum Day and Maximum Hour Demand factors proposed in the water cost of service analysis are reasonable.
  
- II. Any recommendation, arising from Mr. Mierzwa's testimony, that separate water rate schedules be established for the City and City Leased properties is mistaken. (B&V)
  - a. Mr. Mierzwa's proposed recommendation entails a Rate Restructuring.
  - b. The Department has retained the Meter Size Based Service charge and a volumetric declining block rate structure in this Rate Proceeding, which is consistent with the rate structures, defined in the previous rate proceedings.
  - c. A comprehensive review of the Water Department's water rate structure will have to necessarily precede establishing a different rate schedule for the City Leased and Other City properties.