BEFORE THE PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

In the Matter of a Proposed Rate Increase in:Water, Sewer and Storm Water Rates:FY 2017-2018 Rates

Public Advocate's Interrogatories & Requests for Production of Documents

Instructions: Please respond to the following Interrogatories and Requests for Production of Documents. Please repeat the interrogatory and provide the name of the person providing the response. Please provide copies of all replies in PDF and/or XLS format via email and/or on CDs.

PA-EXE-175. According to the response to PA-EXE-24, power costs increased by over 35% from 2010 to 2011 and then show unsteady decreases over the next 3 years.

- a. Please explain whether the 2010 2011 increase was due to energy usage or a change in electric rates?
- b. Please provide the annual electric power costs from FY 2010 through FY 2015.
- c. Please provide total annual city power costs from FY 2010 through FY2015.
- d. According to the response to PA-EXE-24, PWD states that "it was decided that a 5% escalation factor would be used to escalate Electric Costs for FY2018 FY2021. This is a reasonable escalation factor based upon both experience and judgment, taking into account the market uncertainty related to electricity and power costs". Is there an analysis showing the calculation of the 5% increase, or is the 5% increase based upon subjective judgment as implied in the response?
- PA-EXE-176. With reference to the response to PA-EXE-26(b), please show how the costs were projected (not a reference) if there are no reports breaking down the costs?
- PA-EXE-177. With reference to the response to PA-EXE-26(c), it states "the additional adjustment amount is due to the increase in the number of properties that require abatement. We have experienced an increase in the number of water main breaks the past 2 fiscal years with this fiscal year on track to reach the same level or higher as FY 15." Please provide the supporting data for this statement which shows the increase in abatement costs, number of properties requiring abatement and the number of water main breaks.
- PA-EXE-178. Reference the response to PA-EXE-36, please provide supporting documentation showing the derivation of the 4.02% from the 3 indices listed in the response. Your response should show the rate used from each of the 3 data sources which was used in the calculation for each of the 7 years.
- PA-EXE-179. According to the response to PA-EXE-37(c), using the 3-year historical average for pension costs would not accurately capture those costs. Please explain why using the 3-year historical average would not accurately capture those costs.
- PA-EXE-180. Please explain whether the Pension Plan is a defined benefit plan or defined contribution Plan?

- PA-EXE-181. Please provide a copy of the most recent pension plan actuarial study.
- PA-EXE-182. Regarding the response to PA-EXE-130, the provided schedule appears to have been duplicated from another record, source, document or workpaper, which includes hyperlinks. Please provide the complete record, source, document or workpaper from which the schedule was duplicated.
- PA-EXE-183. The City's Comprehensive Annual Financial Reports (CAFR) list Equity in Treasurer's Account for Water and Sewer on two separate lines – Current Assets and Non-Current Assets (Restricted Assets). See, e.g., 2014 CAFR, Exhibit VI, Page 33.
 - a. With respect to Equity in Treasurer's Account listed as Current Assets (Water and Sewer), please explain:
 - i. What is the source of this cash (e.g., customer payments, interest earnings, loans, grants, etc.)?
 - b. With respect to Equity in Treasurer's Account listed as Non-Current Assets (Restricted Assets) (Water and Sewer), please explain:
 - i. How reported amounts are determined?
 - ii. What are the component funds, accounts or assets which comprise the amounts reported on this line?
- PA-EXE-184. Please confirm that the \$70 million shown as the Revenue Fund Ending Balance for FY 2016 on Black & Veatch Funds Worksheet "Combined Utility Funds" (PWD Exhibit 6) represents the same \$70 million shown as FY 2016 (Projected B&V) Water Operating Fund Balance on page 15 of PWD's December 2015 Financial Plan (PWD Exhibit 2).
- PA-EXE-185. Please provide a listing of each of the chemicals used in the Department operations. Your response should separate the cost by water, wastewater and stormwater operations and should include the following:
 - a. The total annual cost of each chemical for FY 2012 to FY2015;
 - b. The annual average unit price paid for each chemical for FY 2012 to FY 2015; and
 - c. The annual quantity purchased for each chemical for FY 2012 to FY 2015.
- PA-EXE-186. According to Rate Case Assumptions, the Department is projecting a decrease customer usage during each year of the 6-year period.
 - a. Given that the amount of chemical used is dependent on the quantity of water treated, why is the Department not projecting a corresponding decrease in chemical expense? Please provide all data used to support your response.
 - b. Given that amount of electricity used by the Department is related quantity of water pumped, why is the Department not projecting a corresponding decrease in electricity expense? Please provide all data used to support your response.