

**RESPONSE TO PUBLIC ADVOCATE'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

PA-EXE-36. Please provide detailed support for the statement: "The FY2018 to FY2021 capital program costs are inflated at 4% on an annual basis in accordance with the Water Departments' CIP projections."

Response: The CIP reflects 4% rate of inflation. As part of the CSO affordability analysis, the Water Department looked at the construction cost index from 3 different sources (Handy Whitman, ENR, and R.S. Means) over a 7 year period. The average annual inflation rate of the 3 indices was 4.02%.

Response Provided by: Stephen J. Furtek