

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

PA-RDC-4. Please provide Department accounts receivable aging reports by month for the most recent 36 months available, including within each aging bucket: (a) the number of accounts; (b) the dollars of receivable; and (c) the average balance per account.

Response: Due to the voluminous nature of the request, copies of the Accounts Receivable Aging reports will be provided to Parties upon request in CD form. Please note there are no reports available that capture data for “(c) the average balance per account.”

Response Provided By: Michelle Bethel, Water Revenue Bureau

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

PA-RDC-5. Please provide a usage distribution by month for the most recent 36 months available, including within each distribution range: (a) the number of accounts; (b) the aggregate consumption within that range; (c) the average consumption within that range; and (d) the average bill within that range.

Response: The PWD produced a report on tiered usage for the rate setting process as a task within the Management Audit. This report was provided in exhibit 2 of Henrietta Locklear’s testimony (HL-2), in Appendix D, which contains the reports Digest, describing the production of the reports and printouts of the reports themselves. The report provided was produced for Fiscal Year 2014. It shows the number of bills, volume of water usage, and total water charges within each tier of the current rate structure and thus provides data to satisfy (a) and (b) above. Items (c) and (d) can be calculated from the data provided. We are providing an electronic workbook of this cost of service report.

In response to an earlier data request from Mr. Colton, the PWD also produced a report for FY2014 “a distribution of residential water accounts by water consumption levels in ranges of 3 CCF.” We are providing an electronic workbook of this report as attachment Response PA-RDC-5.

Response Provided By: Henrietta Locklear, Raftelis Financial Consultants, Inc.

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

PA-RDC-6. Please provide, by year for the most three years available, all collectability studies provided assessing the rate at which the Department converts billings into collected revenue.

Response: The PWD produced reports on collections percentages for the rate setting process as a task within the Management Audit. These reports were provided in exhibit 2 of Henrietta Locklear's testimony (HL-2), in Appendix D, which contains the reports Digest, describing the production of the reports and printouts of the reports themselves. Collections percentages are found in Report 3, Collection Factor Report, and Report 4, Customer Category Payment Pattern Report. Electronic files are provided with the response to PA-EXE-41.

Response Provided By: Henrietta Locklear, Raftelis Financial Consultants, Inc.

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

PA-RDC-7. Please provide a copy of each residential customer segmentation study performed by or on behalf of the Department within the past three years, in which customer segments were assessed: (a) by income; (b) by payment patterns; or (c) by customer demographics.

Response: Raftelis Financial Consultants (RFC) analyzed residential customer segmentation by income to approximate lost revenue costs related to the Customer Affordability Program. Results of the analysis are provided in the Direct Testimony of Jon Davis (beginning on p. 4) of the Rate Case submission. RFC also prepared some payment patterns reporting looking at collections factors by year for the residential customer category. A discussion of the payment patterns reporting is provided in the Direct Testimony of Henrietta Locklear (HL-2 Appendix D, 4 REVISED (Summary) pp. 2-4) of the Rate Case submission.

Response Provided By: Jon Davis, Raftelis Financial Consultants

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

PA-RDC-8. Please provide each payment option available to a residential customer (e.g., on-line, credit card, third-party pay station, vending machine, cash at PWD office,) and the fee, if any, charged to exercise that option. For each payment option, provide by month for the most recent 36 months available: (a) the number of payments made using that option; and (b) the dollars of payments made using each option. If this data is not available for each option identified in response to this question, provide what data is available.

Response: See information about payment methods and payment processing in exhibit 2 of Henrietta Locklear’s testimony (HL-2), on page 61, Section 4.3.2.1. Data on the number of payments and dollars of payments are not available. However, to contextualize the overall volume of the top payment options used, please refer to exhibit 2 of Henrietta Locklear’s testimony (HL-2), Appendix C, p 23, second table, which shows the number of transactions in the credit lines table of basis2 (the table where payment data are stored) for the top ten credit transaction types. The top five of these credit transaction types are customer payment methods:

- REMITPRO (Remitpro)
- ZP (Zip Phone)
- POS (point of sale)
- ZC (Zip Check)
- WEB (Web payments)

There is no City fee for customers that pay with check through the mail. (Remit Pro column in Payment Option Report)

There is no City fee for customers that pay through our Outside Collection Agencies. (Collect Agencies column in Payment Option Report)

There is no City fee for group billing customers that pay by check. (Group Billings column in Payment Option Report)

There is a City fee for customers that pay on-line using E-Check. (See chart below for fees) (E Check column in Payment Option Report)

There is no City fee for customers that pay by phone, through their bank, or third party pay stations. (Zip Phone column in Payment Option Report)

There is no City fee for customers that enroll in the City’s automatic monthly payment program. (Zip Check column in Payment Option Report)

There is a City fee for customers that pay using credit cards. (See chart below for fees) (Credit Card column in Payment Option Report)

There is no City fee for customers that pay with cash at the Municipal Service Building or by check at Municipal Service Building and the Satellite Offices. (POS column in Payment Option Report)

Residential customer fees	
Credit or debit card	\$3.95
E-Check	\$0.35
Commercial customer fees	
Credit or debit card	\$13.95
E-Check	\$0.35

Please see attachment Response RDC-8 FY13_FY14_FY15 Payment Option Report.

Response Provided By: Henrietta Locklear, Raftelis Financial Consultants and Michelle Bethel, Water Revenue Bureau.

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

PA-RDC-9. Please provide each customer satisfaction survey performed within the past 36 months, including but not limited to each point-of-contact customer satisfaction survey.

Response: See Response Attachment.

Response Provided By: Joanne Dahme, Philadelphia Water Department

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

PA-RDC-10. Please identify each residential customer service fee imposed, including any late payment charge. Separately provide the cost-justification for such fee.

Response: See PWD regulations Chapter 3 for fees and charges not detailed below. The charges have not changed since the last rate proceeding,

Description	Fee Amount
Lien Fee (administrative fee for accounts that carry balances over \$200.00)	\$10.00
Bad Check Fee (administrative fee for checks returned by customer’s bank)	\$20.00
Penalty (regulatory fee for delinquent payments, see Philadelphia Code 19-1606(2))	Varies 5% on first 30 days of delinquency 0.5% until payment in full

Response Provided By: Michelle Bethel, Water Revenue Bureau.

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

PA-RDC-11. For each customer fee identified in response to the immediately preceding question, please provide for the most recent 36 months available: (a) the number of accounts being charged that fee; and (b) the aggregate dollars charged for that fee.

Response: Please note there are no reports available that capture this data.

Response Provided By: Michelle Bethel, Water Revenue Bureau

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

PA-RDC-12. Please provide by month for the most recent 36 months available by customer class to the extent available: (a) the number of liens filed for unpaid water bills; (b) the number of liens paid-off; (c) the dollars of liens filed for unpaid water bills; and (d) the dollars of liens paid-off.

Response: See response attachment RDC 12 Lien Response RDC-12 FY13_FY14_FY15 Lien Report. Please note there are no reports available that capture data for “(b) the number of liens paid-off” and “(d) the dollars of liens paid-off.”

Response Provided By: Michelle Bethel, Water Revenue Bureau

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

PA-RDC-13. Please provide by year for the most recent three years available: (a) a description of each residential water conservation program operated by the Department; (b) the budget for each such program; (c) the total aggregate annual usage reduction achieved by each such program; (d) the average annual percentage per-unit usage reduction achieved by each such program; (e) the average annual percentage per-unit usage reduction achieved by each such program; (f) the average per-unit bill reduction achieved by each such program; and (g) the average annual per-unit bill reduction achieved by each such program.

Response: Since 1986, the Philadelphia Water Department’s Low Income Conservation Assistance Program (LICAP) has been providing water conservation services to approximately 1,500 low income families each year in Philadelphia. The program starts with a home audit, which often reflects infrastructure weakness such as leaking water pipes and faucets. The program includes water usage education for the household and results in an average reduction of 25% in water usage. Applicants to the LICAP Program must have an outstanding balance of less than \$1000. They must apply for the Water Revenue Assistance Program sponsored by the Water Revenue Bureau and must be certified as in a payment agreement for six months. If eligible, applicants must also apply for the Senior Citizen Discount. In FY13 and FY14, PWD added the offer of rain barrels to LICAP customers. However, since FY15, rain barrel giveaway and installations are a component of PWD’s Residential Stormwater Management and Education Program (Raincheck).

Following are the number of customers served and budget for the three most recent fiscal years:

FY13 – 1,489 customers with budget of \$577,000 (including rain barrels)

FY14 – 2,374 customers with budget of \$464,800 (including rain barrels)

FY15 – 1,229 customers with budget of \$419,000 (rain barrels removed)

In FY16, PWD has contracted with a new entity to implement the LICAP. The new contract will be underway by late winter. Under the new contract, the information requested in (c), (d), (e), (f) and (g) will be reported on a twice a year basis.

Response Provided By: Joanne Dahme, Philadelphia Water Department

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

PA-RDC-14. Please provide a detailed explanation of the order in which customer payments are applied against various components of an account balance. Indicate, for example, whether late payment charges are paid before usage charges, whether unpaid balances are paid in the order in which they were incurred, etc. Provide all tariff sheets and/or regulatory orders describing and/or approving the posting order that is utilized.

Response: All payments are applied to charges from the oldest unpaid debt to the newest unpaid debt. When a payment is applied to charges that all have the same date, the payment is applied in the following order:

1. Sundry invoices (these are charges for bad check fees and lien fees)
2. Penalties and interest
3. Stormwater charges
4. Water and sewer service and usage charges
 - i. Sewer Service
 - ii. Water Service
 - iii. Sewer Usage
 - iv. Water Usage
5. Payments against debt covered by a payment agreement.

Additionally, see information about order of payment in exhibit 2 of Henrietta Locklear's testimony (HL-2), on page Page 64 section 4.3.2.3.

Response Provided By: Michelle Bethel, Water Revenue Bureau and Henrietta Locklear, Raftelis Financial Consultants

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

PA-RDC-15. By month for each the most recent 36 months available, please provide:

- (a) The number of new deferred payment arrangements entered into;
- (b) The average downpayment (in dollars) of deferred payment arrangements entered into disaggregated by the arrearages at the time the deferred payment arrangement is sought;
- (c) The average term (in months) of deferred payment arrangements entered into;
- (d) The average dollar amount of arrears made subject to the deferred payment arrangement disaggregated by their term (in months) of the payment arrangement agreement;
- (e) The average monthly installment of deferred payment arrangements disaggregated by their term (in months) of the payment arrangement agreement;
- (f) The distribution of new deferred payment arrangements by their term (in months);
- (g) The number of defaulted deferred payment arrangements;
- (h) The number of defaulted deferred payment arrangements disaggregated by their term (in months) of the payment arrangement agreement;
- (i) The number of completed (or “successful”) deferred payment arrangements disaggregated by their term (in months) of the payment arrangement agreement.

Response: See response attachment RDC-15 FY13_FY14_FY15 Active Payment Agreement Totals. Please note that there are no reports available that capture data on a monthly basis, so the data is reported annually. Please note there are no reports available that capture data for subsections (b) through (i).

Response Provided By: Michelle Bethel, Water Revenue Bureau