

Philadelphia Water Department Rate Board Hearing
April 12, 2016

CITY OF PHILADELPHIA
PHILADELPHIA WATER DEPARTMENT PRESENTATION
RATE BOARD HEARING
Tuesday, April 12, 2016
MINUTES of FORMAL HEARING

- - -

LOCATION: 1515 Arch Street, 17th Floor
Philadelphia, Pennsylvania

REPORTED BY: ANGELA M. KING, RPR
Registered Professional Reporter

- - -

HELD BEFORE:

NANCY BROCKWAY - HEARING OFFICER
BERNARD BRUNWASSER - CHAIR
SONNY POPOWSKY, BOARD MEMBER
MICHAEL CHAPMAN, BOARD MEMBER

ALSO PRESENT:

FRANCIS BECKLEY, BOARD COUNSEL
COMMUNITY LEGAL SERVICES MEMBERS
BLACK & VEATCH MEMBERS
WATER DEPARTMENT MEMBERS
LAW DEPARTMENT MEMBERS
RAFTELIS MEMBERS
REVENUE BUREAU MEMBERS

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1 - - -

2 HEARING OFFICER: Morning everybody.
3 Certainly, loosen your ties, take off your
4 jackets, whatever, it's hot in here. This is the
5 continuation of the technical hearings on the
6 application of Philadelphia Water Department for
7 increased rates and related charges for Fiscal 17
8 and 18. And I believe this morning, Mr. Dasent,
9 has some witnesses he will put forward.

10 MR. DASENT: Yes. Just a moment
11 beforehand, some housekeeping. The TR 5
12 Transcript Response which the Public Advocate
13 supplied which is the revised rate model from
14 Mr. Lafayette Morgan's testimony, we would like
15 for it to be included in the record. And we had
16 some concerns about confidentiality agreement.
17 But Black & Veatch agreed that it could come in,
18 the revised model. And so, we would ask it in
19 its entirety be included so we can see all the
20 schedules.

21 HEARING OFFICER: Well, that has been
22 submitted electronically?

23 MR. BALLENGER: Yes, Madam Hearing
24 Officer. I distributed that to Mr. Dasent. I
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1 believe I copied you on that correspondence want
2 to say on Friday last week. But if not, I can
3 certainly resend.

4 HEARING OFFICER: Well, the thing to do
5 would be to send to it Francis if you can do
6 that.

7 MR. BALLENGER: Okay.

8 HEARING OFFICER: Thanks. Anything
9 else?

10 MR. DASENT: Nothing more.

11 MS. BECKLEY: Is this something you need
12 right now?

13 HEARING OFFICER: No.

14 MS. PICKENS: Madam Hearing Officer, we
15 had a matter errata sheet for Mr. Colton's
16 testimony. We didn't bring the copies. And I
17 would like to just read it onto the record. It's
18 a simple change.

19 HEARING OFFICER: Okay.

20 MS. PICKENS: On page 74 of the direct
21 testimony.

22 HEARING OFFICER: Excuse me. I am going
23 to try to follow along with this testimony. It
24 was very long, so give us all a chance to find
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1 the page.

2 MS. PICKENS: Okay. It was actually
3 page 79, line 4. And it's simply to change the
4 word "no" in that sentence. I recommend that no
5 account on which the -- be changed to the word
6 "every."

7 HEARING OFFICER: I was going to ask
8 about that.

9 MS. PICKENS: And we have a prepared
10 errata sheet we can circulate by email.

11 HEARING OFFICER: Actually, I don't
12 think you're going to have to. It's in the
13 transcript, unless you have a lot of them.

14 MS. PICKENS: No. It's the only one.

15 HEARING OFFICER: Okay, great. Thank
16 you. Now, Mr. Dasent.

17 MR. MEARS: Yes. We would like to mark
18 for identification today PWD Statement 8. It has
19 three parts, the direct testimony of Jon Davis
20 and the attachments related thereto; also the
21 direct testimony of Henrietta Locklear; and the
22 direct testimony of Bart Kreps. They are all RFC
23 Consultant, financial consultant witnesses. Jon
24 Davis will sponsor all of their testimony to
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1 adopt some by his testimony today. And with
2 that, he's proffered for cross-examination.

3 HEARING OFFICER: Thank you very much.
4 Questions from the Public Advocate.

5 MS. PICKENS: Yes.

6 My name is Josie Pickens. And I will
7 along with Thu Tran, we are going to be
8 questioning the panel today. I know you guys
9 want to hear a change of pace, change of voice,
10 so figure we will give you that.

11 We have an exhibit for circulation,
12 Hearing Exhibit 5. Has a number of pages. I
13 believe we will move pretty quickly through them.

14 MS. BECKLEY: Do we need additional
15 copies of that?

16 HEARING OFFICER: Off the record.

17 - - -

18 (At this time, discussion off the record.)

19 - - -

20 HEARING OFFICER: We are back on the
21 record.

22 (Cross-Examination of Jon Davis.)

23 BY MS. PICKENS:

24 Q. Mr. Davis, do you have a copy of the Hearing
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1 Exhibit?

2 A. Yes.

3 Q. I want to jump into page 1 of the exhibit. This
4 is the work paper you supplied to us in response to
5 PA-RDC 60.

6 Does that look like what you remember providing?

7 A. Yes. Is it exactly the same?

8 Q. Yes. It hasn't been changed?

9 HEARING OFFICER: RDC 60.

10 BY MS. PICKENS:

11 Q. And that is the discover request the Public
12 Advocate asked you to provide the underlying tables
13 to support the discount proposal in your testimony;
14 is that right?

15 A. Yes.

16 Q. Just to confirm, when the column that says
17 Affordability Threshold, that means that you
18 targeted 2, 3 and 4 percent of income earnings in
19 calculating the discounts in your proposal?

20 A. That's correct.

21 HEARING OFFICER: I'm sorry to break in.
22 But I thought it was 2, 4 and 3. I thought there
23 was some testimony about how things were turned
24 around. So is this -- one of those two is not
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1 accurate, or I'm looking at something different.

2 Can somebody help me out?

3 MR. DAVIS: I think we will get to that.

4 HEARING OFFICER: Thanks.

5 MS. PICKENS: Or you may have another
6 question after we're done.

7 BY MS. PICKENS:

8 Q. So then on this page, the bottom of the page 1 of
9 the Hearing Exhibit, there is total plan cost at
10 100 percent subscription at RFC 80 percent
11 confidence level and at PGW subscription; is that
12 right?

13 A. That's correct.

14 Q. And you projected loss revenue of \$16.3 million
15 under the new I-WRAP; is that right?

16 A. That is correct.

17 HEARING OFFICER: So, that's the RFC
18 80 percent?

19 MR. DAVIS: That's the 80 percent
20 confidence level. That's not the projection.

21 BY MS. PICKENS:

22 Q. What this information does tell us is that the
23 subscription level at the 80 percent confidence
24 level is higher than the subscription level at the
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1 PGW subscription level?

2 A. That -- that goes to the way the confidence
3 interval was based. It was not based on the
4 specific subscription level. It was based on the
5 confidence of achieving a certain revenue of it.

6 Q. Okay. I have some more questions about it.

7 Do you remember that in discovery, the Public
8 Advocate asked you to provide a list of
9 jurisdictions with subscription levels that were
10 equal to or above the projected level that the
11 Department is using to assess its lost revenue in
12 this case?

13 A. Yes.

14 Q. That was PA-RDC 67, and that directed us to RDC
15 63. And that directed us to a series of reports, is
16 that right, subject to check?

17 A. I believe so.

18 Q. But you did not provide us with a list of
19 jurisdictions where a Water Affordability Program
20 subscription levels were equal or to above what
21 you're projecting in this case?

22 A. The only subscription levels that we used is --
23 were included in the model were those that we
24 received from PGW. They're shown in the model of
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1 them -- the revenue numbers that we show in the
2 model go to the way in which we did the analysis.
3 So, they're not based on any subscription numbers
4 other than those provided by PGW.

5 Q. Okay. I want to take a look at what you did
6 provide us in response to a request for a list of
7 jurisdictions. You provided with the next six
8 pages. This is a report. And it goes to your
9 simulation results; is that right?

10 A. That's correct.

11 HEARING OFFICER: Simulation results?

12 MS. PICKENS: Yes.

13 BY MS. PICKENS:

14 Q. But it does not contain any list of
15 jurisdictions?

16 A. That's correct.

17 Q. And then on page 7, you provided us with a
18 another work paper and that was labeled Data; is
19 that correct?

20 We are on page 8. My apologies.

21 HEARING OFFICER: This is page 8 of
22 Public Advocate Hearing Exhibit 5.

23 MR. DAVIS: Is this 8 of 12? I don't
24 see a 7.

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1 BY MS. PICKENS:

2 Q. Yes.

3 A. Eight of 12.

4 Q. Are we on the same page?

5 A. Yes.

6 Q. And then when you look at the 80 percentile and
7 you see the Lost Revenue Column, there's a lost
8 revenue cost of 16,316,242; is that right?

9 A. That's correct, yes.

10 Q. Is that the same 16.3 that you projected in your
11 testimony?

12 A. Yes. We rounded.

13 Q. And on this page, there are subscription rates
14 set out next to that lost revenue -- 16.3 lost
15 revenue?

16 A. Yes.

17 Q. So Tier 2 Subscription, in order to arrive at the
18 lost revenue calculation, Tier 2 Subscription would
19 be 90 percent.

20 Is that what that means?

21 A. That would be a possibility under the way that we
22 design that, yes.

23 Q. And Tier 2, although the tiers are out of order,
24 Tier 2 is the 50 to 100 tier?

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1 A. That is correct.

2 Q. And Tier 3 is the 100 to 150 tier?

3 A. That is correct.

4 Q. And Tier 1 is the 0 to 50 tier?

5 A. That's correct.

6 Q. The subscription rates on Tier 2 are 90.3; for
7 Tier 3, 54.4; and for Tier 1, 73.5?

8 A. Yes.

9 HEARING OFFICER: Go off the record.

10 - - -

11 (Discussion was held off the record.)

12 - - -

13 HEARING OFFICER: Back on the record.

14 BY MS. PICKENS:

15 Q. Is it fair to say that you didn't provide us with
16 a single jurisdiction with subscription rates at
17 that level?

18 A. That's not the way we did the analysis. So
19 that's -- we did not provide any subscription rates
20 at that level.

21 Q. Have you identified any jurisdiction with the
22 subscription rate at that level?

23 A. We don't -- that's not the way we did the
24 analysis. Those are not intended to be subscription
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1 rates the way you are categorizing them.

2 HEARING OFFICER: "Those" meaning the
3 percentages on page 8 of 12 of PA Exhibit 5?

4 MR. DAVIS: Correct.

5 BY MS. PICKENS:

6 Q. Okay. I want to talk about the calculation
7 simulation because I think it's a point of
8 confusion, and I'm hoping you can help us clarify.

9 In your testimony, you say that the subscription
10 at each tier could vary; is that right?

11 A. That's correct.

12 Q. So, you ran a simulation to look at all of the
13 possible distributions that could result?

14 A. That's correct.

15 Q. And then you projected your lost revenue at a
16 level that would cover 80 percent of all possible
17 outcomes?

18 A. That is correct.

19 Q. And what you provided us on pages 9 and 10 of
20 this hearing exhibit, do you accept that as the
21 first 100 trials that were run in your simulation,
22 subject to check?

23 A. Yeah. I believe there were 20,000 or so.

24 Q. You provided us with all 20,000 of those?

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1 A. In electronic form, yes.

2 Q. Okay. And nothing in this data gives us a
3 jurisdiction where these rates -- where there are
4 rates higher than or the same as what the Department
5 projects? Subscription rates, I should say.

6 A. There is nothing that corresponds to the
7 subscription rate at the 80 percent confidence
8 level.

9 Q. Okay.

10 HEARING OFFICER: I don't think that was
11 the question. Was the question, is there a
12 jurisdiction listed in these hundred?

13 MS. PICKENS: In these 20,000 trials.

14 HEARING OFFICER: I think the answer was
15 not the answer to that question.

16 MR. DAVIS: Yeah. There are no
17 jurisdictions at all -- in here at all, so no.

18 HEARING OFFICER: This is the Monte
19 Carlo simulation?

20 MR. DAVIS: Yes.

21 BY MS. PICKENS:

22 Q. And the reason I'm asking you these questions is
23 because although you answered our data request, what
24 you provided us with is not responsive.

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1 Would you agree?

2 A. We provided what we had.

3 Q. Okay. So that we understand how the simulation
4 works, the Lost Revenue Cost Column on pages 9 and
5 10, those are the discounts that will result if a
6 subscription is what you're projecting it to be in
7 those Tier 2, Tier 3 and Tier 1 categories?

8 A. That is correct.

9 Q. Okay. So if you were to take the Lost Revenue
10 Costs Column and scored it from least to greatest,
11 your 80 percent means that the 80 percent of those
12 trials with the lowest dollar amounts in the column
13 will be covered by your projected revenue?

14 A. That's correct.

15 Q. So put that another way, 16,000 of the trials
16 would have revenue that could be captured under your
17 projection?

18 A. Correct.

19 Q. So then going to page 11. Are you willing to
20 accept, subject to check, that the highlighted row
21 is the 16,000 trial?

22 A. With the --

23 Q. If we were to score?

24 A. Lost revenue sorted lowest to highest?

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1 Q. Yes.

2 A. (Witness nods head.)

3 Q. Again there we see -- I was told you didn't
4 answer.

5 A. Subject to check, that number matches the number
6 for the 80 percentile.

7 Q. And then when you go over to the Tier 2
8 Subscription, is 88.5 percent; Tier 3 is
9 53.4 percent; and Tier 1 is 67.7.

10 A. Correct.

11 Q. And that 16.3 is the 16.3 referenced in your
12 testimony?

13 A. That is correct.

14 Q. Or the cost of the I-WRAP discount?

15 A. The rounded, right.

16 Q. Okay.

17 A. The unrounded version, I guess, of the number in
18 the testimony.

19 Q. And then on the lost page -- I told you we were
20 going to move pretty quickly.

21 This is another work paper that you provided us
22 to in response to RDC 60; is that right?

23 A. That is correct.

24 Q. And that was titled Account Impact just so that
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1 you can locate it if you need to.

2 A. Yes, I have it.

3 Q. And on the far right, there is a column that says
4 PGW?

5 A. That is correct.

6 Q. And those are the subscription rates for PGW's
7 CRP, Customer Responsibility Program?

8 A. That is correct.

9 Q. And those are 50 for Tier 1, 84 for Tier 2, and
10 36 for Tier 3 --

11 A. That is correct.

12 Q. -- is that correct?

13 A. Uh-huh.

14 Q. So, Mr. Davis, would you -- subject to check,
15 that if we used the PGW participation figures in
16 your scenario, the most expensive scenario would
17 cost about \$13,591,050?

18 A. I would agree that if we used the PGW numbers you
19 cited from the account impact tab, it would be a
20 50 percent chance of recovering enough revenue. And
21 there would be a 50 percent chance of the lost
22 revenue being in excess of the numbers generated.

23 Q. If you use the PGW scenario, so that I
24 understand, there would be a 50 percent chance that
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1 your projected revenue would be -- can you finish
2 that, because I didn't catch it?

3 A. Yeah. There would be -- if we go back to the
4 confidence level and we use an 80 percent confidence
5 level, if we use the PGW numbers, that would be your
6 50 percent confidence of getting the revenue.

7 Q. Okay. And to think about that another way, there
8 would only be 1,943 scenarios out of the 20,000,
9 subject to check, that match the criteria of PGW
10 subscription rates.

11 And I know you don't have all 20,000 in front of
12 you, but subject to check, there would not be 16,000
13 situations where the revenue would be --

14 A. Can you -- I'm sorry. I'm not understanding the
15 question.

16 Q. Under PGW subscription rates, the maximum cost in
17 your Lost Revenue Column would have been
18 \$13,591,050.

19 A. You're going back to the, I guess, the first
20 spreadsheet and you're looking at the PGW
21 subscription down at the bottom?

22 Q. Right.

23 A. Yes.

24 Q. Plugging that into your simulation and looking at
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1 what kind of costs we get when those are the
2 subscription rates, and the max cost we get is
3 13,591,050; is that right?

4 A. Yes.

5 HEARING OFFICER: For the record, I
6 think the PGW was referring to page 1 of 12?

7 MR. DAVIS: Yes. That's what I'm
8 reading.

9 BY MS. PICKENS:

10 Q. You are looking at page 12 of 12 to get the
11 actual PGW subscription numbers because you provided
12 them to us in your table.

13 A. Right. So if I -- if you're asking if I used the
14 PGW subscription numbers on 12 of 12, I should get
15 the total plan costs on page 1 of 12 on the row
16 labeled at PGW Subscription.

17 Q. Right. And when we did the --

18 MR. DASENT: Just for the record,
19 referring to page 1 of 12 on your Hearing Exhibit
20 5, the PGW number is 13,687,483.

21 MS. PICKENS: Okay.

22 BY MS. PICKENS:

23 Q. That was what you confirmed as your maximum
24 subscription as your lost revenue under that
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1 subscription. Page 1 is your presentation?

2 A. That would be -- that would be the lost revenue
3 under the PGW Subscription shown on 12 of 12, yes.

4 HEARING OFFICER: So I don't get lost
5 when I'm writing this up, when you were asking
6 the question about lost revenue at PGW
7 assumptions, I didn't see any place other than
8 page 1 of 12 where that appeared.

9 Is that what you were looking at?

10 MS. PICKENS: I had not provided that in
11 one of the exhibits. I was looking at the PGW
12 subscription rates that are listed on Mr. Davis'
13 work paper.

14 HEARING OFFICER: Uh-huh.

15 MS. PICKENS: And then I was asking him
16 to tell me, subject to check, if we were to plug
17 those numbers into the Monte Carlo simulation,
18 whether the max that we would get is a cost of
19 13,591,00.

20 MR. DAVIS: I believe it would be
21 13,687,000 subject to check as we see on page 1
22 of 12. You would need the Monte Carlo
23 simulation. You would just plug in those
24 subscriptions.

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1 BY MS. PICKENS:

2 Q. Would you agree -- would you -- we would like to
3 do a transcript request. And we would like you to
4 look at the plugging in the subscription rates into
5 the simulation to confirm whether or not the PGW
6 subscription rates would give you a max cost of
7 \$13,591,050.

8 Is that something you can do?

9 A. I don't think I'm understanding exactly how that
10 would work. If you're plugging in the subscription
11 rates for each tier from the PGW numbers, you would
12 get the 13,687,483 shown on page 1 of 12. There is
13 no variability in the PGW subscription rate shown on
14 page 12 of 12.

15 The Monte Carlo simulation is only used when
16 there is a variability within the subscriptions.

17 Q. There is a scenario that is referenced No. 7332
18 in the simulation. And that is the basis for our
19 13,591,050. And what we did there is we looked at
20 the trials that had subscription rates that are
21 equal to PGW's. And we looked at the maximum lost
22 revenue.

23 HEARING OFFICER: Before you go further,
24 are you referring to anything that appears on
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1 page 11 of 12?

2 MS. PICKENS: No.

3 HEARING OFFICER: Okay.

4 MS. PICKENS: The two pages of the
5 trials are on pages 9 and 10. Give you an
6 example of what it is we are trying to address.

7 HEARING OFFICER: Can you then state
8 what you just stated again while I'm looking at
9 this?

10 MS. PICKENS: Sure.

11 BY MS. PICKENS:

12 Q. Now that we know PGW subscription rates which we
13 got from page 12 of the Hearing Exhibit, we can take
14 those numbers and plug them into the simulation,
15 locate them in a simulation. Under the Tier 2, Tier
16 3, Tier 1 subscription we can locate them. You
17 don't have the full 20,000 of these. That's why you
18 are not able to see all the possibility.

19 But if you were to do that, the maximum lost
20 revenue cost at those PGW subscriptions would be
21 \$3,591,050[sic].

22 HEARING OFFICER: 13,591,050.

23 MR. DAVIS: I think we are very close.

24 If we actually take those subscription rates, we
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1 plug those in, we come up with 13,687,483. It's
2 just some rounding that would make up that
3 difference. I'm agreeing --

4 MS. PICKENS: Okay.

5 MR. DAVIS: -- in principal with you.

6 BY MS. PICKENS:

7 Q. The main point of this discussion is that there
8 wouldn't be 16,000 scenarios that cover the lost
9 revenue projection if you used PGW's numbers?

10 A. If we use PGW -- I'm not -- I'm not going to cite
11 which -- which number of the 20,000 trials would
12 come closest to the PGW actual assumptions for
13 subscription, so.

14 Q. Would you be willing to agree, subject to check,
15 that there are less than 2,000 scenarios that meet
16 all of three of the PGW subscription criteria?

17 A. That is immaterial to meet all three of the --
18 each of them varies independently. So I don't
19 understand how -- how meeting all three of the
20 criteria would be required.

21 Q. Essentially, if you had PGW subscription rates in
22 your program, then the lost revenue would not be
23 16 million?

24 A. It would be 13.6/13.7 million.
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1 Q. And many of the 16,000 scenarios that you ran to
2 get to your 80 percent confidence level have lost
3 revenue that is above 13,600,000 and change?

4 A. The PGW subscription shown on page 12 of 12, if
5 running the scenarios, should give you a 50 percent
6 confidence of hitting that revenue number. So if
7 you look at the difference between the 13,687,000
8 number on page 1 of 12 and you compare that to the
9 16.3 million, that's difference between the
10 50 percent confidence and an 80 percent confidence.

11 HEARING OFFICER: Can you slow down for
12 just a minute, so we can follow?

13 So page 1 of 12. Can you -- I'm sorry.
14 Can you repeat that?

15 MR. DAVIS: If you look -- if you use --
16 the PGW subscription rates were the most likely
17 numbers on which we base the variability of the
18 subscription rates by tier. So, there was
19 variability. It could either be lower than the
20 PGW number or higher than the PGW number.

21 The PGW number was the median, so it
22 would represent a 50 percent confidence if you
23 used just those rates. Would be about a
24 50 percent confidence that -- that you would hit
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1 that revenue number. So if you go back to page 1
2 of 12 and you compare the 13,687,000 which would
3 be the, in this case, the lost revenue under the
4 PGW numbers, compare that to the row above it,
5 the RFC 80 percent confidence interval of 16.3
6 million. The difference between those two
7 numbers is a 50 percent confidence versus an
8 80 percent confidence.

9 HEARING OFFICER: Thank you.

10 BY MS. PICKENS:

11 Q. And your page 4 of the -- your original page 4
12 but page 5 of our exhibit at 50 percent confidence
13 level, the forecast is actually 14,708,917?

14 HEARING OFFICER: Where are you?

15 MS. PICKENS: I'm on page 5 of the
16 Hearing Exhibit of the 50th percentile.

17 BY MS. PICKENS:

18 Q. You just stated that that would be 13 million.

19 A. Right. And I misspoke. The numbers are skewed a
20 little bit. The distributions are not even around
21 the PGW numbers. That doesn't, in fact, account for
22 that.

23 HEARING OFFICER: I'm sorry. Say that
24 again?

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1 Go off the record.

2 - - -

3 (Discussion was held off the record.)

4 - - -

5 HEARING OFFICER: Go back on the record.

6 If you can repeat that.

7 MR. DAVIS: What was the question again?

8 I'm sorry. The 50 percent confidence from page
9 4, yes, it is -- I'm sorry, it is higher than the
10 PGW subscription numbers that we -- that's
11 because the distributions around the variability
12 and subscriptions are skewed a little bit to the
13 high side.

14 HEARING OFFICER: This is page 5 of 12?

15 MR. DAVIS: Five of 12, yes.

16 BY MS. PICKENS:

17 Q. To close this point out.

18 Of the 16,000 scenarios, about 14,057 of them, I
19 am going to ask you to subject to check, would have
20 lost revenue projections above what they would be at
21 the PGW participation rates?

22 A. Well, if I'm -- if I'm using this, it looks like
23 our number at the PGW would fall into about the 30th
24 percentile. So, 30 percent of the trials wouldn't
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1 be below. Is that similar to the number that you
2 said of the 20,000.

3 Q. 30 percent of 20,000.

4 HEARING OFFICER: That's a math
5 question. We can certainly do the math. I mean,
6 6,000.

7 MS. PICKENS: Okay.

8 HEARING OFFICER: You all will have to
9 explain, so what.

10 BY MS. PICKENS:

11 Q. We're going to move on.

12 The main goal of that is to establish that a PGW
13 subscription rate would have yielded lower projected
14 lost costs?

15 A. That is correct, yes.

16 Q. Now we in the Public Advocate -- and I apologize
17 for saying "we." The Public Advocate asked you to
18 provide information about I-WRAP costs in discovery.
19 This is mainly so that the Board knows where to
20 look. I'm referring to RDC 60, 61, 62, 66 and 68.

21 And in all of those responses you directed us
22 back to RDC 60, which is the first and last page of
23 what we provided here; is that right?

24 A. Are you talking about the fixed cost for the
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1 ongoing startup in the administration costs?

2 Q. All of the questions pertaining to how you
3 arrived at your costs, you directed us to RDC 60 to
4 capture that data.

5 A. Uh-huh.

6 Q. On page 3 of your testimony, you say that one
7 objective of the Affordability Program is to provide
8 meaningful assistance to low income customers.

9 But you would agree that when the Public Advocate
10 asked you for all documentation that could be used
11 to objectively determine when assistance is not
12 meaningful assistance to low income customers, your
13 response was that we did no analysis to quantify
14 meaningful assistance; is that right?

15 A. I'm not sure. I think I was confused by the
16 original question of what constitutes meaningful
17 versus not meaningful.

18 Can you restate the question please?

19 Q. Sure. I'm referring to PA-RDC 40.

20 And in that question we were addressing your
21 testimony because you say that one of the goals of
22 the program is to provide meaningful assistance to
23 low income customers. And the question was, well,
24 when is assistance not meaningful? You had

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1 quantified meaningful assistance. Can you tell us
2 when assistance is not meaningful?

3 And your response was that we did no analysis to
4 quantify meaningful assistance.

5 A. We didn't support it with any separate analysis
6 that targets the thresholds for each tier constitute
7 the meaningful assistance under the proposal.

8 Q. And by that, you mean the affordability
9 threshold?

10 A. Correct.

11 Q. And so, it was your determination that those
12 thresholds are meaningful assistance?

13 A. That is our interpretation of meaningful. Yes.
14 Yes.

15 Q. Okay. And in your testimony, you also state that
16 another objective of the program is to develop
17 program costs such that they are not detrimental to
18 the financial stability of the utility?

19 A. That is correct.

20 Q. And do you agree that when the Public Advocate
21 asked you for all quantitative indicators developed
22 by RFC by which the City can objectively determine a
23 level at which program costs become detrimental to
24 the financial stability of the utility, your

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1 response directed us back to your testimony. And
2 you provided no additional documents; is that right?

3 A. Can you refer me to the --

4 Q. That's PA-RDC 42.

5 HEARING OFFICER: Go off the record.

6 - - -

7 (Discussion was held off the record.)

8 - - -

9 HEARING OFFICER: We will go back on the
10 record.

11 MR. DAVIS: I can answer that based on
12 what we provided the answer to RDC 42. There
13 is -- we looked at the utility, and the goal was
14 not to unduly burden the Rate Stabilization Fund.
15 But that's not -- it's not an industry metric as
16 to what constitutes unduly burdened. That was
17 determined on this case-by-case basis.

18 BY MS. PICKENS:

19 Q. The last discovery related question has to do
20 with your testimony in discovery responses, page 1
21 of your testimony RDC 49 where you provided a list
22 of orders for sewer and stormwater utilities where
23 you in RDC has been in engaged in work-related
24 affordability analysis and program development. And
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1 the Public Advocate asked you to provide the number
2 of low income customers who were enrolled in those
3 Affordability Programs, and the number who were
4 eligible to enroll.

5 And your response was that you don't know; is
6 that right?

7 A. Looking at the program cited. Under the program
8 cited, we have no current knowledge because the
9 analysis we did was not current.

10 Q. When you were conducting the analysis, when you
11 were engaged in these projects, you had that
12 knowledge?

13 A. Most or some of these projects are not -- that
14 you cited are not my projects. So, I would assume
15 we went through a similar -- a similar process for
16 what we have here. But it was looking at current
17 information, and we don't have current information
18 on those.

19 HEARING OFFICER: I apologize for
20 interrupting again. But I assumed that we were
21 looking at page 1 of your testimony, the
22 paragraph -- the last sentence in the paragraph
23 that begins "in 2000 I joined RFC where I" -- is
24 that, Ms. Pickens, where we are supposed to be?
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1 MS. PICKENS: I will take you there.

2 The paragraph that says "in 2000 I joined RFC."

3 HEARING OFFICER: Yes.

4 MS. PICKENS: Involved in numerous
5 financial and management consulting.

6 HEARING OFFICER: Yes. We have
7 identified it. You are not looking at the
8 response to the data request?

9 MS. PICKENS: In the data request, we
10 also asked for RFC's engagements.

11 HEARING OFFICER: Okay. Got it.

12 MS. PICKENS: To get a sense of, you
13 know, what areas had been covered.

14 BY MS. PICKENS:

15 Q. And the question was, well, how are these
16 programs doing? How many are they enrolling and how
17 many are eligible.

18 And the response was that neither you nor RFC had
19 any independent knowledge of the circumstances of
20 those programs.

21 A. We typically don't do ongoing work. We might do
22 an analysis at the beginning of the program. We,
23 typically, don't have ongoing record keeping with
24 respect to how that program is doing.

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1 Q. Okay. I have a couple of questions that are
2 intended to capture the Management Audit. I had
3 intended to direct them to Henrietta Locklear. I
4 know she's not here, but I hope that you can help
5 me?

6 A. I'll do my best.

7 HEARING OFFICER: Go off the record.

8 - - -

9 (Discussion was held off the record.)

10 - - -

11 HEARING OFFICER: Go back on the record.

12 We have just been joined by Board Member
13 Chapman.

14 BY MS. PICKENS:

15 Q. So prior to this rate filing, RFC conducted a
16 Management Audit that included both an assessment of
17 the basis2 billing system and an assessment of the
18 Department's customer services; is that correct?

19 A. That is correct.

20 Q. And that audit was prompted by the settlement of
21 the last rate case. Is that also correct?

22 A. I believe so, yes.

23 Q. And RFC reviewed a number of the Department's
24 customer service functions in that audit?

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1 A. Correct.

2 Q. And functions related to the PWD and WRB cost
3 centers were covered along with assessment of the
4 field operations under concurrent study conducted by
5 Schumacher & Company; is that right?

6 A. I believe so. But that's not a part of our
7 purview. It's a separate report and a separate
8 company.

9 Q. Okay. Part of Ms. Locklear's testimony in this
10 rate proceeding concerns the findings of Management
11 Audit; is that true?

12 A. That's correct.

13 Q. Her testimony specifically addresses customer
14 service issues that were identified by the audit; is
15 that right?

16 A. Yes.

17 Q. In particular on page 4 of her testimony, she
18 sets forth conclusions and recommendations from the
19 audit that pertain to how the City can improve
20 efficiency and customer satisfaction, in ways the
21 City can support and improve customer service
22 functions?

23 MR. DASENT: That's page 4 you were
24 referring to, Josie?

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1 MS. PICKENS: Yes.

2 MR. DASENT: Under summary of major
3 recommendations of the audit?

4 MS. PICKENS: Right.

5 MR. DASENT: Can you repeat the
6 question? I was flipping the whole time.

7 BY MS. PICKENS:

8 Q. Just want to establish that her testimony contain
9 conclusions and recommendations from the audit. And
10 that those conclusions and recommendations covered
11 how the City can improve efficiency and customer
12 satisfaction and the way the City can support and
13 improve customer service; is that right?

14 A. Yes.

15 Q. I'm pretty much done, but I left out a question I
16 wanted to ask about your program design.

17 Am I correct that neither the work paper at page
18 1 of the Public Hearing Exhibits nor any statement
19 in your direct testimony contains an assessment of
20 the cost to the Department of providing earned
21 arrearage forgiveness, which is required by the
22 I-WRAP legislation?

23 A. It is our understanding that the earned arrearage
24 forgiveness is going to be -- yeah, it's going to be
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1 addressed in regulation and has not been addressed
2 to this date.

3 Q. And by "our," who do you mean?

4 A. The proposal that you received in electronic
5 format does not include anything with respect to
6 arrearage forgiveness because that would be covered
7 under regulations, which haven't been developed yet.

8 Q. All right. That is end of what I have for you,
9 Mr. Davis.

10 HEARING OFFICER: Any other party with
11 questions for Mr. Davis on his direct or the
12 other witness' testimony he's sponsoring?

13 (No response for questions.)

14 I have a couple questions. Does the
15 Board have questions?

16 MR. POPOWSKY: I have a couple
17 questions.

18 HEARING OFFICER: Go ahead.

19 MR. POPOWSKY: Mr. Davis, I am just
20 trying to pin down the subscription rate. I
21 understand that the subscription rate was not an
22 input for your analysis. I guess it's an output;
23 is that correct? Under the 80 percent -- under
24 the Monte Carlo simulation?

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1 MR. DAVIS: Yeah. I would describe the
2 subscription rate as variable. And we bounded
3 how that variable can vary. The lost revenue is
4 the output or the forecast.

5 MR. POPOWSKY: If I go to page 8 of 12
6 of the exhibit we were just looking at, the PA,
7 Public Advocate Exhibit 5. And I go to the 80 --
8 I'm sorry. Do you have that?

9 MR. DAVIS: Yes.

10 MR. POPOWSKY: And I go to the 80
11 percentile on the left-hand column. That's your
12 projected lost revenue cost of 16,316,000; is
13 that correct?

14 MR. DAVIS: I wouldn't categorize that
15 as the projection. I would categorize that as
16 the 80 percent confidence that we wanted to
17 include in the cost of service to give us every
18 opportunity to make the number.

19 MR. POPOWSKY: But that's the number you
20 included in the cost of service?

21 MR. DAVIS: Correct, yes.

22 MR. POPOWSKY: And then the three
23 subscription rates in the following three
24 columns, are those the resulting -- is that what
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1 you would expect to produce those numbers 90.3,
2 54.4 and 73.5?

3 MR. DAVIS: Those would be the medians,
4 I guess, for that percentile that correspond to
5 that lost revenue cost. Yes.

6 MR. POPOWSKY: I don't know then how
7 many people are in each of those three tiers.
8 And I sure don't know why Tier 3 is -- I don't
9 know why they come out in this order.

10 But in any case, would that produce then
11 about -- would we expect that to be about a
12 75 percent overall subscription rate if you just
13 take a look at those three numbers?

14 MR. DAVIS: Yeah. They would be varied,
15 I guess, based on the number of customers that
16 would be in each tier. But if we did a simple
17 average, that seems like about right.

18 MR. POPOWSKY: When I asked you back in
19 February what your subscription rate was, you
20 didn't have a number. But would then -- because
21 you told me about this, the Monte Carlo. But
22 75 percent then would be about sort of what we'd
23 expect?

24 MR. DAVIS: Subject to check, I'd like
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1 to do a weighted average as opposed to simple
2 average.

3 MR. POPOWSKY: Right. Okay.

4 And there was a discussion about what
5 your affordability percentages were. Maybe you
6 are going to put this in your rebuttal. I don't
7 know. But there was a question early on that
8 Hearing Examiner pointed out.

9 On page 1, I think, of the exhibit,
10 the -- page 1 of 12 of the PA exhibit, PA Hearing
11 Exhibit 5, this shows affordability threshold.
12 This is from your RDC 60 of 2 percent, 3 percent
13 and 4 percent for the three tiers.

14 Is that the correct number that you did
15 use?

16 MR. DAVIS: Those were the numbers that
17 we target for each tier, yes.

18 MR. POPOWSKY: Okay.

19 MR. DAVIS: And I thought -- if I could
20 expand just a little bit. You know, in the lower
21 tier we also have a minimum bill concept. Each
22 of the customers in the lower tier would trigger
23 a minimum bill. That's why we're not able to
24 actually achieve the income if you look at the
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1 income percentage in the far right-hand column.

2 MR. POPOWSKY: The \$12 minimum bill,
3 even that would be higher than the 2 percent?

4 MR. DAVIS: That would be higher.

5 MR. POPOWSKY: Just one other question.
6 Again, Mr. Dasent, I don't know if you are going
7 to cover this in rebuttal. I wanted to ask the
8 witness about the recommendation from Mr. Colton
9 about creating a rider.

10 Is this a --

11 MR. DASENT: Go right ahead.

12 MR. POPOWSKY: Okay.

13 Whether this number turns out to be
14 13 million or 17 million or whatever, do you have
15 any comment? I believe one of the
16 recommendations in Mr. Colton's testimony is to
17 establish a rider. So we establish an amount in
18 base rates.

19 And then if it's more or less,
20 recognizing this program won't kick in till
21 Fiscal Year 2018, what is your position on
22 creating either a rider or a deferred account?
23 So that if whatever number we get we pick is
24 incorrect higher or lower, the Department could
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1 either through a deferred account or through a
2 rider make up the difference in the following
3 year in either direction?

4 MR. DAVIS: I think those are both
5 interesting concepts. I can't speak to all the
6 details of it because I don't think we've had
7 time to fully digest that.

8 I would say that one concern that I do
9 have is you can't pick up revenue in the
10 following year because we're on a cash basis of
11 accounting. So picking up revenue in the
12 following year means hitting the Rate
13 Stabilization Fund in the present year, which may
14 or may not be an issue depending on what else is
15 going on.

16 MR. POPOWSKY: You can pick up the
17 revenue. You just can't include it in your
18 coverage ratios. Or you might have to take the
19 money -- you either might have to take the money
20 out or put the money into the Rate Stabilization
21 Fund.

22 MS. LABUDA: The risk is obviously that
23 we will trigger a default, a covenant default.
24 That is really what you're suggesting or asking
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1 is that can the Department set a charge on its
2 bills that retroactively charges customers for
3 cost of a program? And we set rates and charges
4 on a cash basis. There is obviously going to be
5 a delay when that rider takes affect.

6 The question is, based on already the
7 withdrawals coming out of the RSF in Fiscal Years
8 17 and 18, can we manage additional withdrawals
9 without triggering the 90 Percent Rule or the
10 90 Percent Covenant with our insurance provider?
11 And I think that's a significant risk to the
12 Department and to the City. That is the
13 fundamental challenge of the rider right now.

14 And my perspective is that we could
15 easily trip and trigger a default because the
16 charge is not going to be in place. There's
17 going to be a delay. I would have to work with
18 my billing team to figure out how long of a
19 delay. Is it 60 days after we've incurred the
20 cost? Is it 90 days?

21 But my fiscal year will close. I will
22 do my calculations. And I may not have
23 sufficient revenues to meet all of my covenants.
24 And that is an incredible risk to the City of
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1 Philadelphia. Incredible risk.

2 HEARING OFFICER: I just want to say
3 that is Melissa LaBuda.

4 MS. LABUDA: I would suggest, you know,
5 we really, really need to think long and hard
6 before we put the City in that position. We
7 haven't talked about capping these costs. I
8 mean, it's just a lot of risks.

9 MR. DAVIS: Another -- if I could just
10 add on another concept. Again, all concepts need
11 to be kind of thought through. I don't think
12 we've had a proper opportunity to do that, would
13 be to cap the program such that if we hit a
14 certain limit of the program, we would stop
15 taking applications. That's kind of a light
16 example.

17 So there are other -- other options.
18 Each, I believe, with pluses and minuses that
19 need to be considered.

20 The one thing that I would say in regard
21 to that is the way the rate filing is designed,
22 we're only looking at the request for one year,
23 the second year of the rate filing. After that
24 in the subsequent rate filing, we will come back.

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1 And we'll actually have what the expense of or
2 the lost revenue was from the actual run rates of
3 the program. And it will become more like the
4 revenue requirement discussions that we had last
5 week.

6 MR. POPOWSKY: Well, that's the point.
7 We are talking about one year of missing in one
8 direction or another.

9 MR. DAVIS: Right.

10 MR. POPOWSKY: And I thought that the --
11 I mean, this is what the case is all about what
12 Melissa just said. Anyway, appreciate it.

13 Thank you.

14 HEARING OFFICER: Any other Board Member
15 have questions?

16 (No further Board questions.)

17 I do have a couple. Let me go backwards
18 and follow up on what Mr. Popowsky said.

19 Is there any way for you to guess or
20 estimate what the range of possible additional
21 revenue requirement would be that would then have
22 to be taken out of the Revenue Stabilization Fund
23 in order to be meet bond requirements?

24 MR. DAVIS: Well -- and again, this --
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1 all of this analysis is a bit of a challenge
2 because we don't have any history. We don't have
3 any income information on our customers. We
4 don't keep income information within the billing
5 system. So we're -- we're doing a lot of
6 analysis to get to how many folks may be subject
7 to this. Of those, the subscription rate, how
8 many of those may apply. There is a lot of
9 variability in the first year.

10 HEARING OFFICER: So for the purposes of
11 this exercise, let's pretend that it's a hundred
12 percent subscription right off the bat, and you
13 have the same assumption as to numbers of
14 customers eligible in each tier.

15 Do you know what difference that would
16 make in dollar amounts?

17 MR. DAVIS: Yeah. That -- if you look
18 on page 1 of 12, that is -- if you look at the
19 three rows down at the bottom, the first row is
20 at 100 percent subscription, which is \$22.8
21 million.

22 HEARING OFFICER: So unless we're off on
23 the numbers eligible, the maximum at risk is the
24 difference between 22.8 million and 16.3 million?

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1 MR. DAVIS: Correct. And that's why we
2 chose the 80 percent confidence because we felt
3 we could -- we could cover that gap safely.

4 HEARING OFFICER: Say again?

5 MR. DAVIS: We chose the 80 percent
6 confidence level because we felt like we could --
7 we could manage the difference between the 16.3
8 and the 22.8. We didn't feel like we could
9 manage the larger gap safely.

10 HEARING OFFICER: Give me a sec. Okay.
11 I got it. If my math is correct, we're talking
12 \$6.5 million?

13 MR. DAVIS: Yes.

14 HEARING OFFICER: Mr. Brunwasser?

15 MR. BRUNWASSER: I confess, I have not
16 read all of Raftelis and all that testimony.

17 Has -- is there anything there that may
18 be premature? When regulations are really
19 drafted later on, it may take some effect. I
20 think one of the things that's needed for this
21 program is incentive to actually comply once you
22 signed up.

23 Is there anything there about what
24 happens if the customer signs up for the program
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1 and does not comply, misses payments, et cetera?

2 Or is this too premature?

3 MR. DAVIS: Well, there are some
4 requirements written into the ordinance. But
5 other than that, the process is -- and the
6 compliance structure around that have not been
7 developed yet.

8 HEARING OFFICER: I believe Mr. Colton
9 has a few suggestions along those lines.

10 MR. BRUNWASSER: Yeah. What I'm getting
11 at is, I think, compliance would be higher if
12 there really is a disincentive once you've --
13 once you've been approved for a program and have
14 not kept up with, you know, those promises.

15 I don't think one should turn around and
16 say, okay, just reapply right away and we'll put
17 you back in. That's where I'm getting at.

18 HEARING OFFICER: I do have a couple
19 more questions. Maybe Ms. LaBuda can help me
20 with this one because it goes back to the
21 question of the risk, but you might have to
22 answer part of it.

23 There was a question about how many
24 customers were in each tier. Do you have a worst
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1 case -- highest case scenario, not worst -- well,
2 worst for them -- highest case scenario of the
3 numbers that were beginning to tier?

4 MR. DAVIS: Yes. That -- I believe that
5 would be --

6 HEARING OFFICER: In other words, I'm
7 trying to get at what's the worst case that we
8 can imagine based on the information we have
9 today in terms of what would not be recovered in
10 the year in which the revenues were lost?

11 MR. DAVIS: If you look on page 12 of
12 12, not sure that it's in here, kind of the
13 middle of that page. It's under a grey bar
14 title. It's called Eligible Accounts, shows
15 eligible accounts by tier.

16 There are about 4,400 estimated eligible
17 accounts that would be in Tier 1.

18 HEARING OFFICER: Before you go further,
19 can you -- I don't see where the tiers are
20 mentioned in the column headings. Maybe you can
21 spell that out more.

22 MR. DAVIS: Yeah. It's poorly labeled.
23 I apologize.

24 HEARING OFFICER: That's all right. If
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1 you can help me.

2 MR. DAVIS: Yeah. The first column
3 is -- these are by income tiers. So the first
4 row there with the 4393 number in that --

5 HEARING OFFICER: Yes.

6 MR. DAVIS: -- that would be Tier 1,
7 which is 0 to 50 percent of FPL. The second row
8 20,554 is Tier 2, which is 50 to 100 percent.
9 The next row 31,209 would be Tier 3, which is 100
10 to 150 percent. And then the following rows
11 would be 150 to 200, 200 to 250, and then greater
12 than 250 which concludes with the 260,000.

13 HEARING OFFICER: And you chose those
14 numbers because we're going to have to look at
15 the various things in the ordinance about
16 arrearage forgiveness and so forth?

17 MR. DAVIS: Right. There is, you know,
18 some consideration in the ordinance for folks
19 from 150 to 250.

20 HEARING OFFICER: Now you said that
21 there was some variability in the number of
22 customers who, in theory, could apply. Can you
23 assess the variability, particularly Tiers 1, 2
24 and 3, in terms of do you have any sense of what
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1 the highest number is that could theoretically
2 possibly under any circumstance apply and be
3 eligible?

4 MR. DAVIS: Well, the challenge -- and I
5 think it shows in the same exhibit that we're
6 looking at here, the challenge is that we don't
7 have the information on income by customer. What
8 we do have is census data. And we have
9 self-reported income by household for the City of
10 Philadelphia.

11 So if you look at that same table that
12 we were just looking at, if you look to the left
13 of it, you see a column titled Household
14 Cumulative.

15 HEARING OFFICER: Yes.

16 MR. DAVIS: If you look down at the
17 bottom of that, we have about 580,000 households
18 in the City per census data. We know we have
19 about 427,000 general service residential
20 accounts.

21 HEARING OFFICER: Say -- what's that
22 number again?

23 MR. DAVIS: We have 580,000 households.
24 If you go three columns over, Accounts Cumulative
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1 and down at the bottom in blue, we have 427,000
2 general service residential accounts. So the
3 question is, within each of those income tiers,
4 how many of those households are customers of the
5 system and how many of those households may be,
6 for instance, in a multi-family situation with a
7 master meter and they're not -- they're tenants,
8 so they are not customers of the system.

9 HEARING OFFICER: Well, if you assume
10 that all of the households were customers.

11 MR. DAVIS: If we assume all of the
12 households were customers, we could have about
13 450,000 that would qualify under the income
14 criteria. I am looking at the first three --
15 total of the first three rows in that left-hand
16 column beginning with 73,662.

17 HEARING OFFICER: I get for cumulative
18 by Tier 3, 219,000.

19 MR. DAVIS: Oh, I'm sorry. You are
20 correct. Yeah, I'm sorry. I was looking at the
21 wrong column. 219,826, yes.

22 HEARING OFFICER: And roughly, how does
23 that compare with the assumptions that you used
24 in estimating what the cost would be?

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1 MR. DAVIS: Well, the first step in the
2 analysis is to try to -- try to project of those
3 households how many might be customers. And
4 there is some innocuous information buried in the
5 census data that has a representative sample that
6 ask the responder do they pay their water and
7 sewer bill. So, we use that information to try
8 to extrapolate which of those households maybe
9 customers of the system.

10 That is, again, self-reported. It's a
11 sample. It's not a full -- a full census look.

12 HEARING OFFICER: So when you applied
13 this extrapolation factor, you got the number of
14 customers who would be eligible -- the
15 eligibility count that the number that you were
16 telling us at the beginning on this page,
17 eligible accounts?

18 MR. DAVIS: Uh-huh.

19 HEARING OFFICER: In other words, if one
20 assumes the federal poverty level is good
21 indicator and we have good information on the
22 federal poverty level, then the numbers that you
23 have selected, the only difference between them
24 and a hundred percent would be in this, I would
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1 say, gross-to-net or household-to-customer ratio
2 problem?

3 MR. DAVIS: Well, I think they're two
4 issues. There is the household-to-customer
5 ratio, and then there's the subscription rate.
6 So, I might be a customer in the system. I might
7 have an income that would make me eligible for
8 inclusion in one of these tiers. But we know
9 based on all the information that's available,
10 that one hundred percent of the folks do not sign
11 up for the program.

12 HEARING OFFICER: Help me again with the
13 columns under the grey bar Accounts Cumulative.

14 What does that represent?

15 MR. DAVIS: That represents the number
16 of customers that we feel fall within each of
17 these income tiers.

18 HEARING OFFICER: And there's a little
19 bit of difference on Tier 1, a bigger difference
20 on Tier 2, and a fairly large difference on Tier
21 3. Can you talk about why that would be?

22 MR. DAVIS: Yes. Folks at the very
23 lowest income levels are most likely to be in
24 some kind of tenant situation. And they are much
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1 less likely to be customers of the system. In
2 other words, they don't tend to own their own
3 homes where they might be a direct customer of
4 the system.

5 HEARING OFFICER: Assume that I'm really
6 stupid. Can you go through the other tiers and
7 show how that works?

8 I am looking at Accounts Cumulative and
9 Eligible Accounts.

10 MR. POPOWSKY: It's the same number.
11 Just one is cumulative and the other is
12 individual.

13 MR. DAVIS: Yeah.

14 HEARING OFFICER: Okay. That helps.
15 Forget what I said before about a little bit
16 bigger difference.

17 MR. DAVIS: But there is a big
18 difference between -- we feel like there are in
19 excess of 73,000 households in Tier 1, but we
20 feel like less than 4,400 of those may be
21 accounts of the Water Department.

22 HEARING OFFICER: What's the third
23 column that starts with 5,967?

24 MR. DAVIS: That is just trying to put
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1 accounts into FPL tiers. I think that's probably
2 not a column that's used here. I think the more
3 appropriate column would be the next couple of
4 columns under the grey bar.

5 HEARING OFFICER: So, you took this
6 number of customers that we've just been
7 discussing under the grey bar for each tier. And
8 did you apply some subscription percentage, or
9 was that already applied earlier in your
10 calculation?

11 MR. DAVIS: No. That's where we applied
12 the subscription percentage.

13 HEARING OFFICER: And can you tell me --
14 excuse me, far right-hand side, there is a
15 percentage number. What does that represent?

16 In the same bar.

17 MR. DAVIS: Yes. That is the percentage
18 of the number of customers or the number of
19 eligible accounts divided by the total general
20 service residential customer base.

21 HEARING OFFICER: So it's -- the second
22 set under the bar divided by the total number of
23 accounts?

24 MR. DAVIS: Yes.
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1 HEARING OFFICER: Do we have total
2 number of accounts on this page?

3 MR. DAVIS: For the GSR, the 427,000 in
4 the blue at the bottom, that is the total number
5 of the GSR accounts.

6 HEARING OFFICER: Now I'm really
7 confused.

8 MR. BRUNWASSER: Could I make a
9 suggestion?

10 If it's not too much trouble, could you
11 maybe go back later and expand this table and
12 label it more -- a little more detailed so, you
13 know, it could stand alone as far as
14 understanding what the numbers represent?

15 MR. DAVIS: Yeah. And I would apologize
16 for -- this was a working model, and it was
17 presented as such.

18 HEARING OFFICER: No need. No need.

19 MR. DAVIS: The testimony of Exhibit 1
20 may have the information you are looking for.
21 Takes very easily the census households.

22 HEARING OFFICER: If you can just stop
23 there, and let us get to that exhibit. You mean
24 Table 1?

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1 MS. LABUDA: Would you mind articulating
2 the table so we are on the same page?

3 MR. DAVIS: Okay. We are on the
4 testimony Exhibit 1, page 4 in my testimony.

5 HEARING OFFICER: So Table 1.

6 MR. DAVIS: Down at the bottom, yes.
7 That has the information on the tiers, the
8 beginning and the number of census households per
9 tier, and then the result of how we converted
10 that into the number of accounts per tier.

11 HEARING OFFICER: In other words, take
12 Tier 1 again. You take 73,000 or 74,000
13 households at that income level, that range. And
14 of those, 4,400 roughly are customers?

15 MR. DAVIS: Correct.

16 HEARING OFFICER: You may have told us
17 this maybe even more than once. But could you go
18 through how you get from -- let me ask another
19 question before I do that.

20 So that -- the 4,400, the 20,600 and the
21 31,000, those are the three first tiers?

22 MR. DAVIS: Uh-huh.

23 HEARING OFFICER: I'm looking back at
24 page 12 of 12. And I'm trying to relate -- the
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1 eligible accounts number is the same?

2 MR. DAVIS: Uh-huh.

3 HEARING OFFICER: Tell me again at what
4 point do you apply the subscription factor?

5 MR. DAVIS: Well, we know that just
6 because an account is eligible based on income,
7 they may or may not subscribe to the program. We
8 have kind of the basis point. We have what the
9 PGW subscription rates were for these income
10 tiers. So after that and as part of the Monte
11 Carlo situation, we developed a range of
12 subscription based on the PGW numbers. We make
13 those variable and then we run the analysis with
14 multiple trials to see what the resulting loss in
15 income is.

16 HEARING OFFICER: I don't think I'm
17 going to get it in the time that we have today
18 and in the heat in this room. So, can we get a
19 number for Chairman Brunwasser's transcript
20 request. And can I ask you --

21 MR. DASENT: Nine.

22 HEARING OFFICER: Yes. Can I ask you to
23 include in it the steps that you went through to
24 get from your assumptions or your estimates of
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1 the numbers of customers in the first three
2 tiers.

3 MR. DAVIS: Okay. Sure.

4 HEARING OFFICER: You can do the others,
5 too. But to the households but then to the
6 households that you assume will.

7 MR. DAVIS: Be eligible households to
8 the subscribed households.

9 HEARING OFFICER: And what percentage
10 the households in the income tier are to those
11 you assume are going to subscribe.

12 MR. DAVIS: Okay.

13 HEARING OFFICER: Thank you.

14 I've got another set of questions. Do
15 you have more on that?

16 MR. BRUNWASSER: No.

17 HEARING OFFICER: You were asked about
18 earned arrears forgiveness. And if I have taken
19 my notes correctly, your answer was that you
20 didn't address the cost of that because that
21 will -- the program design will be dealt with in
22 regulation which have not yet be written.

23 MR. DAVIS: (Nods head.)

24 HEARING OFFICER: He's nodding yes.
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1 MR. DAVIS: Yes.

2 HEARING OFFICER: What I'm trying to
3 figure out, and maybe this is really more to be
4 briefed, what is the difference between that and
5 the I-WRAP which also has yet to be pinned down?

6 Let's have you brief that.

7 MR. DAVIS: Yes.

8 HEARING OFFICER: Anybody who wants can
9 ask Francis what the right answer is.

10 All right. Anything else for these
11 witnesses -- these three witnesses in one?

12 MR. DASENT: Yes.

13 HEARING OFFICER: Redirect?

14 MR. DASENT: If you give us a moment.

15 HEARING OFFICER: We will go off the
16 record.

17 - - -

18 (Break taken.)

19 - - -

20 HEARING OFFICER: We will go back on the
21 record.

22 I do have a question for Mr. Davis I
23 forgot to ask. I apologize. Just want to tie
24 this off.

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1 Early on in your cross-examination, you
2 were looking at page 5 of 12. And this is the
3 forecast of lost revenue costs and percentiles.
4 And you said something to the affect that the
5 distribution is viewed to the high side.
6 Remember that?

7 Can you say more about that, what you
8 mean by that? The distribution of what, and how
9 do we know that?

10 MR. DAVIS: I'm trying to cite back to
11 some of these pages here. If you go to page 6 of
12 12, for instance, and you look at the assumption
13 for Tier 3 underscore subscript at the bottom of
14 that page.

15 HEARING OFFICER: Page what?

16 MR. DAVIS: Page 6 of 12.

17 HEARING OFFICER: Give me a sec. I'm on
18 the wrong page. Oh, I see. Yes. Thank you.

19 I'm there.

20 MR. DAVIS: Just using this as an
21 example. If you look at the green triangle graph
22 at the top of that page, that is the subscription
23 for Tier 2. And it's fairly balanced so that
24 there's the number that we use is the likeliest
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1 is the PGW number. There's about an equal spread
2 on the top and the bottom of that.

3 If you go to Tier 3, you see it's a
4 little more weighted to the high side, meaning
5 that while we use the PGW number as the
6 likeliest, there is a larger chance that it could
7 be higher than that it could be lower. So,
8 that's what we talk about the skewed.

9 HEARING OFFICER: If I look at the
10 percentages to the right of the labels triangle
11 distribution of parameters and before the
12 pictures, how do you get from -- how do you know
13 one's the minimum and one's the maximum and so
14 forth?

15 MR. DAVIS: As far as how we set those
16 numbers?

17 HEARING OFFICER: Yeah.

18 MR. DAVIS: Just professional judgment.
19 Certainly in the Tier 3 subscription, there's a
20 lot higher number on the -- a lot -- more of a
21 possibility that it could be on the up side given
22 that 36 percent is well below 50 percent.

23 HEARING OFFICER: Well, first I thought
24 you were saying judgment. And now you're
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1 referring to a parameter 50 percent.

2 MR. DAVIS: Well, I was going to say if
3 we have an equal distribution, in other words, if
4 it's -- what would that be, an isosceles
5 triangle?

6 HEARING OFFICER: Yes, like Tier 2.
7 That's pretty isosceles.

8 MR. DAVIS: So the question is, is it --
9 if there's an equal distribution, the equal
10 chance that it could be higher or lower than the
11 likeliest number, it would be an isosceles
12 triangle.

13 But for instance on the Tier 3, the skew
14 is that there's a higher chance that it could be
15 more than likely, than less than likely.

16 HEARING OFFICER: And I can tell that by
17 taking the likeliest and calculating the
18 difference between that and what you have as
19 minimum and what you have as maximum?

20 MR. DAVIS: Yeah. Or you could just --
21 if you draw a perpendicular that hits the tip of
22 the triangle, is the more weight on the left side
23 or the right side?

24 HEARING OFFICER: I needed to do it the
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1 number way because I'm not going to have these
2 pictures in the report. But okay.

3 Well, I'm going to ask Mr. Colton when
4 we get to him what his impression is of this
5 because he also will have a professional
6 judgment. And I'm trying to remember what I used
7 to know about this topic. And luckily for this
8 purpose, I don't remember anything. But I know
9 that people have thought about this.

10 But I thank you for that explanation.
11 And we are now ready -- excuse me, we are not.
12 I'm now looking at page 6.

13 MS. BECKLEY: Page 7 of 12.

14 HEARING OFFICER: Sorry, 7 of 12.

15 What's the difference between Cell 023,
16 Assumption Tier 4 subscript on page 6 of 12 and
17 Tier 2 subscript on the page 7? Says it's
18 correlated. What does that mean?

19 MR. DAVIS: Just you can have them vary
20 totally independently, or you can assign some
21 type of correlation to them that doesn't really
22 impact the analysis at all. If you have enough
23 trials, that will tend to balance things out.

24 But it basically says that if you are on
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1 the high side of subscription for Tier 1, you may
2 be more likely to be on the high side for Tiers 2
3 and 3. There is some degree of correlation. It
4 would be unlikely that you would be on the
5 extreme high side of one and the extreme low side
6 of the other.

7 HEARING OFFICER: And why is that?

8 MR. DAVIS: Just the underlying
9 demographic and economic circumstances. If you
10 are going to have -- if you have a robust
11 communications program and economics
12 circumstances are challenging, you might have
13 more people come in. If you didn't do as good a
14 job on your communication and you were doing
15 this, say, in the suburb where economic
16 circumstances were very good, less people would
17 come in. And that would be true of all tiers.

18 HEARING OFFICER: For Philadelphia as a
19 whole, are you saying then that the numbers of
20 people -- numbers of customers in Tiers 1, 2 and
21 3 are roughly the same for each tier?

22 MR. DAVIS: No. I'm saying that if you
23 look at the -- if you run one trial of the 20,000
24 trials, if you -- and you have a number, say, for
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1 Tier 3, that's a large group of customers. If
2 Tier 3 is more likely to come in and subscribe to
3 the program, then those same conditions would
4 probably make it more likely for folks in Tiers 1
5 and 2 to come in and subscribe to the program.
6 And you would be on the right side of the
7 distributions in those cases.

8 HEARING OFFICER: My impression has been
9 that there is a big difference in demographics
10 and in relationships societally to the powers
11 that be in programs like this between people at
12 different trenches of poverty.

13 Have you taken that into account?

14 MR. DAVIS: Only in the most likely --
15 the place where we kind of have the base point of
16 the triangle. That takes that into account. And
17 then the -- the correlation is a separate factor.

18 HEARING OFFICER: Let me just for the
19 record say that when I started this conversation
20 talking about page 7 of 12, it correlated with
21 Tier 2, 023 that was assumption Tier 1 subscript.

22 I hope the briefs are very clear on this
23 point. I'm not clear. Okay.

24 We have questions for the Revenue
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1 Board -- Revenue Department, pardon me.

2 MR. DASENT: We have redirect for
3 Mr. Davis, too. Can we do that first? Well
4 before we leave his subject and go to --

5 MS. PICKENS: I'm okay with that.

6 HEARING OFFICER: Okay. Let's do that.

7 (Redirect Examination of Jon Davis)

8 BY MR. DASENT:

9 Q. Mr. Davis, during your cross-examination, the
10 subject of participation rates came up. And can you
11 tell us how many participants you project in the
12 first year as a result of your analysis?

13 A. We have about 32,000 projected in all three of
14 the income tiers, which I believe was very similar
15 to what Mr. Colton projected.

16 Q. Do you recall exactly what Mr. Colton projected?
17 Was it 31,000?

18 A. 31,000.

19 Q. Turning to your discussion of the various tiers,
20 why does your proposal contain three tiers?

21 A. Well, three tiers was what was specifically
22 mentioned in the ordinance. In fact, the tiers that
23 we're using, 0 to 50 percent of FPL, 50 to 100 and
24 100 to 150 is explicitly mentioned in the ordinance.

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1 We felt like the -- increasing the number of tiers
2 would not significantly increase the benefit to the
3 customers. And as just kind of a case in point, all
4 of the folks in the existing Tier 1 would be
5 captured under a minimum bill.

6 So, increasing that to two tiers, basically
7 splitting it into two tiers, would have the same
8 effect. They would -- all the customers in both
9 tiers would be captured under the minimum bill
10 concept. So increasing the number of tiers, would
11 not significantly provide a lot of benefit to the
12 customers. And it would increase the level of
13 complexity of the project.

14 Q. Mr. Davis, some of the discussion on cross
15 related to Public Advocate Exhibit 5 and,
16 specifically, pages 9 and 10 of that exhibit. Give
17 everyone a chance to get there.

18 These various numbers, would be 100 rows and all
19 the various columns, is that a result of Monte Carlo
20 simulation?

21 A. Yes, it is.

22 Q. Help me understand the difference between
23 statistical analysis and benchmarking analysis. It
24 was reference in that discussion about various
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1 utilities that might be tied to this statistical
2 simulation.

3 A. In a benchmarking analysis, we would look at the
4 cost -- the cost is what we're ultimately trying to
5 determine here, the lost revenue cost in these
6 columns here. That's what we're ultimately trying
7 to determine for inclusion in the rate filing. A
8 benchmarking analysis would look and see what
9 subscription rates, other utilities experience and
10 maybe run some -- run some analyses based on their
11 subscription rates.

12 What we did with a statistical analysis is set
13 variability around a single subscription rate for
14 each tier and see what the lost revenue impacts
15 would be.

16 Q. Thank you.

17 MR. DASENT: That's all I have.

18 HEARING OFFICER: Any recross?

19 MS. PICKENS: Just a point on the number
20 of tiers.

21 (Recross-Examination of Jon Davis.)

22 BY MS. PICKENS:

23 Q. Mr. Davis, you do recognize that the I-WRAP
24 legislation allows the Board to establish greater
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1 tiers should they determine that it's appropriate?

2 A. Absolutely. And we just wanted to point out that
3 subdividing the existing tiers wouldn't necessarily
4 provide any additional benefit to customers.

5 Q. When we asked for that analysis in discovery, you
6 failed to provide it; is that right?

7 A. Can you point me to that?

8 Q. I will do so.

9 HEARING OFFICER: This is a transcript
10 request. What are we up to, 10?

11 MR. DASENT: Just telling us where in
12 the record to look.

13 HEARING OFFICER: Go off the record.

14 - - -

15 (Discussion was held off the record.)

16 - - -

17 HEARING OFFICER: We will go back on the
18 record.

19 BY MS. PICKENS:

20 Q. It was PA-RDC 64.

21 A. Yeah. We did not look at the -- we did not look
22 at the tiers referenced in the questions, so we
23 didn't have anything to provide there. I was just
24 saying anecdotally that if all of the customers in
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1 the existing Tier 1, which is 0 to 50 percent of
2 FPL, are captured by minimum bill of \$12, then if we
3 divide that into two tiers 0 to 25 and 25 to 50,
4 then all of the customers in both tiers would then
5 also be captured by a minimum bill of \$12.

6 So, they wouldn't see any additional benefit from
7 dividing that tier into multiple tiers.

8 Q. And for the 50 to 100, or the 100 to 150, would
9 they see an additional benefit to having greater
10 number of tiers?

11 A. Dividing the 100 to 150 per the proposal, I think
12 if we divide that into two tiers, we could see some
13 customers given that the proposal is also using
14 usage as an indicator. We can see customers that
15 were not receiving any discount on current charges
16 given the 4 percent affordability threshold.

17 I feel like that would be somewhat confusing if
18 they qualified for the program and then don't
19 receive any discount. So they would not receive any
20 additional benefit, and it might be more confusing.

21 Q. And are you aware of PECO's low income program
22 which is a tier -- in the past is a tier discount
23 program?

24 A. Not all the details of it, but I'm generally
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1 aware of it.

2 Q. Are you generally aware that when they increase
3 tiers, they achieved better affordability for their
4 customers?

5 A. I'm not -- I don't know about what -- how you
6 would define achieving the better affordability.
7 But I know that they changed from a tier discount
8 program to another program.

9 Q. Okay.

10 HEARING OFFICER: Do you have further?

11 MR. DASENT: Nothing more.

12 HEARING OFFICER: Do you have any, what
13 are we calling it, surrebuttal?

14 MR. DASENT: I was going to do that
15 later.

16 HEARING OFFICER: Okay. Fine.

17 You know what, it's almost 12:00. It's
18 really hot. Let's take lunch now and then we
19 will come back.

20 We're off the record.

21 - - -

22 (At this time, break taken at 11:53 a.m.)

23 - - -

24 (Hearing recommenced at 1:04 p.m.)

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1 - - - -

2 HEARING OFFICER: We'll go back on the
3 record. I understand that we're ready for direct
4 testimony of the Revenue Department.

5 Andre, it's all yours.

6 MR. DASENT: We'd like to mark for
7 identification as PA Exhibit 6 the direct
8 testimony of Michelle Bethel and Mark Harvey.
9 It's my understanding there is no errata sheet or
10 corrections to make to their testimony.

11 And at this time, we would proffer them
12 for cross-examination.

13 HEARING OFFICER: Is Mr. Harvey here?

14 MR. HARVEY: Yes. Right here.

15 HEARING OFFICER: Let's go off the
16 record.

17 - - -

18 (Discussion was held off the record.)

19 - - -

20 HEARING OFFICER: Back on the record.

21 Mr. Ballenger?

22 MS. TRAN: I'll be questioning.

23 HEARING OFFICER: Oh, Ms. Tran.

24 (Cross-Examination of Michelle Bethel with additional
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1 comments by Mark Harvey.)

2 BY MS. TRAN:

3 Q. Good afternoon. Welcome back.

4 Ms. Bethel, as Deputy Revenue Commissioner in
5 charge of Revenue Bureau; and Mr. Harvey, as Senior
6 Revenue Collections Officer, customer service and
7 customer assistance programs are under your
8 responsibility; is that right?

9 A. That's correct.

10 Q. And these responsibilities include oversight of
11 the Water Revenue Bureau Call Center; is that
12 correct?

13 A. That's correct.

14 Q. And the three walk-in customer service centers,
15 as well; is that right?

16 A. We're not in charge of them. But we have staff
17 in the two satellite offices. That is correct.

18 Q. Who is in charge of the third?

19 A. I don't know the third one that you're referring
20 to.

21 Q. Okay. You said --

22 A. Two satellite offices.

23 Q. Oh, in addition to the municipal services one?

24 A. Correct.

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1 Q. I see. There are three?

2 A. Right.

3 Q. Three walk-in centers?

4 A. Correct.

5 Q. I distributed earlier what's been marked Public
6 Advocate Hearing Exhibit No. 6. It's already in the
7 record. It's in front of you there.

8 HEARING OFFICER: Let's go off the
9 record.

10 - - -

11 (Discussion was held off the record.)

12 - - -

13 HEARING OFFICER: Back on the record.

14 BY MS. TRAN:

15 Q. This document is already in the record as
16 response to PA-RDC 70, but it was only provided upon
17 request on a CD Rom, so we provided copies as a
18 courtesy to the Hearing Officer and the Commission
19 today -- to the Board today.

20 Ms. Bethel, you have that document in front of
21 you?

22 A. I do.

23 HEARING OFFICER: While we're talking
24 about that, not just with respect to this exhibit
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1 but with respect to what's called briefs, it
2 would be great for me to have the CD unless I
3 already have it. I might have it. I have a
4 bunch of CDs.

5 MR. DASENT: We do not have the CD as --
6 we had limited circulation of the CD to the party
7 who requested it because it was voluminous. But
8 now that we have the report in this form, we can
9 provide the CD also if you like it.

10 HEARING OFFICER: The reason I would
11 like the CD is because if -- I don't know whether
12 it applies to this document. But if I want to
13 cut and paste, I don't want to have to look and
14 type and look and type. And so, that will apply
15 to the briefs, too.

16 It would be very handy if you would do
17 it in Word and something that I can excerpt and
18 plop down on another document.

19 Off the record.

20 - - -

21 (Discussion was held off the record.)

22 - - -

23 HEARING OFFICER: Back on the record.

24 Ms. Tran.
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1 BY MS. TRAN:

2 Q. I'm only going to refer to about four pages of
3 this report.

4 The first page is page 3 of the report itself.
5 There are a few pages of table of contents, but then
6 there's the report itself at page 3.

7 First, I should identify this. This is the
8 report from Schumacher and Company that Mr. Davis
9 was asked about that was done concurrently with
10 Raftelis' Management Audit.

11 Page 3, Ms. Bethel or Mr. Harvey. Do you see on
12 page 3 under Objectives and Scope? Just want to
13 establish the relevancy of this document for our
14 hearings today. You see in the first paragraph
15 there that Schumacher and Company was hired to
16 provide consulting services related to evaluation of
17 various customer service and field activities for
18 opportunities to optimize operations including
19 evaluation of its resource utilization, so as to
20 assure that it is cost effective to improve customer
21 service and meet its core services and regulatory
22 requirements in a responsible way.

23 You acknowledge that's what the report says --

24 A. Yes.

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1 Q. -- as to the scope? Thank you.

2 Turning back a few pages to the Table of
3 Contents, you will see on page 5 of the Table of
4 Contents is a table of findings. You will see it
5 lists on pages 5 and 6 findings -- 24 findings on
6 pages 5 and 6 spanning pages in the report
7 indicating that the report on pages 29 through 49 or
8 so provides 24 findings.

9 Do you see that?

10 A. I see that.

11 Q. Okay. And then if we keep turning to pages 7 and
12 8 of the Table of Contents is the Table of
13 Recommendations corresponding to 24 recommendations
14 that span pages 49 through 63 or so.

15 Going back to the findings, do you see findings
16 on page 5, finding II-6, does it say there:
17 Multiple call centers confuse and anger customers,
18 reduce staffing efficiency and increase costs.

19 Do you see that?

20 MR. DASENT: Let me interject an
21 objection here. Just to indicate in the scope of
22 this proceeding, it was our understanding that
23 customer service issues were beyond the rate
24 making authority of the Board. I understand we
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1 are reserving for position statements our
2 respective positions on this matter. But I want
3 to preserve my objection just so we all
4 understand that when we get into customer service
5 findings and the things that we do in day-to-day
6 operations, we believe they are beyond the scope
7 of this proceeding.

8 HEARING OFFICER: Thank you for
9 reminding us. That was the ruling of the Hearing
10 Officer.

11 I also want to ask Ms. Tran, are you
12 going to ask any questions based on this?

13 MS. TRAN: Yes. I'm establishing that
14 the report covers cost effectiveness and
15 discusses areas of inefficiency where it
16 increases the cost, which is -- we will argue
17 later and that it's relevant in this proceeding.

18 HEARING OFFICER: Do you need to ask
19 Ms. Bethel about this, because it says so right
20 here?

21 MS. TRAN: I do have some questions
22 about implementation.

23 HEARING OFFICER: All right.

24 MS. TRAN: I was going to highlight a
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1 couple of the findings, but they speak for
2 themselves. I will turn to page 64 of the report
3 which is near the very end of the report.

4 HEARING OFFICER: Excuse me.

5 I withdraw my last recommendation about
6 not going through the list of findings. Please
7 go ahead. We have plenty of time.

8 BY MS. TRAN:

9 Q. Okay. I will just highlight a couple of the
10 findings on page 5 of the Table of Contents.
11 Finding II-6. Actually, I already read that one.

12 And finding II-10 is listed as: Training and
13 development for call center agents at the PWD and
14 WRB call centers are inconsistently and infrequently
15 conducted and are insufficient to adequately train
16 agents.

17 Ms. Bethel, are you familiar with this report?
18 You reviewed it before?

19 A. I have seen it, yes.

20 Q. Okay. And do you agree that the recommendations
21 that follow -- the 24 recommendations that follow
22 the 24 findings are recommendations that correspond
23 to the findings?

24 A. I don't know if I understand your question.

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1 Q. For instance, Recommendation II-6 discusses a
2 recommendation that deals with finding II-6?

3 A. No, I don't see that. I'm sorry.

4 Q. For instance, page 7 of the Table of Contents
5 under Recommendation II-6 says: Develop a
6 skills-based competency progression?

7 MS. CROSBY: If I can direct counsel --
8 this is Susan Crosby, counsel for the Water
9 Revenue Bureau. It says (refer to finding III --
10 I'm sorry, II-3, II-8, II-9, II-10). So, it does
11 not refer to II-6.

12 MS. TRAN: Forgive me. Okay.

13 BY MS. TRAN:

14 Q. Finding II-6 is actually referenced in
15 Recommendation II-2 above: Combine the call centers
16 for WRB building, administrative support/major
17 account support and PWD water emergencies into a
18 single water customer call contact center.

19 Is that what that recommendation says?

20 A. Yes.

21 Q. Okay. Going to turn now to the section on
22 implementation plan on page 64 of the report.

23 That's near the very end.

24 What does it say there, Ms. Bethel, under
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1 Implementation Plan?

2 A. To be developed.

3 Q. Are you -- do you know of any plans for
4 implementation of any of the recommendations from
5 this report?

6 A. I know of the discussions that are taking place.
7 And we are working -- we are continuing to work with
8 Schumacher in reference to the consistent training
9 and cross training of agents between WRB and PWD.

10 Q. So, Schumacher will be working with you on that
11 plan?

12 A. Yes.

13 Q. Do you have a timeline for that work?

14 A. I don't know when it's supposed to be completed.

15 Q. Will it be completed within Fiscal Year 17 or
16 Fiscal Year 18?

17 A. I don't know.

18 Q. Has Schumacher been contracted to work with the
19 Department on an implementation plan?

20 MR. DASENT: If you know.

21 MS. BETHEL: I don't know if they've
22 been contracted to do that, or if it's in the
23 original scope of work. I can't speak to the
24 specifics of that contract.

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1 BY MS. TRAN:

2 Q. Do you know who would know?

3 A. Pardon me?

4 Q. Do you know who would know?

5 A. Perhaps Joanne Dahme.

6 MS. TRAN: Can we make a transcript
7 request, please, on -- from Joanne Dahme
8 regarding implementation plan regarding the
9 Schumacher recommendations?

10 HEARING OFFICER: I have got Transcript
11 Request 9.

12 MR. DASENT: We did 9. We are up to 10.

13 MS. TRAN: Joanne Dahme or whoever could
14 answer this question for us.

15 MR. DASENT: If you will repeat the
16 question, I will write it down.

17 MS. TRAN: Regarding the implementation
18 plan to implement any recommendations of the
19 Schumacher report.

20 HEARING OFFICER: What do you mean
21 regarding? What do they have to say regarding
22 that?

23 MS. TRAN: Who has been contracted to
24 work with the Department including any RFPs,
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1 contracts and also a timeline. Any timeline for
2 implementation of the recommendations.

3 BY MS. TRAN:

4 Q. Ms. Bethel, you were -- I don't think you were
5 around, Mr. Harvey, I'm not sure.

6 Ms. Bethel, you were a witness also in the last
7 rate case 2012?

8 A. That's correct.

9 Q. You are aware of the stipulation to mediation
10 that was part of the rate case settlement in 2012?

11 A. I am aware.

12 Q. Okay. This is attached to our exhibit, Public
13 Advocate Hearing Exhibit No. 2. But it's also
14 attached to the exhibits -- the other two exhibits
15 we passed out earlier, Public Advocate Hearing
16 Exhibit 7 and Public Advocate Hearing Exhibit 8.

17 HEARING OFFICER: Where would we find
18 it?

19 MS. TRAN: Hearing No. 7 would be --

20 MR. DASENT: Thirteen of 32.

21 MS. TRAN: Page 13 of 32 in Hearing
22 Exhibit 7.

23 HEARING OFFICER: Ask a question about
24 this. Is this the stipulation from the last rate
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1 case, or is this yet another document?

2 MR. BALLENGER: This was part of the
3 Phase One settlement, which was -- the full
4 document was entered into Public Advocate Hearing
5 2, I believe. This is one of four attachments to
6 that document.

7 HEARING OFFICER: Thank you.

8 BY MS. TRAN:

9 Q. Ms. Bethel, you understand that the mediation was
10 a condition of the rate case settlement?

11 A. I do.

12 Q. And you agree that the purpose of the mediation
13 was to examine ways to make substantial improvement
14 in customer service and customer assistance
15 programs; is that right?

16 It says it in the statement of purpose of the
17 stipulation.

18 A. I agree that's what the statement of purpose
19 says.

20 Q. Okay. And you see at paragraph six of the
21 stipulation, there were four issue areas to be
22 covered in the mediation; is that right?

23 A. Yes. I see that.

24 Q. Okay. And you were part of the many meetings
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1 held for this mediation, right?

2 A. I agree. I was.

3 Q. After mediation of two of the four issue areas,
4 there were Commissioners' decisions in those two
5 issue areas; is that right?

6 A. That is correct.

7 Q. Okay. And I have distributed exhibit -- Public
8 Advocate Hearing Exhibit 7 and Public Advocate
9 Hearing Exhibit 8.

10 Do you agree that Exhibit 7 is the decision of
11 the Philadelphia Water Commissioner and Revenue
12 Commissioner as to the mediation report regarding
13 the informal dispute and hearings process?

14 A. Yes.

15 Q. Thank you. And that Hearing Exhibit 8 is the
16 decision of the Philadelphia Water Commissioner and
17 Revenue Commissioner as to the mediation report
18 regarding the treatment of tenant arrears and
19 applications for service?

20 A. Yes.

21 Q. Thank you. Exhibit 7 includes the mediator's
22 report as an attachment, Attachment B. That would
23 be page 15 of 32.

24 HEARING OFFICER: Which exhibit are you
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1 in?

2 MS. TRAN: Exhibit 7.

3 HEARING OFFICER: I'm there.

4 BY MS. TRAN:

5 Q. I'm going to jump to Public Advocate Hearing
6 Exhibit 8. This Commissioner's decision includes
7 the mediator's report plus the City and Public
8 Advocate responses attached; is that right?

9 I will give you a minute to flip through.

10 A. As I'm flipping through, I agree.

11 Q. Okay. Switching subjects a bit -- actually, at
12 this point we are done with these exhibits.

13 MS. TRAN: We know that Exhibits 7 and 8
14 are not part of the record yet, and we'd ask that
15 they be part of the record.

16 HEARING OFFICER: Surely. I do have a
17 question. I might have been having a side
18 conversation when this was clarified.

19 But what's the difference between 7 and
20 8?

21 MS. TRAN: Seven is regarding -- I will
22 read it specifically. Exhibit 7 is regarding
23 informal dispute and hearings process. And 8 is
24 regarding tenant arrears -- treatment of tenant
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1 arrears and applications for service.

2 HEARING OFFICER: It's right there in
3 the heading. Sorry. Thanks.

4 BY MS. TRAN:

5 Q. Ms. Bethel or Mr. Harvey, the WRAP Program that's
6 been referenced a few times already, do you know how
7 long the WRAP program's been in existence?

8 A. I do not. It was here when I got here eight
9 years ago, so I know it's been here at least eight
10 years.

11 Q. Okay. Since you've been here, the grants -- the
12 City grant portion of the program has increased from
13 200 to 500 dollars?

14 A. That is correct.

15 Q. Do you know when that happened?

16 A. I don't know the exact date.

17 MR. HARVEY: I believe that was
18 February 2012.

19 BY MS. TRAN:

20 Q. Ms. Bethel, on February 22 when we discussed --
21 when we were before the Board at the Department's
22 presentation to the Board, you explained how you
23 arrived at the 22 additional Revenue Bureau staff
24 that would be needed to process applications under
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1 the new I-WRAP Program.

2 Do you remember that?

3 A. I do.

4 Q. You started with the current WRAP process which
5 involves handling you said 12,000 pieces of paper a
6 year roughly?

7 A. I don't recall saying 12,000 single pieces of
8 paper. I said 12,000 applications.

9 Q. Okay. Do you recall predicting about 50,000
10 pieces of paper under the I-WRAP Program?

11 A. I recall saying 50,000 applications, not pieces
12 of paper.

13 Q. These applications, you're -- are you referring
14 to additional 50,000 or total of 50,000?

15 A. Additional 50,000 for the I-WRAP Program.

16 Q. I'd like to show you the transcript of the
17 February 22 hearing where you said 12,000 pieces of
18 paper. Would you like to see that, or perhaps you
19 would need to correct your statement?

20 A. I'll correct my statement. If I said 12,000
21 pieces of paper, I misspoke.

22 12,000 applications and 50,000 applications. I
23 apologize for any confusion.

24 Q. No problem. Okay.

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1 This request for 22 additional Water Revenue
2 Bureau staff, was this made with any intentions to
3 implement the recommendation of the Management Audit
4 regarding eliminating duplication of work under the
5 current WRAP Program?

6 A. Could you say the question one more time?

7 Q. Let me rephrase.

8 Have you implemented any of the recommendations
9 of the Management Audit that's attached to Raftelis'
10 testimony regarding eliminating duplication of work
11 under the current WRAP Program?

12 A. No, we have not.

13 Q. Okay. Is there a plan to -- it sounds like the
14 request for two additional staff people is based on
15 the current work being done, and that the same type
16 of work would be done under the I-WRAP Program.

17 Is that your assumption?

18 A. The 22 or --

19 Q. The 22 additional Water Revenue Bureau staff?

20 A. The 22 additional revenue staff is in reference
21 to the I-WRAP Program.

22 Q. Yes.

23 A. Which is separate from the WRAP Program.

24 Q. But the current staff under WRAP now -- how many
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1 are in WRAP? How many staff people do you have now?

2 A. Nine.

3 Q. Nine?

4 A. Nine.

5 Q. And those nine folks under the new I-WRAP Program
6 would be transferred over to I-WRAP?

7 A. They would not.

8 Q. They would not. What would they be doing?

9 A. They would still -- they would still be dealing
10 with the phasing out of the current WRAP Program,
11 but they also have other duties. They don't singly
12 just do the WRAP Program.

13 Q. What else do they do?

14 A. They do the UESF Program. They do the Senior
15 Citizen Discount Program. And they can fill in as
16 back up for other customer service areas under the
17 purview of Byronette Watson.

18 HEARING OFFICER: Of what?

19 MS. BETHEL: They can fill in as backups
20 to other divisions under the purview of Byronette
21 Watson, which is the manager of that group. So,
22 there are different divisions within customer
23 service.

24 HEARING OFFICER: Thank you.
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1 MS. BETHEL: I apologize. Excuse me.

2 BY MS. TRAN:

3 Q. Have you considered possible savings from
4 outsourcing the I-WRAP application processing?

5 A. When we were talking about the 22 FCEs,
6 outsourcing was not something that was considered.
7 Because as you know, we currently have inhouse staff
8 that are doing the WRAP Program. So, outsourcing
9 outside of our collective bargaining unit was not
10 something that we considered.

11 Q. Referring to the Management Audit again attached
12 to PWD's Statement 8, you're aware that there's a
13 recommendation in there to go provide an online
14 option for processing of WRAP or I-WRAP
15 applications?

16 A. I do not have that document in front of me.

17 Q. We can find that.

18 A. I will take your word that's what it says.

19 Q. Okay. Subject to check.

20 A. Yes.

21 Q. Page 84 of the Management Audit, there is
22 reference to establishing electronic application
23 processing capabilities?

24 A. Okay.

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1 Q. Have you incorporated staff savings, personnel
2 savings, full time equivalent savings from going
3 from a paperless online option form application
4 processing?

5 HEARING OFFICER: Going from or to?

6 MS. TRAN: To. Or provide -- wouldn't
7 be totally online processing, but providing an
8 option.

9 HEARING OFFICER: I'm sorry, Ms. Tran.
10 I just heard you say going from, and so I was
11 unclear.

12 MS. TRAN: Okay.

13 HEARING OFFICER: Part of that is I
14 think everybody needs to speak up. It's hard to
15 do that here because it's a small room and we're
16 all close together. But we are still having
17 trouble making out every word, which is important
18 for the transcript.

19 So did I interrupt before you got an
20 answer to your question?

21 BY MS. TRAN:

22 Q. Yes. What's your answer?

23 A. Could you restate the question? I'm sorry.

24 Q. Sure.

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1 Have you yet incorporated any full-time
2 equivalent savings from a paperless online option
3 for applications submissions either WRAP or I-WRAP?

4 A. No. We have not done an equivalent for full-time
5 staffing factoring in a paperless or going to a
6 paperless system. The City right now is not --
7 doesn't have the -- a paperless process.

8 Q. Do you know of any plan to provide an online
9 option for these applications?

10 A. We have not thought into that at this time.

11 Q. Switching a little bit to the I-WRAP legislation,
12 you're aware that the I-WRAP legislation provides
13 for acceptance of proxy income and residency
14 eligibility if the customer is already approved for
15 a low income tax agreement?

16 A. Could you tell me specifically where that is in
17 here?

18 Q. Yes. It is attached -- the legislation is
19 attached to Mr. Colton's testimony?

20 A. Yes, I have that.

21 Q. Okay. At Appendix B. Page 4 of Appendix B says:
22 The Department shall accept determinations of income
23 under point 2 on that page 4 of Appendix B.

24 The Department shall accept determinations of
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1 income and/or residency made within the prior 12
2 months pursuant to Section 19-1305.

3 A. I see that.

4 Q. Yes. Are you familiar with that section?

5 Subject to check, does that section cover the
6 owner-occupy payment agreement for real estate
7 taxes?

8 A. I don't know that. I'm sorry. I do not know.

9 Q. Okay. Well, subject to check, if an applicant
10 could show approval for an owner-occupied payment
11 agreement for taxes within the last twelve months
12 and that equates to eligibility for I-WRAP, would
13 you agree that it would streamline the I-WRAP
14 application process quite a bit?

15 MR. DASENT: Object to that. I'm sorry.

16 If she does not know, she wouldn't be the
17 appropriate witness to ask that question. It
18 would be someone with real estate background,
19 perhaps a lawyer, that would be best situated to
20 answer that particular question.

21 BY MS. TRAN:

22 Q. If you were to accept proxy eligibility
23 information from another program for income or
24 residency, wouldn't that eliminate the need to
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1 submit pieces of paper for income or residency for
2 the new I-WRAP application process?

3 A. The eligibility requirements for the I-WRAP
4 Program have yet to fully be determined, so I don't
5 know how to properly answer your question other than
6 that.

7 Q. What would someone normally show for income
8 eligibility under the current WRAP Program?

9 A. So, they show their W2s. They show their pay
10 stubs for income, SSI, any sources of income that
11 they can prove they submit to us currently for the
12 WRAP Program.

13 Q. Do you expect that type of documentation
14 requirement to change in the future for the I-WRAP
15 Program?

16 A. Since the requirements for I-WRAP haven't been
17 determined, I can't speak to that.

18 HEARING OFFICER: Do you have a personal
19 opinion?

20 MR. DASENT: Do not speculate. That's
21 appropriate.

22 HEARING OFFICER: I just meant because I
23 see that you're referring to a statement that the
24 lawyer is suggesting that you use which covers
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1 these things. And I understand the situation
2 bureaucratically from the position of the Board.

3 I was just trying to say -- find out if
4 you as in your experience and position have
5 thought about these things and have an opinion.
6 You may also -- you can tell me that, yeah, you
7 do, but you're not going to say it here.

8 (Laughter)

9 MS. BETHEL: I --

10 HEARING OFFICER: Looks like you'd be
11 uncomfortable talking about your own personal
12 feelings about this, your own -- I don't mean
13 feelings so much as opinions.

14 MS. BETHEL: I would be open to giving
15 an opinion after we flush through what the
16 requirements are going to be.

17 HEARING OFFICER: Ms. Tran.

18 MS. TRAN: That's all I have for
19 Ms. Bethel and Mr. Harvey at this time.

20 HEARING OFFICER: Any other parties have
21 questions? Anybody from the bench?

22 MR. POPOWSKY: I do have one question.

23 It's just something that's been
24 troubling me from the public input sessions we
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1 have had. And I realize this may not even be
2 something that we can rule upon. But there have
3 been several witnesses, particularly at the first
4 public hearing or the public hearing at the Free
5 Library, that talk about the issue of not being
6 able to become customers because of occupancy
7 requirements for the Water Department.

8 And I've been doing this for a long
9 time, and I never heard this concern so
10 consistently. And I've been -- I've followed
11 Philadelphia PECO for many years, PGW, and I
12 never heard that complaint.

13 Is there something about the Water
14 Department and the way that you determine how to
15 become a customer that makes you different from
16 PGW and PECO? I was just trying to determine
17 that.

18 MS. BETHEL: I can't speak to how PGW or
19 PECO define an occupant. I -- I thought the
20 issue could stem from tangled titles. So where a
21 person cannot prove that they are an owner of a
22 property, so we do provide assistance and allow a
23 person to establish that they are an occupant.

24 And we just ask for the difference between if
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1 you're an owner -- if you're an occupant with an
2 ownership interest, or if you are just a plain
3 occupant which changes the type of assistance
4 that we can give you.

5 MR. POPOWSKY: Okay. Like I said, I
6 just had never heard -- heard that so
7 consistently that people were coming up and
8 saying that they wanted to become your customer
9 but they couldn't.

10 And if there is a difference between you
11 and PGW, and I'd like to --

12 MR. CHAPMAN: Who makes that decision?
13 Your Department or Philadelphia Water Department?

14 MS. BETHEL: Makes a decision on?

15 MR. CHAPMAN: Whether or not they're
16 eligible to become a customer.

17 MS. BETHEL: It's in our regulations as
18 far as defining an occupant with or without
19 interests.

20 HEARING OFFICER: Whose regulations?

21 MS. BETHEL: They are the Philadelphia
22 Water regulations.

23 HEARING OFFICER: The water, sewer and
24 stormwater regulations?

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1 MS. BETHEL: Correct.

2 MR. POPOWSKY: I do expect based on the
3 testimony, that we will be getting briefs on it,
4 I guess, at least from the Drexel folks. And you
5 can respond accordingly. Thanks.

6 HEARING OFFICER: If I could follow up
7 on that. I don't remember whether I heard this
8 as a rumor or somebody suggested it in one of the
9 public hearings, but maybe you can help me out.
10 That a difference that was suggested was that the
11 Water Department believes that it only has the
12 power to put a tax lien on property in order to
13 collect. And you can't put a tax lien in
14 somebody's tangled ownership situation.

15 Is that -- does that correspond with
16 your understanding of how this is working?

17 MS. CROSBY: I think that would fall
18 under the legal side. I would be happy to answer
19 that for you. There are multiple ways to burden
20 a property.

21 When dealing with real estate, the real
22 estate taxes are a set amount. We will just say
23 \$500. Whoever is the owner of that property or
24 whoever purports to be the owner of that
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1 property, that \$500 is going to stay constant
2 assuming he doesn't get reassessed. But that
3 \$500 is going to stay constant. Whoever is
4 living in it or claims they are living in it or
5 says that their aunt left it to them or their
6 brother left it to me, that \$500 is constant.

7 When you have water, depending on who is
8 living there, who says they own it, the water
9 bill will increase. It will not stay constant.
10 It will go up. It will go down. The use of
11 water at that property will burden that property.
12 When real estate liens are placed, it's always
13 going to be that \$500 no matter what. But when
14 somebody is on the property using water, that
15 water lien could be \$50. It could be \$2,000.

16 Because the water lien -- because water
17 use can additionally burden a property in the way
18 that real estate can't, City of Philadelphia has
19 taken a position that water should be treated
20 separately than real estate. And that the
21 ownership issues surrounding that should be
22 treated differently.

23 MS. BROCKWAY: I almost would think --

24 MR. CHAPMAN: Wouldn't the gas bill also
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1 fluctuate, go up and down?

2 MS. CROSBY: It does.

3 MR. CHAPMAN: But my understanding is
4 that PGW allows it but PWD does not.

5 MS. CROSBY: Allows?

6 MR. CHAPMAN: Them to get gas without --
7 without showing title to the property.

8 MS. CROSBY: We have several different
9 customer types, and Ms. Bethel can speak to that.
10 So just because you are not an owner of the
11 property, doesn't mean you can't get water.

12 MR. CHAPMAN: I sat through a lot of
13 those hearings. And a lot of people complained
14 that they could get gas, but they couldn't get
15 water.

16 MR. BALLENGER: Can I respond just
17 briefly on sort of the legal aspects of the liens
18 that Ms. Crosby is referencing?

19 HEARING OFFICER: Not right now. Can
20 you hold that. I want to finish up this
21 discussion.

22 MR. BALLENGER: Sure.

23 HEARING OFFICER: Then you can weigh in.

24 MR. HARVEY: Probably say one of the
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1 things with our customers, we are actually
2 liening the property. Whereas, the PGW is
3 actually going after the customer by, say, Social
4 Security number. We are only going after the
5 property, so that's why we have a tough time with
6 just letting anybody who wants to come in to get
7 service at a property who does not have any
8 ownership interest in it or doesn't necessarily
9 have the right to occupy the property.

10 We can't just let them come in, use
11 water, run up the bill and then go after the
12 owner of the property. We don't come after the
13 tenant that's getting the water in his name. We
14 go after the property. And if you owned the
15 property and I come in as your tenant. At the
16 end of the day, we are coming to you to collect
17 the payment.

18 So, we can't just let me come in there
19 and say, well, I just want service here when I
20 have no right to be in the property. And then
21 say, hey, you have to pay this bill because we
22 let -- we allowed somebody to come in and get
23 service there.

24 MR. CHAPMAN: Is there a process of debt
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1 collection better than ours?

2 MR. HARVEY: I'd say it's different.
3 It's very different in that they are going after
4 the individual with a Social Security number.

5 MR. CHAPMAN: I guess my concern from my
6 aspect of it would be they are two City companies
7 or organizations or departments. Why wouldn't
8 there be consistency? And I know you cannot
9 answer that question, but I said it in my out
10 loud voice.

11 (Laughter)

12 HEARING OFFICER: Did you want to say
13 something, Mr. Ballenger?

14 MR. BALLENGER: I just wanted to
15 clarify. I think generally speaking I don't
16 disagree with Ms. Crosby about generally, very
17 generally, very high level the ability of the
18 city to take liens. I would point out that tax
19 liens become liens when assessed. The City
20 actually has to file a lien in order for a water
21 lien to be imposed. The standards that apply in
22 court have changed for that.

23 What I wanted to point out, the main
24 clarification that I wanted to point out in all
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1 the situations Ms. Crosby is referring to, she is
2 assuming nonpayment. So, a lien is only placed
3 if there is an unpaid bill. And I think from
4 what you heard and public input hearing is that
5 people have not been able to access customer
6 status. And I think those are two sort of
7 different things, and I appreciate the dialogue
8 about it.

9 HEARING OFFICER: I have some questions
10 to follow up on that and to follow up on
11 Mr. Chapman's questions.

12 Is there something -- maybe this is a
13 legal question. But is there something in the
14 law that prevents the Water Department from
15 creating a department/customer relationship with
16 somebody who is in a building but doesn't own the
17 building? It may vary by how you're in the
18 building. But if you don't own the building, is
19 it impossible, is it disallowed, are you not able
20 to hold a customer responsible?

21 I'm not saying you do or don't now, I'm
22 saying could you if you wanted to?

23 MS. BETHEL: Hold them responsible?

24 HEARING OFFICER: Make them a customer?
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1 MS. BETHEL: Yes. We have tenant
2 customers right now. So, there are customers
3 that are tenants not owners of the property that
4 the bill is in their name, and they're
5 responsible for paying that bill.

6 HEARING OFFICER: Well, let's say they
7 don't pay that bill. What I understand is that
8 from Mr. Harvey is that you go after the property
9 owner.

10 MS. BETHEL: That is correct.

11 HEARING OFFICER: Is there anything
12 preventing you from going after the person in
13 whose name the bill is?

14 MS. BETHEL: Other than -- my
15 understanding is that the water bill stays with
16 the property. It doesn't follow the person
17 unlike a gas bill.

18 HEARING OFFICER: Well, so let's talk
19 about somebody who is still in the premises and
20 they run up a bill, and they haven't paid it.

21 What I don't understand is why you can't
22 do both. That's what I'm trying to get at.

23 MS. CROSBY: And this may fall into the
24 legal side. Because as counsel to WRB, I am also
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1 in charge of the municipal court operations to
2 collect the water debt for WRB. We file suit to
3 collect debts from both owner customers and
4 tenant customers. So those tenant customers who
5 have delinquent bills, we do seek personal
6 judgments against them in municipal court.
7 However, we also seek personal -- if we are not
8 able to successfully get the money from the
9 tenant, we will go to the owner through municipal
10 court, through shut offs, through liens, through
11 sheriff sales.

12 HEARING OFFICER: Okay. So you do --
13 you do have some customer -- non-owner Department
14 legal relationships which bind the customer, the
15 non-owning customer to pay you?

16 MS. CROSBY: Yes.

17 HEARING OFFICER: Do you know if that --
18 if that ability to go after a customer is any
19 different between you and the Gas Department?

20 MS. CROSBY: I can't speak as to their
21 collection practice and their tools.

22 MR. BRUNWASSER: One of the problems
23 that I think I have heard from owners of the
24 rental property is that they didn't realize that
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1 the customer, the tenant customer, had not been
2 paying the bill. Then I believe that perhaps is
3 there an effort to send a multiple bill to -- I
4 mean, an additional bill for information purposes
5 that say to the owner so that the owner realizes
6 whether or not the payments have been made by the
7 tenant?

8 MS. BETHEL: Yes. So when we have
9 tenant customers and they become delinquent on
10 their account, we do send notification to the
11 address of record to the owner. So, they are
12 notified simultaneously. So because we make them
13 aware at the time the tenant becomes our customer
14 that they would be ultimately responsible for
15 that delinquency, so we do take a responsibility
16 on making sure that they are aware of this
17 delinquency as it's occurring.

18 MR. BRUNWASSER: So the owner of a
19 rental property like that, at least after a short
20 period of time, should not be able to plead
21 ignorance of the situation that's going on
22 between the water utility and the tenant?

23 MS. BETHEL: That is correct.

24 HEARING OFFICER: So, let's probe a
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1 little bit further on the difference between
2 tenants as we've been talking about it just now
3 and other types of occupants. Because I have the
4 sense -- actually, maybe we should just let you
5 do it, Ms. Bethel. Talk about the different
6 types of customers.

7 MS. BETHEL: So, the way we distinguish
8 between an occupant and a tenant is merely the
9 definition. Tenants pay rent. So if you can
10 establish that you're paying rent to a person or
11 an entity, then therefore you are a tenant. An
12 occupant, you are there. You are occupying the
13 property.

14 As an occupant you are either occupying
15 the property with interest in the property,
16 meaning that you are potentially going to be the
17 owner. Therefore, when you are an owner with
18 interest, the whole bill is yours. You are
19 taking ownership of that.

20 If you are an occupant without interest,
21 you are not trying to obtain interest in that
22 property. And the type of assistance that we
23 would provide to you is different because you're
24 not -- you're not looking to own or have

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1 ownership in that property.

2 HEARING OFFICER: Can I clarify one
3 thing here? You have said what you are able to
4 do for the customer. I think what we're really
5 talking about here is how do you get to be a
6 customer in the first place, so not what benefits
7 you might be entitled to.

8 Because I also heard, as Mr. Chapman
9 did, that there were folks who said they had
10 beneficial interest in the property. For
11 example, the owner of the property was in a
12 nursing home and was non compos mentis, and it
13 was not possible to go through a rigmarole to get
14 all of that legally sorted. But they were going
15 to be involved at least in some respect as an
16 heir or they were involved as a caretaker for the
17 house. And in those cases, they would not be
18 able to get customer status.

19 MR. DASENT: That particular customer
20 was at the Protestant Home at the public
21 hearing -- the Presbyterian Home. And you may
22 even have notes on that.

23 MS. BETHEL: Yes. I can provide the
24 outcome of that particular customer.

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1 So prior to the hearing, the manager of
2 our customer service unit Byronette Watson worked
3 with CLS attorney Ms. Pickens to get the name
4 that we could put on the bill for the occupancy
5 status because the mother was in a nursing home
6 and that person was awaiting guardianship before
7 the property could be deeded to him. He was in
8 the process of trying to become an owner with
9 interest.

10 And he did state that he was upset that
11 he was seeing the total amount that would be due
12 on the bill. And we were able to put him into a
13 long term payment agreement so it could prevent
14 the shut off so he would be able to pay the bill
15 each month. So we did that, of course, because
16 when you, as I hopefully explained -- may not
17 have been as clear. When you become the owner
18 with interest, we know that that bill is going to
19 be yours.

20 So therefore, that large bill that he
21 was looking at, it is now his. It's going to be
22 his. And he got into an agreement to pay it off
23 for a longer period of time.

24 MR. HARVEY: He's an occupant with
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1 interest.

2 MS. BETHEL: Right. I'm sorry if I said
3 owner. An occupant with interest.

4 HEARING OFFICER: I don't know whether
5 we plunged to the bottom of this, so I'm going to
6 leave it there for now. I got the impression
7 maybe that was the case at the public hearing
8 that stuck in my mind as outrageous or something.
9 Maybe I've let that spill over to all the other
10 cases, but there were certainly as Mr. Chapman
11 said many, many people who said I can't become a
12 customer. And we are frustrated and didn't know
13 why.

14 It seems to me if you have somebody who
15 is occupying a premise, the only circumstance
16 under which they ought not to become a customer
17 is if they're illegally-occupied premises.

18 MR. HARVEY: That's a great point. I
19 should say that everyone can become a customer.
20 It's just the way in which you become a customer,
21 like Ms. Bethel just said. There is an occupant
22 with interest and an occupant without interest.

23 What goes along with that is the type of
24 assistance we provide for you. There is probably
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1 where they are experiencing not becoming a
2 customer because they can't meet what we need
3 back from them, let's say, as an occupant without
4 interest. So they may not be ready to make the
5 agreement on that entire bill, and that's what's
6 preventing them from getting there.

7 But everyone has an opportunity to
8 become a customer whether it's a occupant with
9 interest or an occupant without interest or a
10 tenant customer. There is an opportunity for
11 everyone. We don't prevent anybody from having
12 service.

13 HEARING OFFICER: If I can just make
14 sure I understand what you're saying. The hangup
15 for some occupants without interest is that they
16 would have to take on the back debt?

17 MR. HARVEY: Yes. Yes. And we can put
18 you in agreement, but it's just are you able to,
19 you know, meet that agreement whatever the case
20 may be. But we certainly provide an opportunity
21 for everyone to become a customer providing that
22 you can basically prove that you are, in fact, an
23 occupant there and that you, in fact, have the
24 right to be there.

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1 HEARING OFFICER: Go off the record.

2 - - -

3 (Discussion was held off the record as
4 Chairman Brunwasser had to leave the
5 proceedings.)

6 - - -

7 HEARING OFFICER: Back on the record.

8 MR. BALLENGER: I just wanted to ask, I
9 think sort of following on what Mr. Harvey said
10 about occupancy, from our experience isn't it
11 correct that you require some proof of consent
12 from the owner for an occupant to become a
13 customer? It's not just about whether you're
14 living in the property, you have to prove that
15 the owner has given you consent to live in the
16 property; isn't that correct?

17 MR. HARVEY: Yes. That would be through
18 a lease or a deed or, you know, yes. Again, to
19 Mr. Chapman's question, we wouldn't just allow
20 anybody to come in and say that they belong here.
21 I mean, there is -- unfortunately, there is a
22 situation where there are squatters. And
23 obviously, we don't want to allow someone else to
24 have service run up a bill and then tell the
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1 owner pay us. It wouldn't be fair.

2 MR. BALLENGER: I understand there is a
3 policy issue here. I think to the point the
4 Hearing Officer is talking about where the owner
5 may not have the mental faculties to provide a
6 piece of paper that says I, you know -- I give my
7 full power of attorney to my son and authorize
8 him to live and maintain in my household. You
9 would agree that would be a barrier to getting
10 customer status?

11 MR. HARVEY: Not necessarily customer
12 status, a barrier to becoming an occupant with
13 interest. We certainly would allow you to come
14 in and be an occupant without --

15 MR. BALLENGER: Even without consent of
16 the owner that occupied the property.

17 MR. HARVEY: When the owner can't
18 provide that. And, of course, the customer can
19 prove to us that they, in fact, occupy the
20 property. We will let them come in as an
21 occupant without interest.

22 MR. BALLENGER: In the case of an
23 occupant without interest, I believe at that
24 point assuming the water has been terminated
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1 before that point, like the water has already
2 been shut off. That person coming in has a
3 fairly large financial barrier to getting
4 customer status; isn't that correct?

5 MR. HARVEY: Well, yeah.

6 MR. BALLENGER: They don't just get
7 their name put on the bill. They actually have
8 to make a huge payment -- not huge, have to make
9 a payment on arrearage.

10 MR. HARVEY: Definitely. Depending on
11 the situation.

12 MR. BALLENGER: Which is not the same
13 for occupants with ownership; isn't that correct?

14 MS. BETHEL: Yes.

15 MR. BALLENGER: They don't have to make
16 a payment.

17 MS. BETHEL: That's correct. They have
18 to make a payment.

19 MR. HARVEY: They have to make a
20 payment, but assistance is different.

21 MR. BALLENGER: It's a different level
22 of assistance that you can provide.

23 HEARING OFFICER: Level of assistance.
24 I'm still not clear about that.

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1 MR. HARVEY: Well, with an occupant with
2 interest, you can -- let's say you are low
3 income. You can receive everything up to our
4 lowest payment plan, so we treat you as if you
5 are an owner if you're an occupant with interest.

6 In terms of the occupant without
7 interest, you basically go into a standard
8 payment agreement, therein lies the difference.

9 HEARING OFFICER: Why would the
10 ownership relationship be the difference on that?

11 MR. HARVEY: Well, one of the things is
12 we defer payment for owners because in the -- at
13 the end of the day, the owner is responsible for
14 that bill. If you are an occupant without
15 interest, we can't defer payments and then again
16 look to whoever is the owner to make payment on
17 bills that we deferred for someone who wasn't the
18 owner.

19 In other words, it's almost like
20 deferring payments for tenants. And then at the
21 end of the day, coming back to the owner and
22 saying we are going to need you to pay the
23 payments we refer to the tenant.

24 HEARING OFFICER: Well, you do that,
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1 don't you?

2 MR. HARVEY: We don't defer payments for
3 tenants.

4 HEARING OFFICER: But if there is
5 non-payment, you do go against the owner?

6 MR. HARVEY: Yes. Yes. But the tenant
7 is responsible for paying the current bill.
8 Whereas, if you are an owner, we are deferring
9 the current bill to a later time in which you can
10 pay. That's the difference. That's why I said
11 it's a different level of assistance when you are
12 an occupant with interest versus an occupant
13 without interest. It's all in protection, of
14 course, the landlord.

15 MS. CROSBY: Madam Hearing Officer, you
16 had asked a question about what they need to
17 provide to become a customer. The response to
18 the Community Lawyering Clinic, Drexel Clinic's
19 Discovery I-7, they asked that specific question.
20 And we provided a chart outlining the
21 documentation that is needed to become an owner
22 customer, a tenant customer, occupant with
23 ownership interest and occupant without ownership
24 interest.

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1 HEARING OFFICER: Great. That will be
2 very helpful. I have some other questions if we
3 want to move beyond this topic.

4 Earlier, Ms. Bethel, you're saying the
5 City does not have a paperless process. This
6 again reveals my ignorance about my relationship
7 within different parts of the City.

8 Specifically, at what level or what part
9 of the City did not have or does not have a
10 paperless process?

11 MS. BETHEL: I don't know of any agency
12 within the City that has a paperless process
13 right now.

14 HEARING OFFICER: Is that -- is that
15 part of -- is that controlled in any way by the
16 Council or the Mayor or a budget or something?

17 MS. BETHEL: It would be an overall City
18 initiative to go paperless, and that's not
19 something that's in the works that I'm aware of
20 to make sure that every agency changes our manner
21 in which we receive applications.

22 HEARING OFFICER: Seems to me that --
23 one argument you can make to whoever is in the
24 way is to say we should be a test case before you
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1 do it with everybody. But I'm still not quite
2 clear who is dictating this policy that it has to
3 be everybody in the City. How do you know it has
4 to be everybody in the City.

5 We are about to get a --

6 MR. CHAPMAN: A lesson.

7 MS. LABUDA: Hi, Melissa LaBuda.

8 So, just to put some context on this, we
9 are one tax ID. We are not a separate agency.
10 We are not a separate tax ID. We are one entity.
11 We have different units or departments, but we
12 are all one tax ID. We don't make decisions that
13 drive the City's policies.

14 The City at much higher levels than
15 anyone in this room will articulate and dictate
16 which processes become paperless or not. And
17 unfortunately, we don't -- we don't set that
18 agenda. And so, if you just keep the framework
19 of a large city, just one Department or two
20 Departments of a very larger organization with
21 the idea we are one tax ID, we are not driving
22 the paperless decision.

23 And that there are initiatives underway
24 in certain areas for efficiencies, but it's
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1 mostly around procurement. So if you procured a
2 contract with the City of Philadelphia, you
3 likely see the very significant stack of paper
4 that you had to sign and return back. There is
5 some movement on trying to move that process to a
6 little less cumbersome paper process. That's the
7 only one I'm aware of to date.

8 HEARING OFFICER: Thank you.

9 You were asked some questions about
10 whether you couldn't just sign somebody up for
11 I-WRAP based on their eligibility or their
12 receipt, I can't remember which is which, in the
13 last year of the program under City Ordinance
14 19-1305. And you said that eligibility wasn't
15 fully established.

16 It didn't seem to me as if there was any
17 way to get around that part of the ordinance.
18 You're not offering the program right now, but is
19 there any -- in what way could you ever not make
20 such person's eligible automatically?

21 MS. BETHEL: Well, we would probably
22 potentially not have to do that because we don't
23 do that currently. With our current WRAP
24 Program, we don't accept just because you are
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1 enrolled in another assistance program, that you
2 automatically become eligible for ours.

3 HEARING OFFICER: Okay. Maybe you'll
4 have to brief this, Mr. Dasent. It's in the
5 ordinance that you have to do that here. I don't
6 understand why it has to wait for further
7 regulations just on that part of it. I
8 understand you can't field a whole program based
9 on this one issue.

10 MS. BETHEL: But -- it's for the
11 regulations for I-WRAP Program, not for the WRAP
12 program. Were you saying to currently change
13 eligibility? I don't know if I'm understanding.

14 HEARING OFFICER: No. No. I'm sorry,
15 for the I-WRAP. Actually, that's great. That
16 gets me to another set of questions I have.

17 You talked about phasing out WRAP. Can
18 you talk a little bit more about what is involved
19 in that? Are you going to take any new
20 applications? Because then this question we've
21 been talking about becomes interesting.

22 What are you going to do? What does it
23 mean to phase out, I guess?

24 MS. BETHEL: So the phase out plan, of
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1 course, can't be determined until we know what
2 the decision is going to be for what the new
3 Affordability Program is going to look like. So,
4 we don't know how long that's going to take. But
5 we would -- we could assume that there will be
6 people that are in our current WRAP Program, that
7 it is more beneficial to them to be in the I-WRAP
8 Program, so they would no longer need to be in
9 WRAP because they can be in the I-WRAP Program.

10 But until, you know, there's kind of
11 some meat on the bones of how I-WRAP is going to
12 work, it's hard to say how long it's going to
13 take to phase out the existing WRAP Program.
14 Because there may be people that they're in a
15 long term agreement with us, and there is no
16 reason for them to get out of their existing WRAP
17 Program to go into the new I-WRAP Program. It
18 may be affordable as is. Their current agreement
19 maybe okay for them.

20 So, we can't assume that everybody is
21 going to leave the existing WRAP program and
22 automatically come into the I-WRAP Program.

23 HEARING OFFICER: I'd be grateful if
24 counsel could brief his question about if you
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1 start I-WRAP, can you continue with WRAP because
2 I'd always assumed that one would go away.

3 MR. CHAPMAN: The WRAP would go away and
4 those people would transition to I-WRAP as well
5 as additional applicants.

6 HEARING OFFICER: You might grandfather
7 some people who had a better deal under WRAP, but
8 is that what you're talking about?

9 MS. BETHEL: Correct.

10 MR. CHAPMAN: Looks like you got
11 somebody who wants some answers.

12 MR. BALLENGER: I believe there is one
13 provision in the ordinance that actually talks
14 about a more affordable alternative for
15 customers. So conceivably, there could be such
16 an alternative with WRAP. I think it was really
17 more meant to identify those folks who would be
18 better off on the Senior Citizen Discount as
19 opposed to I-WRAP.

20 But we can try to address it in the
21 briefs, but it is a confusing issue, I think.

22 HEARING OFFICER: Talked about the
23 outsourcing. I know I am jumping around. I had
24 little bits and things as we're going through.

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1 It wasn't clear to me -- I don't exactly know
2 what the words were that you were using -- but
3 whether you were saying you could not or you
4 could but it was a bad idea to outsource.

5 MS. BETHEL: What I was saying is the
6 fact that we -- there is nothing in the -- in our
7 charter that precludes us from outsourcing.
8 However, because we are in a collective
9 bargaining unit and we are currently in-taking
10 applications for the WRAP Program, we were not
11 looking to outsource a function that we are
12 currently doing right now.

13 HEARING OFFICER: Is there something in
14 the collective bargaining agreement that
15 precludes you from doing that for I-WRAP?

16 MS. BETHEL: No. There is nothing that
17 precludes that.

18 MS. CROSBY: Madam Hearing Officer,
19 there was a question posed under the Public
20 Advocate's RDC 111. It was to provide some
21 sights to the ordinance the bars WRB from
22 entirely or partially outsourcing qualification
23 or requalifications for a low income assistance
24 program to another agency that also provides
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1 social services based on set criteria. And I
2 answered that on behalf of the Department.

3 We are not aware of any language within
4 the Philadelphia Code that would bar us from
5 doing that. However, the collective bargaining
6 agreements with the City's unions and the general
7 principles of labor law may preclude us from
8 doing that. And that would have -- that would be
9 something that we would have to discuss.

10 We would have to review the collective
11 bargaining agreements. We would have to get an
12 opinion from the City Solicitor in order to make
13 that decision. It's -- it's not something that
14 Ms. Bethel or the Water Department could do on an
15 ad hoc basis.

16 HEARING OFFICER: Would it be fair to
17 say in addition to legal requirements, there are
18 political issues involved in making changes that
19 effect the rights of current and future employees
20 under collective bargaining agreement?

21 MS. CROSBY: You could probably put a
22 big peephole on that.

23 HEARING OFFICER: I think I'm done.
24 Just a sec. Thank you very much. I'm done.
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1 Any redirect?

2 MR. DASENT: Yes. If I could just
3 have --

4 HEARING OFFICER: Go off the record.

5 - - -

6 (Discussion was held off the record.)

7 - - -

8 HEARING OFFICER: We will go back on the
9 record.

10 MR. DASENT: Thank you.

11 (Redirect Examination of Michelle Bethel.)

12 BY MR. DASENT:

13 Q. Ms. Bethel, we were speaking before about a
14 number of items on cross-examination including
15 combining call centers to accomplish certain
16 efficiencies.

17 Is it correct that WRB and PWD are separate
18 Departments in the city?

19 A. Yes, that's correct.

20 Q. Are there any other restrictions? Tell me about
21 it.

22 A. I -- right now we are two separate entities. One
23 is, of course, the Water Department. And Water
24 Revenue is funded by water, but we are part of the
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1 Revenue Department.

2 Q. And you have separate staffing and restrictions
3 in terms of what you can do to accomplish certain
4 efficiencies?

5 A. That is correct.

6 Q. You've also referred in looking at the hearing
7 exhibits that Ms. Tran circulated, you're referring
8 to the Schumacher Management Audit. And I'm looking
9 at it. And I see there that it's a draft audit or
10 the draft report to the City of Philadelphia.

11 Isn't that correct?

12 A. That is correct. It is a draft.

13 Q. If I look at the top left corner of each page, it
14 says for review purposes only?

15 A. That is correct.

16 Q. Certain statements were made to the effect we
17 were acting on this audit in terms of implementing
18 some of its recommendations and the findings. Is
19 that your consistent with your understanding that we
20 have not acted on it, that it's a draft report?

21 A. That is correct.

22 Q. Now there's also some mention about staffing
23 issues for I-WRAP and the overlap between I-WRAP and
24 WRAP.

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1 Is it true that there are different requirements
2 in terms of the expanse of income that's dealt with
3 in WRAP versus I-WRAP?

4 MR. BALLENGER: Just because you
5 objected when I did it. I will object that you
6 are leading the witness.

7 HEARING OFFICER: Oh.

8 BY MR. DASENT:

9 Q. What's the difference between I-WRAP and WRAP
10 Programs.

11 A. The difference as far as income for I-WRAP is it
12 goes to 150 percent of the federal poverty level.
13 Our current WRAP Program extends to 250 percent of
14 the federal poverty level.

15 Q. Can you turn the WRAP off like a light switch?

16 A. It's not going to be simple to -- you can't just
17 turn it off.

18 Q. Can all customers or participants in WRAP
19 transition to I-WRAP or vice versa? I guess it will
20 be WRAP to I-WRAP.

21 A. Not all customer can transition. Those customers
22 that are above 150 percent federal poverty will not
23 be transitioning to the I-WRAP Program.

24 Q. Does that impact your staffing assumptions for
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1 I-WRAP?

2 A. Yes. Because we are still going to need people
3 doing both programs simultaneously. They will be
4 running in parallel.

5 MR. DASENT: That's all I have.

6 HEARING OFFICER: Mr. Ballenger,
7 Ms. Tran?

8 MR. BALLENGER: May we huddle for one
9 minute?

10 HEARING OFFICER: Yes.

11 MR. BALLENGER: Thank you.

12 HEARING OFFICER: I'm going to have one
13 question.

14 MS. TRAN: We have no further questions.
15 Thank you.

16 HEARING OFFICER: I do have a question.

17 Since we're talking about the Schumacher
18 Report, I am looking at page 36. There is a
19 lovely little drawing at the top Exhibit II-17
20 Call Flow of Actual Call. You see that?

21 MS. BETHEL: Yes.

22 HEARING OFFICER: Just to put context,
23 what this shows is that somebody -- a customer
24 calls, they make multiple calls to the Revenue
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1 Bureau, Revenue Board or the --

2 MS. CROSBY: WRB is Water Revenue
3 Bureau.

4 HEARING OFFICER: That's separate from
5 PWD?

6 MS. CROSBY: That's correct.

7 HEARING OFFICER: Okay. Then they're
8 held in a queue there. But looks as if the phone
9 is picked up then by a PWD employee. There is
10 this overflow transfer.

11 MS. BETHEL: Yes. So currently in our
12 in-contact cloud-based telephone system, there is
13 an algorithm, a very complicated algorithm, that
14 I could not explain to you if need be. But that
15 if certain criteria happen, a call can be
16 transferred or answered by a PWD call center
17 person because all of our representatives at
18 Water Revenue Bureau are already assisting
19 customers. Because the call center at the Water
20 Department may have an agent available, that
21 agent then picks up the phone.

22 So in this diagram, they answer the
23 call, but they are not capable or equipped to
24 answer the question.

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1 HEARING OFFICER: They answered it
2 because there was an overflow on your line?

3 MS. BETHEL: Correct.

4 HEARING OFFICER: I don't need to go to
5 the -- I take it that the last transfer is to a
6 refund clerk, and that's some kind of an appeal?
7 The -- when it's -- excuse me.

8 So overflow gets a rep at PWD. Rep at
9 PWD can't answer the question, but has priority
10 at Water Rate Board -- Water Revenue Board to
11 have them look at that question. And if that rep
12 was unable to resolve it, it goes to somebody
13 called a Water Revenue Board Refund Clerk?

14 MS. BETHEL: This example is a very
15 complicated example. It is not the standard. I
16 think what they were trying to show is the fact
17 that a customer calls a number expecting to have
18 their call answered. They do not realize that a
19 certain criteria was met that they were
20 transferred to the Water Department. The Water
21 Department could not answer that question call,
22 so it came back to the Water Revenue Bureau.

23 And in this particular instance, it's
24 something that needed to be done from a whole
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1 other unit. And that's what they were saying
2 that a refund clerk needed to handle this. It
3 wasn't something that the call center was even
4 able to do. That was just a very extreme example
5 of showing the frustration of a customer calling
6 one number and dealing with two call centers
7 simultaneously.

8 HEARING OFFICER: We did have testimony
9 at the public hearings about how people were not
10 advised of any opportunity to appeal a decision
11 by a rep. I was confusing the refund clerk with
12 somebody on appeal.

13 MS. BETHEL: Correct. That's not what
14 this example is trying to depict the informal
15 hearing process. That's the a unit.

16 HEARING OFFICER: Are your reps trained
17 and required to tell people that there is an
18 avenue for appeal?

19 MS. BETHEL: Yes.

20 HEARING OFFICER: Where does the avenue
21 go to?

22 MS. BETHEL: So if a customer calls in
23 and say they want to dispute their bill, our
24 agents would be able to step them through the
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1 process, letting them know that we would forward
2 their dispute to our account analysis group that
3 would then determine, let's say, they were saying
4 their bill was incorrect.

5 So the agent -- the call center agent
6 couldn't explain it adequately enough to satisfy
7 the customer. The customer wants to have that
8 bill reviewed. The call center then sends that
9 call to our account analysis group. They make a
10 determination that the bill is correct. We then
11 send a letter to the customer letting them know
12 that the bill is correct, and then we inform them
13 at that time in writing that if they disagree,
14 they can go to the informal hearing process.

15 So then they would -- I don't know if
16 you want me to stop right there or take you --

17 HEARING OFFICER: That's okay.

18 The finding below says more than half of
19 all the calls handled by the PWD call centers --
20 call center are customers calling about water
21 billing issues. Instead of consolidating them,
22 if that is not possible, can one agency loan
23 staff to another?

24 I see we have triggered a very high
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1 level question here.

2 MS. McCARTY: Well, I think -- Debra
3 McCarty, Commissioner.

4 I think it's important to note that by
5 City Charter, we are two distinct departments.
6 And the Charter is very clear in the crossover.
7 Specific to your question, our -- the call center
8 staff at the Water Department, their primary
9 charge really is for emergency calls. But it
10 happens that 50 percent of their calls are
11 related to billing issues.

12 That's because, as Deputy Bethel pointed
13 out, in the chart that you showed that arrow
14 where it goes from customer to PWDCC, it says
15 overflow transfer. Because the calls from Water
16 Revenue come into the queue as Ms. Bethel
17 mentioned. So then, we are trying to make sure
18 that as many calls get answered as quickly as
19 possible. The challenge is when you -- when you
20 leave someone on hold, then they call back. And
21 so that ups your numbers of calls. And it
22 becomes this vicious cycle.

23 So the point in trying to, you know,
24 address calls as they come in is to reduce the
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1 number of calls ultimately and still address your
2 customer needs.

3 Does that answer your question?

4 HEARING OFFICER: It goes a long way.
5 I'm -- what I'm trying to do here is sort of cast
6 about for any possible arrangements that could
7 improve efficiency without running into all the
8 problems that have been discussed.

9 MS. McCARTY: Well, if I could?

10 HEARING OFFICER: Yeah.

11 MS. McCARTY: We are in the process,
12 very early stages of cross training. The staff
13 that work at Water Revenue Bureau and the staff
14 that work at the Water Department. And working
15 with the personnel department, office of human
16 resources, whatever you want to call them which
17 is the City agency that we all have to hire
18 through and see if we can't work on job titles
19 and pay scales, so when we cross train our
20 employees at both of the agencies, they will be
21 appropriately compensated.

22 We are looking at cross training, so
23 Water Revenue folks can handle emergency calls
24 and Water Department employees can handle the
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1 higher level water billing issue calls. I'm not
2 sure. It may have been stated already, but they
3 do do some -- Water Department employees do do
4 some rudimentary billing issues. They can get
5 into -- a supervisor can work out a payment
6 agreement with some customers. But it's -- you
7 know, when it gets complicated, that's their
8 expertise. Water Revenue. I'm referring to
9 Water Revenue.

10 HEARING OFFICER: Thank you. I have
11 only one question, which I'm sure you all thought
12 of and you're not doing it because it's a stupid
13 idea.

14 I know that consumer advocates hate
15 IVRs, or I don't even know what that stands
16 for -- voice recognition -- anybody know what it
17 stands for?

18 MS. CROSBY: I think it's interactive
19 voice recognition.

20 HEARING OFFICER: Would that be -- I've
21 often made a phone call and been told, you know,
22 you're going to be holding for about ten minutes.
23 If you want, you can put your name and your
24 number in and we'll call you back. Now

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1 personally, I've never done that because I never
2 believe them. It wouldn't solve your problem.

3 But is there any way to solve some of
4 the need for overflow by giving more information
5 in an IVR?

6 MS. BETHEL: So, we do currently have
7 that call back feature. But it wouldn't benefit
8 you because you said you wouldn't put your phone
9 number in. But we do have --

10 HEARING OFFICER: You can have my phone
11 number, I just don't believe you'll call me.

12 MS. BETHEL: Oh, okay. Did you say you
13 don't think we would call you?

14 HEARING OFFICER: I don't believe
15 anybody who says -- I believe that that is a way
16 of putting people off. I think a lot of
17 customers do, but not all.

18 MS. BETHEL: So if you happen to call
19 the Water Department or WRB and were afforded the
20 opportunity for call back, you would receive a
21 phone call within that same business day. Now --

22 MS. McCARTY: I'm sorry. That's our
23 service level goal to return the call that day if
24 you leave your phone number.

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1 MS. BETHEL: Correct. And we are
2 meeting that we do call you within that -- within
3 the business day. As far as the IVR, we are
4 actually looking to do that, to provide better
5 customer service for our customers that -- for
6 simple things. You want to know what our hours
7 are or you want to know what your balance is,
8 when your last payment hits so you don't have to
9 sit on the phone for that. We are looking to put
10 that in place. We are just having some issues
11 with technology requirements, but it is something
12 that is in the works to do that currently.

13 HEARING OFFICER: Okay. If I left my
14 number with you, I believe you would call me.

15 MS. BETHEL: We would.

16 MS. McCARTY: The Water Department does
17 use IVR for customer calls, and they want to make
18 a meter shop appointment. That can be done -- we
19 have just -- recently, we have just implemented
20 that. It took us way longer than we ever hoped
21 and imagined, but it is finally implemented. And
22 we have seen that reduce the calls at the meter
23 shop where we don't actually have folks sitting
24 around waiting for calls. They are supposed to
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1 be doing other things. They were getting
2 overwhelmed with phone calls.

3 We were frustrating our customers
4 because the line was busy or the voice mail was
5 full and things like that. It is -- it has
6 really made improvements in that little sector of
7 our business.

8 HEARING OFFICER: Great. I am done with
9 my questions at this point.

10 The question has come up about where we
11 go from here because you will have rebuttal to
12 Mr. Colton. And when did you plan to do that?
13 Now or after? What would your preference be?

14 MR. DASENT: I was going to do it next
15 as soon as you tell us.

16 HEARING OFFICER: Does that meet with
17 your satisfaction Tran -- Ms. Tran?

18 MS. TRAN: That's fine with us.

19 HEARING OFFICER: All right.

20 We will take a break for 15 minutes, and
21 we will come back and start with that.

22 - - -

23 (Brief break taken.)

24 - - -

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1 HEARING OFFICER: We'll go back on the
2 record.

3 During the break, I had a conversation
4 with counsel for the Department and Public
5 Advocate. It's pretty clear it's ten of 3:00.
6 Even if we went to 5:00, which would be an
7 option, we would not finish with Mr. Colton. We
8 also have Mr. Rosenthal by phone tomorrow. At
9 the moment that's at 2:00. I am hopeful we can
10 move that up and be done with everything by lunch
11 time tomorrow. Certainly, we won't be done by
12 5:00 today, so we are going to stop at 4:00 and
13 pick up at a sensible hour tomorrow.

14 With that, I think we go to your
15 rebuttal of Mr. Colton.

16 MR. DASENT: Yes.

17 (Mr. Colton Rebuttal using Jon Davis.)

18 BY MR. DASENT:

19 Q. Mr. Davis, Mr. Colton concludes that PWD's
20 program design is inconsistent with I-WRAP or the
21 I-WRAP ordinance.

22 Do you agree?

23 A. I don't. In looking at the ordinance, I think it
24 is consistent referring to the three tiers that are
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1 mentioned specifically in the ordinance. I mean, we
2 follow those three tiers. It also mentions the
3 possibility of using historical usage as a
4 determinant. We established usage levels within
5 each tier to enhance the affordability of the
6 proposal.

7 So yeah, I do think that we are consistent. It
8 also mentions using each customer's income. And
9 that is the qualification we use to place customers
10 into those tiers. So, I think we are consistent
11 with the ordinance as written.

12 Q. Mr. Colton is also critical of PWD's proposed
13 level of program cost. Do you agree with his
14 conclusions?

15 A. Well, I think there are -- there are multiple
16 ways to go about developing program costs. One is
17 by kind of benchmarking a comparison. I really
18 don't think that applies in this case. This is kind
19 of new territory even with some of the more
20 established programs. The costs that they are
21 reflecting don't include the startup cost of the new
22 utility, the circumstances that we're in. The fact
23 that we are insourcing versus outsourcing a lot of
24 the administration is really the only opportunity

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1 for us was to go in kind of a bottoms up bill of
2 these costs which we talked about kind of with WRB.
3 All those costs are billed from the bottoms up.
4 These are the tasks that we are going to have to
5 perform. This is what it's going to take to do
6 them.

7 With respect to the -- to the ongoing kind of
8 lost revenue cost that we discussed at some length
9 earlier this morning, again, I don't think that the
10 benchmarking is potentially the best way to look at
11 those costs. I think that the -- we really need to
12 look at the -- the protection of the utilities
13 financial position and, as well, the protection of
14 the utilities credibility with its customers.

15 You know, we should not skimp on the cost of
16 starting up a new program. What we need is a
17 successful program that's working well for our
18 customers right out of the gate. So, I think we
19 would be a little shortsighted if we start skimping
20 on those costs.

21 Q. Mr. Colton is also critical of your
22 quantification of program costs offsets. Do you
23 agree with his conclusions there?

24 A. Well, there were a few things in particular. I

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1 think the cost of City grants was a major one.
2 There are 4 million in total in City grants. That
3 was part of Ms. Dahme's testimony. We looked at the
4 parts of that that is actually going away which
5 are -- which do not include about 1.6 billion
6 dollars for the UESF grants and matches.

7 What we included as an offset was the net of the
8 4 million in total less the part that's not going
9 away, which is the \$2.7 million offset.

10 HEARING OFFICER: Say again, just the
11 number.

12 MR. DAVIS: There is 4 million in total.
13 There is about 2.7 million of that that's
14 actually going away. There is 1.6 million that
15 will continue in the form of UESF grants and
16 matches.

17 BY MR. DASENT:

18 Q. Collection rates are also addressed in
19 Mr. Colton's testimony. Do you assume a known
20 overall collection rate for PWD, or is it something
21 that's extrapolated from elsewhere?

22 A. We -- we use actual PWD information to come up
23 with the collection rates that we talked about at
24 length last week. But we do have one universal
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1 collection rate for PWD customers. We do not have a
2 separate one for existing WRAP customers or
3 potential I-WRAP customers. So, we use the single
4 collection rate, which is about 96 percent all time
5 for billings to those customers. We would -- we
6 would expect to use those for all -- all customers
7 going forward.

8 Q. Arrears forgiveness is not in your program. Why
9 isn't it in there?

10 A. Well, arrearage forgiveness I think is something
11 that's going to be handled through regulation which
12 is yet to be developed and enacted. We haven't
13 included any cost with respect to arrearage
14 forgiveness. So we -- it's not like we've assumed
15 that there would be some kind of cost. We excluded
16 that from the program. We just can't say until the
17 regulations are enacted, we see exactly how that's
18 going to be handled.

19 (Mr. Colton Rebuttal using Michelle Bethel.)

20 BY MR. DASENT:

21 Q. Ms. Bethel, Mr. Colton makes several
22 recommendations regarding customer service issues.

23 Do you agree with his recommendations?

24 A. I don't agree with the recommendations.

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1 For example, one of the ones in reference to not
2 being in compliance. I would like to state that the
3 City has recognized that our current regulations on
4 file had not been updated for quite some time. And
5 therefore, are not in line with how we are currently
6 doing business. Changes have been drafted to the
7 regulations. It's my understanding that per the
8 objection of CLS, they were not filed as of yet
9 which would show that we are in compliance.

10 HEARING OFFICER: You talking about
11 compliance with rate case settlement?

12 MS. BETHEL: In compliance with our
13 deferred payment plan, one of the customer
14 service issues that Mr. Colton mentioned in his
15 testimony.

16 HEARING OFFICER: Thank you.

17 BY MR. DASENT:

18 Q. That does tie together with the rate case
19 settlement in the last case, too?

20 A. Yes.

21 Q. Customer service issues arising in public input
22 hearings. Have you categorized those and try to
23 think or tried to assess where we have addressed
24 those customers' needs that came to the hearing?

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1 A. Yes. Out of all of the public hearings, there
2 were a total, if I calculated correctly, a total of
3 five customers that we needed to address. And I
4 just wanted to let the Board know that we have
5 addressed all of them.

6 I spoke about the one, the February 24, in
7 reference to the guardianship, so I spoke about that
8 earlier.

9 The second customer at the Free Library on
10 March 1 had indicated that their bills were too high
11 is what their issue was. And Byronette Watson, the
12 manager of the customer service unit, spoke with
13 that customer directly. And because that customer's
14 bill was less than \$500, we referred the customer to
15 UESF so she could have that bill paid in full
16 because that meets the guidelines of the grant that
17 they give to customers.

18 And additionally, we advised her to make them
19 aware she was -- she had indicated that she had a
20 faulty toilet. And one of their programs also
21 consists of repair services. So, she was able to be
22 satisfied the day of the public hearing.

23 The third customer from the New Philadelphia
24 meeting, Mr. Clark had mentioned how he was an
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1 occupant without interest, and he had gone to CLS
2 back in 2011. I actually was the person that set up
3 his ten-year payment agreement back in 2011. When
4 he spoke at the current hearing in 2016, we did
5 reestablish his payment agreement again with 0 down
6 payment. And I extended another ten-year payment
7 agreement to Mr. Clark.

8 So which goes to show that we do attempt to go
9 above and beyond to meet the needs of our customers
10 as to what they can afford to pay.

11 With our fourth customer that came during the
12 City Council chambers, Mr. Lightbody, he was the
13 gentleman that said that he had been denied WRAP.
14 But I just wanted to point out that the part that
15 unfortunately was omitted in his testimony was the
16 reason he initially was denied WRAP was because when
17 our investigators went to his home, there was a
18 posting from License and Inspections Bureau that
19 stated there was a violation at that property due to
20 raw sewage. And it couldn't be occupied. One of
21 the eligibility requirements for WRAP is you must be
22 in the property.

23 He did come back to us and reapply for WRAP.
24 Went under the assumption that he must have dealt
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1 with the raw sewage order. And at that time, he was
2 advised that he could reapply for WRAP. And if he
3 didn't want to do that because his application was
4 incomplete, there is a process in place, a new
5 process whereby he is able to take his dispute to
6 the TRB because they hear incomplete WRAP
7 application hearings.

8 We no longer do that in WRB.

9 HEARING OFFICER: What's TRB.

10 MS. BETHEL: Tax Review Board.

11 The last customer was a Ms. Stuart who
12 also spoke at -- in Council chambers. And she
13 was the customer that originally had a \$34 WRAP
14 bill, but then it went to \$66. And what we had
15 determined and she had admitted to our agent was
16 that she -- her water uses had changed.

17 She has a garden that she acknowledged
18 that she had, so she was watering her garden.
19 Her usage went up; therefore, her payment went
20 up. After she spoke with us and let us know
21 that, you know, that was still unaffordable, we
22 did reduce her payment back down to the \$34.

23 And unfortunately, I guess she may not
24 have had the opportunity to change her written
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1 statement, but that had been resolved before the
2 hearing. We actually had resolved that on March
3 the 29th. And made CLS aware of that on the 31st
4 that her agreement had been revised. But I'm
5 guessing she just didn't have the opportunity to
6 update her testimony. I want to let you know
7 that that was actually resolved prior to that
8 hearing.

9 MR. DASENT: Thank you. That's all I
10 have.

11 HEARING OFFICER: I have a couple
12 questions from the bench if that gives you a
13 little bit more time.

14 You talked about a fourth case, an
15 inspector. You send an inspector out to every
16 premise that -- where somebody is asked for WRAP?

17 MS. BETHEL: No. No, we do not. If
18 there is a reason to suspect that the person may
19 not be occupying the property or they weren't
20 able to provide sufficient information to show
21 occupancy, we then did send a revenue
22 investigator to the property. And our
23 investigator is the one that saw that posting on
24 the property.

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1 HEARING OFFICER: Thank you.

2 MR. BALLENGER: I think we would like a
3 couple minutes, if we may.

4 HEARING OFFICER: Go off the record.

5 - - -

6 (Discussion was held off the record.)

7 - - -

8 HEARING OFFICER: Go back on the record.
9 Mr. Ballenger.

10 MR. BALLENGER: Yes. Thank you, Madam
11 Hearing Officer. Just a few questions on cross.
12 (Rebuttal Cross-Examination of Michelle Bethel.)

13 BY MR. BALLENGER:

14 Q. Ms. Bethel, you talked about a number of
15 individual customer issues. Just to be clear, you
16 would agree that none of those customers are in the
17 room today?

18 A. I agree.

19 Q. And none of them have any opportunity to put on
20 the record any differences in opinion they may have
21 with how their cases were handled by the Department?

22 A. Yes, they are not here.

23 Q. Okay.

24 HEARING OFFICER: Wait a minute. I get
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1 about 40 emails a week from customers. And I --
2 we also get letters. And we take -- they have
3 until Monday, this is true. The 18th we cut it
4 off. But if they wanted to, they can write in.
5 Maybe they don't feel like they need to.

6 MR. BALLENGER: I think it would be --
7 it would be strange for someone to expect that
8 their individual circumstances and the resolution
9 of them would be subject to further discussion on
10 the record. At this point, I believe public
11 input is input taken on the record. And I
12 just --

13 HEARING OFFICER: I'm sorry. I --

14 MR. BALLENGER: I'm not going to argue
15 over it.

16 HEARING OFFICER: No, no. The problem
17 is that I'm interjecting too much.

18 MR. CHAPMAN: Talking out loud.

19 MR. BALLENGER: Moving on.

20 (Rebuttal Cross-Examination of Jon Davis.)

21 BY MR. BALLENGER:

22 Q. Mr. Davis, I believe you said that you believed
23 it would be inappropriate. And I believe you were
24 talking about Mr. Colton's recommendations to skimp
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1 on cost. I believe that was the exact language you
2 used?

3 HEARING OFFICER: He's nodding his head
4 yes.

5 MR. DAVIS: Yes.

6 BY MR. BALLENGER:

7 Q. Am I correct that nowhere in Mr. Colton's
8 testimony has he said or even suggested that the
9 Department should skimp on cost?

10 A. I'm not inferring that Mr. Colton suggested we
11 should skimp on cost. Perhaps that was a poor
12 choice of words.

13 Q. Do you recognize that there is a difference
14 between establishing a budget and between
15 establishing rates?

16 A. I understand that the rates must cover the
17 budget.

18 Q. But you understand that there are a number of
19 budget-to-actual factors that have been discussed in
20 this rate case which reflect the fact that the Water
21 Department doesn't spend to budget?

22 A. Yes.

23 Q. Ummm.

24 (Rebuttal Cross-Examination Using Michelle Bethel.)
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1 BY MR. BALLENGER:

2 Q. Ms. Bethel, I thought I heard you say that your
3 current regulations on file are not in line with how
4 you currently do business; is that correct?

5 A. That is correct.

6 Q. So the way you do business now is not consistent
7 with your regulations?

8 MR. DASENT: Let me interject. I think
9 the regulations go back 20 years, and they have
10 not been updated. And that was the context she
11 made.

12 MR. BALLENGER: We are going to get
13 there. We are going to get there.

14 HEARING OFFICER: I would say asked and
15 answered.

16 MR. BALLENGER: Okay.

17 BY MR. BALLENGER:

18 Q. Ms. Bethel, are you aware that the -- you
19 referenced proposed regulations. And I think you
20 attributed to the CLS some delay in finalizing those
21 regulations?

22 A. That was my understanding, yes.

23 Q. Are you aware those regulations were provided in
24 draft form on Friday, January 29?

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1 A. I'm not certain of the date, but I know that it
2 was in draft form, yes.

3 Q. And that was at a meeting of the residential
4 customer assistance and services committee?

5 A. Correct.

6 Q. It was held on January 29 which was a Friday.
7 And are you also aware that at that time, CLS was
8 informed the that the Department planned to file
9 those regulations early the next week, meaning the
10 first week in February?

11 A. I believe I may have heard that at the meeting.

12 Q. And are you aware that Community Legal Services
13 asked for more time to review and provide comment on
14 those regulations?

15 A. No, I'm not aware of that.

16 Q. Are you aware of the language in the
17 Commissioner's report, mediation report. It's in
18 PWD -- I'm sorry, Public Advocate Hearing Exhibit 7,
19 as to the informal hearing and dispute process?

20 A. I'm sorry. What page are you on?

21 Q. I am on page 11 of 32 of Public Advocate Hearing
22 Exhibit 7.

23 MR. DASENT: Just observe that the
24 report speak for itself. If it's on that page,
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1 it's cited.

2 MR. BALLENGER: Certainly.

3 BY MR. BALLENGER:

4 Q. Are you aware that on that page it reflects the
5 commissioners, that would be Water and Revenues,
6 commitment to consultation with the advocate and the
7 development for future regulations and policy?

8 MR. DASENT: Again, that's in the
9 report. But in part of the consultation in
10 negotiation with Community Legal Services or
11 Public Advocate, I'm not sure your title in that
12 context, but we were trying to work out a
13 timeline --

14 HEARING OFFICER: Sorry. Now you're
15 testifying. He'll get a chance then.

16 On the other hand, I'm really not
17 interested in reading into the record. It sounds
18 like this witness is not current on the
19 regulation process underway; is that correct?

20 MS. BETHEL: That is accurate.

21 BY MR. BALLENGER:

22 Q. But you were a participant, an active participant
23 in all the mediation proceedings that were
24 conducted?

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1 A. Not all, but majority.

2 Q. The majority. Okay. And you were very active in
3 the formal hearing and dispute phase of the
4 mediation, were you not?

5 A. Absolutely correct.

6 Q. And that mediator in that process recommended
7 that we try to avoid further controversy in
8 regulations by working together. Are you aware of
9 that recommendation?

10 A. I am.

11 Q. Okay. And so, I think the timing speaks for
12 itself. Make sure I don't have anything else.

13 I believe Mr. Dasent asked you also, and I just
14 want to be clear on this, as to whether the revision
15 was something envisioned in the settlement of the
16 last rate proceeding?

17 MR. DASENT: If you know.

18 MS. BETHEL: I don't recall that
19 question. Was that today?

20 BY MR. BALLENGER:

21 Q. I believe Mr. Dasent asked whether that was part
22 of this arising of the settlement in the last rate
23 case. I believe you answered that it was.

24 A. Okay.

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1 Q. And that would have been in 2012, correct?

2 A. Yes.

3 Q. Okay.

4 HEARING OFFICER: When we say the
5 regulations, can people specify how broad that
6 term is? Because at one point, I heard it was
7 regulations about different payment agreements.

8 Is that narrow or is it something
9 broader?

10 MS. CROSBY: This would be to Chapter
11 100 of the PWD regulations.

12 MR. BALLENGER: Those are the
13 residential customer service regulations for the
14 Department.

15 HEARING OFFICER: It is broader than?

16 MR. BALLENGER: Yes.

17 HEARING OFFICER: Thanks.

18 MR. BALLENGER: We are -- we have
19 concluded at this point. We are done.

20 HEARING OFFICER: Mr. Chapman?

21 Mr. Popowsky?

22 MR. DASENT: Just one question.

23 HEARING OFFICER: Yes, please.

24 MR. DASENT: What's the status of the
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1 PWD Regs Chapter 100 Water Department
2 Regulations, Chapter 100 of this time?

3 MS. CROSBY: Based on the request from
4 CLS, we did not file them. They requested extra
5 time to provide comment. We did allow them that
6 time to comment. They did, in fact, provide
7 those comments. We have been reviewing them
8 internally. We also met with Councilwoman
9 Sanchez's office to review the regulations with
10 her staff, as well.

11 They are currently -- they have not been
12 provided to the Office of Records. They have not
13 been filed. They are still in draft form. And
14 also, these regulations are to meet our
15 obligations as a result of the mediation in
16 regards to the informal hearing process and
17 customer status to bring our regulations in line
18 with OSTR and to address the payment agreements.

19 HEARING OFFICER: Would that appear in
20 Exhibit A to Hearing Exhibit 7, which has what's
21 called stipulation to mediation between PWD, WRB
22 and PA?

23 MS. CROSBY: Yes, it would be.

24 HEARING OFFICER: So, that would be
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1 paragraph six?

2 MS. CROSBY: Correct. The update of the
3 regulations as proposed would address item one,
4 item three possibly based on the comment that we
5 received from CLS. We may hold off on the
6 changes to address the delivery of deferred
7 payment agreements because of what we're going
8 through right now in the rate case. And it
9 addressed item four.

10 HEARING OFFICER: Thank you.

11 Any -- I don't know what we're calling
12 it, rejoinder or are we just going to plow onto
13 Mr. Colton?

14 MR. BALLENGER: I think we are fine.

15 We don't have any further questions for
16 the Department's witnesses. I guess our -- I
17 guess we are wondering whether we should start
18 down the road with Mr. Colton and -- only to have
19 to stop a short time into it.

20 HEARING OFFICER: We will go off the
21 record.

22 - - -

23 (Discussion was held off the record.)

24 - - -

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1 HEARING OFFICER: We will go back on the
2 record.

3 We will suspend the hearing at the
4 moment and pick up with Mr. Colton tomorrow
5 morning at 10:00 in this room. Thank you.

6 (Hearing adjourned at 3:21 p.m.)

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C E R T I F I C A T I O N

I, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and that this is a correct transcript of the same.

ANGELA M. KING, RPR
Court Reporter - Notary Public

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying reporter.)

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