

PHILADELPHIA WATER DEPARTMENT RESPONSE TO TRANSCRIPT REQUEST

TR-9: Provide a table explaining RFC analysis of eligible households for the Affordable Rates Program (reference to PA Hearing Exhibit, page 12).

Response: See attachment.

Response Provided By: Jon Davis, Raftelis Financial Consultants

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TR-10: Please explain the implementation strategy for the draft Schumaker Report.

Response: Schumaker is under contract to assist with the implementation. The completion date is unknown at this time.

Response Provided by: Michelle Bethel and Mark Harvey, Philadelphia Water Revenue Bureau; Joanne Dahme, Philadelphia Water Department

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TR-11: Please explain why outsourcing the IWRAP eligibility determination is not reflected in PWD's proposal for the affordable rates program.

Response: See response to PA-RDC-111. Additionally, please see the attached Memorandum of Agreements between the City and AFSCME DC 33 from July 1992 to June 2016.

Response Provided by: Michelle Bethel and Mark Harvey, Philadelphia Water Revenue Bureau

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TR-12. Provide quantification of impact of PGW's CRP program on non-participating customers (as well as any relevant data related to other utilities affordable rates programs).

Response: See attached excerpt from PGW's Official Statement, dated August 5, 2015 (Thirteenth Series Bonds) describing CRP program impacts on its customers.

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TR-14. Provide template for pro forma bill (indicating bill information, e.g., volumetric charges for water and wastewater, customer charges and other bill information, if any -- affordable rates surcharge for non-participants).

Response: To date there has been no bill redesign in preparation of the implementation of the affordable rates program. See response to PA-EXE-85 for the current bill design. The attachment is provided again here for the Board's convenience.

Response Provided by: Michelle Bethel and Mark Harvey, Philadelphia Water Revenue Bureau

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TR-15. Provide summary of adjustments agreed upon by parties and their impact on rate filing (provide rate model output with AMI, power adjustments removed and effective date for new rates).

Response: The Water Department during the recently held technical hearings agreed upon the following two O&M expenditure related adjustments to proposed revenue requirements for FY 2017 and FY 2018:

1. The removal of the Advanced Metering Infrastructure (AMI) costs; and
2. No escalation factor to be applied to the projection of annual electric costs.

Any adjustments to O&M expenditure projections for FY 2017 and FY 2018 also have an associated impact on the projection of liquidated encumbrances. The total estimated reduction in revenue requirements resulting from the above agreed-upon adjustments are estimated below:

#	Additional Revenue Impact	FY 2017	FY 2018
	Removal of AMI Cost		
1	Reduction due to AMI Implementation O&M Cost		\$ (431,000)
	No Electric Escalation Factor		
2	Reduction in Electric Cost Due to No Escalation		\$ (562,000)
	Estimated Reduction in O&M Cost		\$ (993,000)
3	Impact on Liquidated Encumbrance due to the above two O&M cost adjustments		\$ 107,000
	Total Estimated Reduction in Revenue Requirements		\$ (886,000)

Response Provided By: Prabha Kumar, Dave Jagt, and Ann Bui, Black & Veatch Corporation