

From: **Mike Helbing** <[helbing@pennfuture.org](mailto:helbing@pennfuture.org)>

Date: Thursday, May 12, 2016

Subject: Project Revenues and Expenses HO Report

To: Nancy B <[nbrockway@aol.com](mailto:nbrockway@aol.com)>, "Delaney, Daniel P." <[Daniel.Delaney@klgates.com](mailto:Daniel.Delaney@klgates.com)>, Bernard Brunwasser <[bernie.brunwasser@gmail.com](mailto:bernie.brunwasser@gmail.com)>, Folasade Olanipekun-Lewis <[folasade.olanipekun-lewis@phl.org](mailto:folasade.olanipekun-lewis@phl.org)>, Lee Huang <[huang@econsultsolutions.com](mailto:huang@econsultsolutions.com)>, Michael Chapman <[mdchapman@chapmanautogroup.com](mailto:mdchapman@chapmanautogroup.com)>, Sonny Popowsky <[spopowsky@gmail.com](mailto:spopowsky@gmail.com)>

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Hearing Officer Brockway and members of the Board,

Pursuant to Hearing Officer Brockway's email (below), PennFuture would also like to request a revision to the Hearing Officer's Project Revenues and Expenses report circulated earlier this week.

On p. 20 of the Hearing Officer's Project Revenues and Expenses report, in the section about SMIP/GARP funding, it states that, "PennFuture supports the Department's proposed adjustment." That idea is repeated in footnote 8 on p. 22, of that report which suggests that PennFuture, through the testimony of its expert, recommends "that the revenue requirement for SMIP/GARP and programs needed to support Green City, Clean Waters program should be approved[.]" Although it is true that PennFuture does not oppose the Department's proposed revenue increase, PennFuture's recommendation actually goes beyond the Department's request of a budget of \$15 million per year; PennFuture recommends that the Board increase the revenue requested for these programs. As recognized in the Hearing Officer's May 4, 2016 "Excerpts from Participant Summaries" (p. 3), PennFuture recommends that, "the Department's proposed budget for its SMIP and GARP stormwater incentive programs should be increased to at least \$16.5 million in FY 2017 and \$18 million in FY 2018." The support for, and reasoning behind, this recommendation can be found on pp. 22-25 of PennFuture's Participant Summary.

I respectfully ask that PennFuture's full recommendation be incorporated into the Project Revenues and Expenses report and into the Board's consideration of SMIP/GARP revenue requirements.

Thank you for your consideration of this request.

Mike

Michael Helbing

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**From:** Nancy B [mailto:[nbrockway@aol.com](mailto:nbrockway@aol.com)]

**Sent:** Tuesday, May 10, 2016 3:19 PM

**To:** Delaney, Daniel P.; Bernard Brunwasser; Folasade Olanipekun-Lewis; Lee Huang; Michael Chapman; Sonny Popowsky

**Cc:** Adeolu Bakare; Andre Dasent; Frances Beckley; George Duffy; George Gould; H. Alfred Ryan; Josie Pickens; Matthew Stepp; Mike Helbing; Phil Lord; Rachel Lopez; Robert Ballenger; Robert Rosenthal; Scott Schwarz; Susan Crosby; Thu Tran

**Subject:** Re: Project Revenues and Expenses HO Report

All,

I thank Mr Delaney for his correction and welcome any participant to advise me and the Board of the need for any changes.

The absence of the discussion of the application of the rate increases between water and sewer service is intentional. I have treated it as a cost allocation question, which I intend to address along with other allocation issues

Nancy Brockway

Hearing Officer

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

**From:** Delaney, Daniel P.

**Sent:** Tuesday, May 10, 2016 12:56

**To:** Bernard Brunwasser; Folasade Olanipekun-Lewis; Lee Huang; Michael Chapman; Sonny Popowsky

**Cc:** [nbrockway@aol.com](mailto:nbrockway@aol.com); Adeolu Bakare; Andre Dasent; Frances Beckley; George Duffy; George Gould; H. Alfred Ryan; Josie Pickens; Matthew Stepp; Michael Helbing; Phil Lord; Rachel Lopez; Robert Ballenger; Robert Rosenthal; Scott Schwarz; Susan Crosby; Thu Tran

**Subject:** Project Revenues and Expenses HO Report

Water Board Members and Case Participants,

I am sending this email at the request of Hearing Officer Brockway. I have reviewed the HO report on Projected Revenues and Expenses and request a revision and an addition to that report. On page 29 of the report, PECO and Exelon's final position on the PWD's proposed Chemical Cost Adjustment is misstated. As stated on page 7 of our brief and our proposed finding of fact 16, the Companies final proposal on the issue is that the PWD's FY 2017 and FY 2018 chemical expense reflect the actual paid FY 2015 chemical expense of \$19.3 million with the PWD escalation factor of 3.3%. The result would be a FY 2017 chemical cost of \$19,936,900 and an FY 2018 chemical cost of \$ 20, 594,818. Also, I could not find in the report any mention of our primary proposal that PWD's proposed revenue increases for water and sewer service for FY 2017 and FY 2018 be switched which we argued would improve PWD's financial coverages. This issue is discussed on pages 7-13 of our brief and is discussed in our proposed findings of fact 3-15 in our brief. I respectfully request that you include this information in your review of the report and consider it in your rate determination.

Thanks for your assistance. Please call me if you have any questions.

Dan Delaney

**K&L GATES**

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