

Philadelphia Water, Sewer and Storm Water Rate Board  
February Monthly Meeting Notes  
2/19/2020, 1515 Arch Street, 18th Floor, Rooms 18-031 (Gas Commission Meeting Room)

Board Members Present

Irwin “Sonny” Popowsky, Chair  
Tony Ewing, Vice Chair  
Rasheia Johnson  
Abby Pozefsky

Board Members Absent:

Folasade A. Olanipekun-Lewis

Also Present

Daniel W. Cantú-Hertzler  
Marcy Chestnut  
David Jagt  
Robert Ballenger  
Danielle Lavery  
Scott Schwarz  
Ji Jun  
Melissa LaBuda  
Andre Dasent  
Ed Markus  
Steven Liang

Mr. Popowsky called the meeting to order at 3:10 p.m.

1. Mr. Ewing moved to approve the minutes from the January 8, 2020 monthly meeting. Ms. Pozefsky seconded the motion. The January 8<sup>th</sup> meeting minutes were approved with 3 ayes from Mr. Popowsky, Ms. Pozefsky, and Mr. Ewing. Ms. Johnson had, at that time, not yet arrived.

2. The meeting began with introduction of the Hearing Officer for the 2020 Water Rate Proceeding, Marlane “Marcy” Chestnut. Ms. Chestnut explained her background, detailing her extensive experience as an Administrative Law Judge for the Pennsylvania Public Utility Commission and the multitude of cases she has presided over in that capacity, rate case and otherwise. She emphasized her familiarity with Philadelphia, having worked in Philadelphia for many years, and also of the especially heavy burden that Philadelphia residents bear compared to other residents of the state. She also spoke about her approach and operative principles in relation to running the Proceeding. She emphasized her desire for a fair, open, and transparent process that made all parties involved feel fairly represented and heard.

Ms. Pozefsky stated that, having known Ms. Chestnut for many years and having had her preside over many cases in which Ms. Pozefsky or her staff at PGW were counsel, she re-enforced Ms. Chestnut’s commitment to fairness, transparency, and equity. Ms. Johnson arrived at 3:17 and made her introductions to Ms. Chestnut. Mr. Popowsky then spoke about his experience working on cases over which Ms. Chestnut had presided, emphasizing her extensive experience in similar cases and how fair she was.

Mr. Cantu-Hertzler brought up the Rate Proceeding schedule, citing various regulations requiring the scheduling of the Pre-Hearing Conference as well as the placement of the TAP-R proceeding. Ms. Chestnut stated her intention to send out an email to the participants to schedule the Pre-Hearing Conference. Ms. Chestnut stated that she was open to input when it came to scheduling, as well as advice on how the proceedings could be streamlined and improved based on the experience of the participants.

Ms. Pozefsky asked Ms. Chestnut if, from her experience, there was anything that could be done to improve the proceeding. Ms. Chestnut spoke about the need to organize briefs and motions well, including summaries at the end of issues and intelligent usage of tables of contents to keep arguments clear and comprehensible.

3. Mr. Popowsky discussed the tentative schedule for meetings of the Board to address the issues from the rate proceeding as well as the final rate determination meeting. Based on those discussions it was tentatively agreed that the discussion of issues would be held in the last week of June, with a final vote on the rate determination during the week of July 6.

4. Mr. Ewing raised a point of order; he had moved to accept minutes for a meeting he did not attend. Ms. Pozefsky moved to approve the minutes, and Ms. Johnson seconded. The Board voted to approve with three ayes, Mr. Ewing abstained.

5. The Department then was asked to give an outline of the Rate Proceeding. Mr. Dasent described the increase of requested revenue in dollar amounts and percentages, as well as the impact of increases on different water customers, and the reasons for the increases. More about the increases can be found [here](#) and [here](#); as to the latter, Mr. Dasent pointed specifically to the exhibits “[PWD Statement No. 2: Direct Testimony and Schedules of Melissa C. La Buda](#)” and “[PWD Statement No. 7A: Direct Testimony and Schedules of Black & Veatch](#).”

Mr. Ewing asked Mr. Dasent what the revenue breakdown was among the various customers. Mr. Dasent was unable to answer the question at that time due to the complex nature of that breakdown.

Mr. Popowsky asked if there were any of the larger structural changes being made to the Rate Design that had been mentioned in the past, including what had been discussed in the July Water Department stakeholder meetings. Mr. Dasent said no, they were not included in this proceeding.

Mr. Ballenger commented that the Public Advocate was still in the process of reviewing the discovery presented by the Water Department including a review of the numerous projections that the Department used as predictors for its increased revenue targets.

6. Mr. Markus spoke briefly about his Simple Rate Model. The intent of the model is to give a basic understanding of how revenue requirements would change if numbers in various line

items were changed so that the Board and others could get an approximate sense of the consequence of those changes. Mr. Markus explained that while the model would not be able to give a detailed picture of specific tariff rate changes, it would hopefully allow a much better understanding of the approximate calculations and the impact of Board decisions on overall revenue targets.

7. Mr. Popowsky raised some scheduling matters, first whether 3:00 PM was a good time for the monthly meetings, which Board members affirmed. He mentioned that the March 11<sup>th</sup> meeting could be cancelled due to the timing of the Department's expected filing of its Formal Notice on March 12<sup>th</sup>.

8. Mr. Cantu-Hertzler asked whether the Department had suggestions as to the location and times of Public Hearings and whether the Board would need to meet to approve locations. It was agreed that the Department would suggest locations and time for meetings, which would be added to the schedule by Ms. Chestnut after discussion with Mr. Popowsky and the participants.

9. No one having raised any further questions or issues, the Board voted to adjourn.

Meeting adjourned at 4:11.