

PHILADELPHIA WATER DEPARTMENT  
PA INTERROGATORY SET #I

Reconciliation of the Tiered Assistance Program  
Rate Rider Surcharge Rates (TAP-R)

**RESPONSE TO**  
**PUBLIC ADVOCATE'S INTERROGATORIES**  
**AND REQUESTS FOR PRODUCTION OF DOCUMENTS**  
**QUESTIONS 1 – 4**

Dated: June 2020

1 **PA-TAP-1.** REFERENCE RATE RIDER - RECONCILIATION WORKBOOK 20200519  
2 FINAL.XLSX, CUSTOMER TAB. PLEASE SEPARATELY PROVIDE THE  
3 TOTAL MONTHLY NUMBER OF WATER AND SEWER CUSTOMERS  
4 FROM SEPTEMBER 2018 THROUGH FEBRUARY 2020.

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6 **RESPONSE:**

7 The total number of water and sewer customers was not utilized in performing the TAP-R  
8 reconciliation calculations. For that reason, this information was not included as a part of  
9 the TAP-R reporting. This approach is consistent with the approach used for FY 2019  
10 Annual Reconciliation.

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12 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC  
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1 **PA-TAP-2.** REFERENCE RATE RIDER - RECONCILIATION WORKBOOK 20200519  
2 FINAL.XLSX, ASSUMPTIONS AND INPUTS TAB. DOES PWD STILL  
3 BELIEVE THE “NON-TAP SALES ADJUSTMENT NEXT RATE PERIOD” OF  
4 1.05%, BASED ON DATA FROM THE FY 2021 TO FY 2022 RATE  
5 PROCEEDING, IS STILL REALISTIC? IF YES, PLEASE PROVIDE  
6 EVIDENCE TO SUPPORT THE CLAIM. IF NO, PLEASE PROVIDE THE  
7 REVISED RATE AND SUPPORTING DOCUMENTATION.  
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9 **RESPONSE:**

10 There is currently insufficient data available to assess the possible magnitude nor duration  
11 of the potential impacts on Non-TAP sales due to the COVID-19 pandemic. As the TAP  
12 Surcharge is subject to annual reconciliation, the Department’s actual experience will be  
13 reconciled with the subsequent reconciliation.  
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16 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC  
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1 **PA-TAP-3.** PLEASE EXPLAIN WHY THE GROWTH FACTOR USED IN THE  
2 TRR\_PROJECTIONS IS ASSUMED TO BE 0%.

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4 **RESPONSE:**

5 Since the last TAP-R Rate Case in 2019, program enrollment has been steady. In  
6 addition, PWD and WRB suspended program recertification requirements during the  
7 COVID-19 pandemic which has tended to stabilize participation rates further. TAP has  
8 been in place for 2½ years and a growth factor does not seem warranted given that  
9 available data does not support it.

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11 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

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1 **PA-TAP-4.** GIVEN THE CURRENT ECONOMIC CONDITIONS RESULTING FROM THE  
2 COVID-19 PANDEMIC, DOESN'T PWD EXPECT THERE TO BE AN  
3 IMPACT ON THE TAP-R PARTICIPANTS? PLEASE EXPLAIN WHY THERE  
4 IS NO RECOGNITION OF THIS POTENTIAL IMPACT ON THE PROPOSED  
5 TAP-R RATES EFFECTIVE OCTOBER 1, 2020.  
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7 **RESPONSE:**

8 Owing to the uncertainties and unique circumstances presented by the COVID-19  
9 pandemic, its impact upon future TAP enrollment cannot be projected with reasonable  
10 certainty at this time. The number of future participants may vary based on a number of  
11 factors, including economic conditions, the duration of shutoff protections, changes in  
12 usage, and whether TAP customers will continue to receive a more affordable bill under  
13 TAP as compared to other discounts or standard rates. TAP-R will be adjusted to account  
14 for COVID-19 impacts through the reconciliation process.  
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16 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.  
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