

Summary Fact Sheet

On January 24, 2023, the Philadelphia Water Department (“Department” or “PWD”) filed a request with the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board” or “Board”) to increase water, sewer and stormwater rates and charges over two successive years. The Department is requesting annual revenue increases to generate approximately \$80.41 million in FY 2024 and an additional \$62.98 million in FY 2025 with proposed effective dates of September 1, 2023 and September 1, 2024, respectively. Also, on January 24, 2023, the Department filed its proposed Annual TAP-R Reconciliation. The adjustments resulting from both the general rate proceeding and the TAP-R Reconciliation, as proposed by the Department, are included in the typical monthly bill impacts shown below.

If both of the above PWD filings are approved, the total monthly bill for a residential customer using 4.5 hundred cubic feet (“ccf”) of water per month would increase by 11.8% on September 1, 2023 and an additional 8.3% on September 1, 2024. Non-residential increases vary widely based on meter size, the amount of water consumed and the gross area and impervious areas of each parcel. A sample monthly bill for a small business customer with a 5/8-inch meter, using 6 ccf of water per month and having a 5,500 square foot lot with 4,000 square feet of impervious area would increase by 10.5% on September 1, 2023 and an additional 9.1% on September 1, 2024.

Examples of changes in typical customer bills, if new rates and reconciliation are approved as proposed by the Department, are shown below:

Customer Type	Current Typical Monthly Bill	Proposed Monthly Bill (Sept. 1, 2023)	Proposed Monthly Bill (Sept. 1, 2024)
Residential (5/8” meter, 450 cubic feet)	\$69.31	\$77.47	\$83.92
Senior Citizen with Discount (5/8” meter, 300 cubic feet)	\$42.28	\$46.71	\$50.56
Non-Residential (5/8” meter, 600 cubic feet)	\$119.11	\$131.68	\$143.61

The Department is requesting rate relief because will face an operating deficit in FY 2024 and FY 2025. Additional revenues are needed to meet significantly increasing costs in FY 2024 and FY 2025 (“Rate Period”) related to the operation of the water and wastewater systems. As we all are becoming increasingly aware, inflation is widespread throughout the economy and is anticipated to continue during the coming years. PWD needs additional resources to pay increasing costs for operations, for upgrades, repairs, improvements and for maintenance activities (among other things). These increasing costs are driving the Department’s application for increased rates.

Without rate relief, the Department will not have enough revenues to meet rising costs for: personnel, material and supplies, chemicals, maintenance activities, system improvements and debt service. These costs are unavoidable and PWD must have sufficient resources to pay them. Also, absent relief, PWD will be impeded in making needed investments in critical infrastructure improvements related to (i)



water and wastewater treatment plant upgrades, (ii) clean water storage tanks, (iii) pumping stations, and (iv) water main and sewer replacements. All of the above investments are necessary to maintain system reliability and meet customer requirements.

The Department has filed proposed new rates and charges with the Rate Board, together with written statements of witnesses and numerous schedules and exhibits containing the supporting data required by the Board's regulations. Such documentation includes the financial, engineering and other data upon which the proposed rates and charges are based and evidence demonstrating that such rates and charges are: (i) in accordance with sound utility ratemaking practices; (ii) aligned with current industry standards for such rates and charges; and (iii) are consistent with the Department's bond covenants and other legal requirements.

The proposed rates and charges and the supporting documentation may be viewed by visiting the Rate Board's website at: <https://beta.phila.gov/departments/water-sewer-storm-water-rate-board/>.