

PWD Exhibit 1 - Notification of Rate Filing

1. Advance Notification of Rate Filing to the Philadelphia Water, Sewer and Storm Water Rate Board
2. Advance Notification of Rate Filing to the Philadelphia City Council



CITY OF PHILADELPHIA

WATER DEPARTMENT
JEFFERSON CENTER
1101 Market Street
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.
Water Commissioner

February 18, 2025

Via Email Only

Sonny Popowsky, Chairperson
Philadelphia Water, Sewer and Storm Water Rate Board
One Parkway Building
1515 Arch Street, 17th Floor
Philadelphia, PA 19102

Attention: Daniel Cantu-Hertzler, Esq.

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2026 to FY 2027)

Dear Chairperson Popowsky and Rate Board Members:

Pursuant to Section 13-101(7) of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board"), enclosed for filing on behalf of the Philadelphia Water Department ("Department") is the Department's Advance Notice of Proposed Changes in Water, Wastewater and Stormwater Rates and Related Charges ("Advance Notice"). This Advance Notice is provided together with the proposed rates and charges and supporting written testimony and exhibits containing the engineering, financial, and other data upon which the proposed rates and charges are based.

An itemized list of the documents enclosed with the Advance Notice is set forth in the Filing Index attached to the Advance Notice. The complete rate filing is available by visiting this Dropbox website:

<https://www.dropbox.com/scl/fo/bi5mgs0uedgoe2iwhljmc/AH21fdQ0oWjnbsAM03zj7N8?rlkey=enocgukg2tyx9t5f09gq11a7d&st=ha4l5kgo&dl=0>

No password is needed to access the Dropbox website.

The complete rate filing will be made available by posting at the Rate Board's website: <https://www.phila.gov/departments/water-sewer-storm-water-rate-board/rate-proceedings/>.

Once the rate filing is available on the Rate Board's website, the Dropbox website will not be needed and will expire.

As always, the Department senior staff will be available to discuss the rate filing and answer any questions you may have with regard to same.

Sincerely,

Randy E. Hayman, Esq.
Water Commissioner

cc: All Participants in the 2023 Rate Proceedings



CITY OF PHILADELPHIA

WATER DEPARTMENT
JEFFERSON CENTER
1101 Market Street
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.
Water Commissioner

February 18, 2025

Honorable Kenyatta Johnson
Office of the President
Philadelphia City Council
City Hall, Room 494
Philadelphia, PA 19107

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2026 to FY 2027)

Dear President Johnson and Members of City Council:

Pursuant to Section 13-101(7) of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board"), enclosed for filing on behalf of the Philadelphia Water Department ("Department") is the Department's Advance Notice of Proposed Changes in Water, Wastewater and Stormwater Rates and Related Charges ("Advance Notice"). This Advance Notice is provided together with the proposed rates and charges and supporting written testimony and exhibits containing the engineering, financial, and other data upon which the proposed rates and charges are based.

An itemized list of the documents enclosed with the Advance Notice is set forth in the Filing Index attached to the Advance Notice. The complete rate filing is available by visiting this Dropbox website:

<https://www.dropbox.com/scl/fo/bi5mgs0uedgoe2iwhljmc/AH21fdQ0oWjnbsAM03zj7N8?rlkey=enocgukg2tyx9t5f09gq11a7d&st=ha4l5kgo&dl=0>

No password is needed to access the Dropbox website.

The complete rate filing will be made available by posting at the Rate Board's website: <https://www.phila.gov/departments/water-sewer-storm-water-rate-board/rate-proceedings/>.

As always, the Department senior staff will be available to discuss the rate filing and answer any questions you may have with regard to same.

Sincerely,

Randy E. Hayman, Esq.
Water Commissioner

cc: Members of City Council
All Participants in the 2023 Rate Proceedings

**BEFORE THE
PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD**

Re Application of the Philadelphia Water Department for Increased Water, Wastewater and Stormwater Rates and Related Charges	Fiscal Years 2026 - 2027
--	--------------------------

ADVANCE NOTICE

Pursuant to Section 13-101 of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Wastewater and Storm Water Rate Board (the “Board”), enclosed for filing on behalf of the Philadelphia Water Department (“PWD” or the “Department”) are the proposed rates and charges for supplying water, sewer and stormwater service for accounts and properties located in the City of Philadelphia for Fiscal Years 2026 through 2027. Together with the proposed rates and charges, the Department is filing numerous written statements, schedules, exhibits and other supporting documentation. An index setting forth the contents of the rate filing is attached. Copies of the Advance Notice and the Formal Notice of this rate filing are or will be included in PWD Exhibit 1. A summary fact sheet describing (i) the proposed rates and charges and (ii) the estimated impact of the proposed rate changes on typical customer bills is set forth in PWD Exhibit 2. The proposed rates and charges are set forth in PWD Exhibits 3A and 3C, and redlined versions of the same are provided in PWD Exhibits 3B and 3D. Documents incorporated by reference in the rate filing are listed in PWD Exhibit 4. The Department’s updated Financial Plan is attached to PWD Statement No. 2A as Schedule FP-1. Additional schedules and exhibits containing financial, engineering and other data, upon which the proposed rates and charges are based, are also listed in the attached filing index. The complete rate filing will be made available by posting at the Board’s website.

As a courtesy, the Department is also providing electronic access to the rate filing via its SharePoint website, the link for which is being provided to the Board, the Board's Hearing Officer and the Board's Technical Expert, as well as all Participants on the service list for the 2023 General Rate Proceeding.

COUNSEL OF RECORD AND SERVICE OF DOCUMENTS

The Department will be represented by the following counsel in this proceeding:

Andre C. Dasent, Esquire
Commerce Square
2001 Market Street, 25th Floor
Philadelphia, PA 19103
E-mail: andre.c.dasent@gmail.com

Carl R. Shultz, Esquire
Renardo L. Hicks, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
E-mail: cshultz@eckertseamans.com
E-mail: ricks@eckertseamans.com

Counsel for Philadelphia Water Department

Neal Sellers, Senior Attorney
City of Philadelphia Law Department
1101 Market Street, 5th Floor
Philadelphia, PA 19107
E-mail: neal.sellers@phila.gov

Counsel for Philadelphia Water Department

The Water Revenue Bureau will be represented by the following counsel in this proceeding:

Adriana K. Gonzalez, Esq.
Divisional Deputy City Solicitor
City of Philadelphia Law Department
Tax & Revenue Unit, Mass Revenue Litigation Division
1401 JFK Blvd., 5th Floor
Philadelphia, PA 19102
E-mail: adriana.gonzalez@phila.gov

Counsel for Philadelphia Water Revenue Bureau

The Department requests that the Board and all Participants in this proceeding electronically serve copies of all documents in this proceeding on the attorneys listed above.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "R. Hayman", with a horizontal line extending to the right.

Randy E. Hayman
Water Commissioner

Dated: February 18, 2025
Attachments

FILING INDEX

Philadelphia Water Department Statements and Exhibits

Statements

PWD Statement 1	Direct Testimony and Schedules of the Water Commissioner	
	Schedule REH-1	Resume of Randy E. Hayman
PWD Statement 2A	Direct Testimony and Schedules of the Financial Panel	
	Schedule LY-1	Resume of Lawrence Yangalay
	Schedule LR-1	Resume of Lawrence Rich
	Schedule PR-1	Resume of Patricia Rogalski
	Schedule FP-1	Financial Plan
	Schedule FP-2	Bond Counsel Memorandum
	Schedule FP-3	Rating Agency Reports
	Schedule FP-4	Water Fund Projection Summary
	Schedule FP-5	Summary of Ratemaking Requirements, Methodology and Development of Revenue Requirements
	Schedule FP-6	Proposed Language and Other Charges
	Schedule FP-7	Summary of Prior Rate Proceedings
	Schedule FP-8	Summary of PWD Efforts to Gain Assistance

PWD Statement 2B

Direct Testimony and Schedules of the Financial Advisors

Schedule FA-1	Financial Advisors Memorandum
	Resume of Peter Nissen
	Resume of Charles Matthews

PWD Statement 3

Direct Testimony and Schedules of the Capital Panel

Schedule SJF-1	Resume of Stephen J. Furtek
Schedule VH-1	Resume of Vahe Hovsepian
Schedule MF-1	Resume of Matthew Fulmer
Schedule WD-1	Resume of William Dobbins
Schedule CP-1	Summary of Capital Program and Budget Process

PWD Statement 4 A

Direct Testimony and Schedules of Operations

Schedule BJ-1	Resume of Benjamin Jewell
Schedule BR-1	Resume of Brendan Reilly
Schedule LK-1	Resume of Linda A. Kramer
Schedule SJ-1	Resume of Stephen Junod
Schedule OP-1	Significant Cost Changes (Material/Equipment)

PWD Statement 4 B

Direct Testimony and Schedules of Planning and Environmental Services

Schedule MC-1 Resume of Marc Cammarata

PWD Statement 5

Direct Testimony and Schedules of the Water Revenue Bureau

Schedule SMC-1 Resume of Susan M. Crosby

Schedule SMC-2 Draft Charity Regulations

Schedule LGF-1 Resume of Lakisha Gaymon-Foreman

PWD Statement 6

Direct Testimony and Schedules of Raftelis

Schedule RFC-1 Resume of Jon Davis

Schedule RFC-2 Resume of Henrietta Locklear

Schedule RFC-3 Resume of Jennifer Tavantzis

Schedule RFC 4 FY2024 Monthly TAP Statistics Report as of July 2024

Schedule RFC-5 FY2024 Service, Usage, and Billing Report

Schedule RFC-6 FY2024 Water Usage and Billing Report

Schedule RFC-7 FY2024 Payment Patterns Report

Schedule RFC-8 FY 2024 Monthly Residential Usage Report

Schedule RFC-9 FY2024 Typical Residential Customer Usage Memorandum

Schedule RFC-10 FY2024 Typical Small Commercial Usage Memorandum

Schedule RFC-11	FY2024 Forgiven Principal and Penalties Report
Schedule RFC-12	FY2024 Aging Arrears All Customers Report
Schedule RFC-13	FY2024 TAP Aging Arrears Report

PWD Statement 7

Direct Testimony and Schedules of Black & Veatch Management Consulting

Schedule BV-1 Summary Tables Cost of Service and Rate Study

Tables C-1 through C-13 Combined Projections of Revenue Requirements; Projection of Typical Retail Bills; Proposed Rate Schedules

Schedule BV-2 Cost of Service Report

Schedule BV-3 Summary Tables Miscellaneous Fees Analysis

Schedule BV-4 White Papers

WP-1 AMI Demand Study

WP-2 Impact of Updated Peaking Factors

WP-3 Stormwater Units of Service

WP-4 Cost Recovery Approach

WP-5 Miscellaneous Fee Methodology

WP-6 Senior Citizen Threshold Adjustment

	Schedule BV-5	Resumes and Black & Veatch firm description
PWD Statement 8	Direct Testimony and Schedules of the Communications and Engagement Panel	

Schedule GA-1	Resume of Glen Abrams
Schedule LC-1	Resume of Laura Copeland
Schedule PF-1	Resume of Paul Fugazzotto

Exhibits

PWD Exhibit 1	Notification of Rate Filing
	Advance Notice to Rate Board and Philadelphia City Council
	Advance Notice and Filing Index
PWD Exhibit 2	Summary Fact Sheet
PWD Exhibit 3A	Proposed Rates and Charges for FY 2026
PWD Exhibit 3B	Proposed Rates and Charges for FY 2026 (Redlined)
PWD Exhibit 3C	Proposed Rates and Charges for FY 2027
PWD Exhibit 3D	Proposed Rates and Charges for FY 2027 (Redlined)

PWD Exhibit 4	Documents Incorporated by Reference
PWD Exhibit 5	Official Statement, City of Philadelphia Water and Wastewater Revenue Bonds, Series 2024C
PWD Exhibit 6	Supplemental, Financial, Engineering and Other Data, Black & Veatch Workpapers
PWD Exhibit 7	Consent Order and Agreement, June 1, 2011