PWD Exhibit 1 - Notification of Rate Filing

1. Advance Notification of Rate Filing to the Philadelphia Water, Sewer and StormWater Rate Board

2. Advance Notification of Rate Filing to the Philadelphia City Council
January 15, 2021

Sonny Popowsky, Chairman
Philadelphia Water, Sewer and Storm Water Rate Board
One Parkway
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 2022 and FY 2023)

Dear Chairman 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, accounting, 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 the public folder at:

Sharepoint Website:  https://mcd.projectcentral.bv.com/sites/405119.1/Shared%20Documents/Public/Advanced%20Notice
Username:* NON1\PublicUsers1
Password: PhilaWater!76

* Please note that “NON1” is part of the user name.

The complete rate filing will be made available by posting at the Board’s website: www.phila.gov/water/rateboard. Once the rate filing is available on the Rate Board’s website, the Sharepoint 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
January 15, 2021

Honorable Darrell L. Clarke, President
Philadelphia City Council
City Hall, Room 490
Philadelphia, PA 19107

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2022 and FY 2023)

Dear President Clarke:

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, accounting, 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 on the enclosed flash drive and can also be accessed by visiting the public folder at:

Sharepoint Website: https://mcd.projectcentral.bv.com/sites/405119.1/Shared%20Documents/Public/Advanced%20Notice

Username:* NON1\PublicUsers1
Password: PhilaWater!76

* Please note that "NON1" is part of the user name.

The complete rate filing will be made available by posting at the Board’s website: www.phila.gov/water/rateboard. Once the rate filing is available on the Rate Board’s website, the Sharepoint 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: Members of City Council
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 2022-2023

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 2022 through 2023. 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. 2 as Schedule ML-2. 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 its Hearing Officer and Technical Expert, as well as all Participants on the service list for the 2020 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  
Carl R. Shultz, Esquire  
Centre Square - East Tower  
1500 Market Street, 12th Floor  
Philadelphia, PA 19102  
E-mail: andre.c.dasent@gmail.com  
E-mail: cshultz@eckertseamans.com

Counsel for Philadelphia Water Department

Ji Jun, Divisional Deputy City Solicitor  
City of Philadelphia Law Department  
1101 Market Street, 5th Floor  
Philadelphia, PA 19107  
E-mail: ji.jun@phila.gov

Counsel for Philadelphia Water Department

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

Frank Paiva, Chief Deputy City Solicitor  
Tax & Revenue Unit  
Law Department, City of Philadelphia  
Municipal Services Building  
1401 John F. Kennedy Boulevard, 5th Floor  
Philadelphia, PA 19102  
Frank.Paiva@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,

Randy E. Hayman
Water Commissioner

Dated: January 15, 2021
Enclosures and Attachments
FILING INDEX

Philadelphia Water Department Statements and Exhibits

Statements

PWD Statement No. 1  Direct Testimony and Schedules of Randy Hayman
                      Schedule REH-1  Resume of Randy Hayman

PWD Statement No. 2  Direct Testimony and Schedules of Melissa La Buda
                      Schedule ML-1  Resume of Melissa La Buda
                      Schedule ML-2  Financial Plan
                      Schedule ML-3  Bond Counsel Memorandum
                      Schedule ML-4  Rating Agency Reports
                      Schedule ML-5  Water Fund Projection Summary
                      Schedule ML-6  Financial Advisors Memorandum
                      Schedule ML-7  Miscellaneous Changes in Terms of Rates and Charges
                      Schedule ML-8  Summary of Prior Rate Proceedings
                      Schedule ML-9  Comparison of Projections with Actual Results

PWD Statement No. 3  Direct Testimony and Schedules of Stephen J. Furtek and Trisha Grace
                      Schedule SJF-1  Resume of Stephen J. Furtek
                      Schedule SJF-2  Summary of Capital Program and Budget Process
                      Schedule TG-1  Resume of Trisha Grace

PWD Statement No. 4  Direct Testimony and Schedules of Donna Schwartz, Ben Jewell, Brendan Reilly and Mary Ellen Senss
                      Schedule DS-1  Resume of Donna Schwartz
                      Schedule DS-2  Summary of Drinking Water Regulations
                      Schedule DS-3  Green Stormwater Infrastructure Tools
                      Schedule BCJ-1  Resume of Ben Jewell
                      Schedule BR-1  Resume of Brendan Reilly
                      Schedule MES-1  Resume of Mary Ellen Senss

PWD Statement No. 5  Direct Testimony and Schedules of Susan M. Crosby and RaVonne A. Muhammad
Schedule SMC-1  Resume of Susan M. Crosby
Schedule SMC-2  Annual Report to Mayor on TAP
Schedule RM-1  Resume of RaVonne A. Muhammad

PWD Statement No. 6  
Direct Testimony and Schedules of Raftelis

Schedule RFC-1  Resume
Schedule RFC-2  Resume
Schedule RFC-3  Resume
Schedule RFC-4  Service Usage and Billing Report
Schedule RFC-5  Water Usage and Billing Report
Schedule RFC-6  Payment Patterns Report
Schedule RFC-7  Typical Residential Customer Consumption Memorandum
Schedule RFC-8  Typical Small Commercial Consumption Memorandum
Schedule RFC-9  Low Income Billing and Payments Report

PWD Statement No. 7A  
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-9: Combined Projections of Revenue Requirements; Projection of Typical Retail Bills
  • Tables W-1 through W-12: Projection of Water Revenues under Existing Rates; Allocation of Test Year Cost of Service; Projection of Water Retail Units of Service
  • Tables 13A through W-19A: Projection of Aqua PA Cost of Service; Projection of Water Retail Cost of Service; Projected Water Retail Rates for General Service and Fire Protection
  • Tables WW-1 through WW-18: Projection of Wastewater Revenues under Existing Rates; Allocation of Test Year Cost of Service to Retail and Wholesale Customers; Proposed Wastewater Service Charge and Quantity Charge for General Service

Schedule BV-2  Summary Tables: Allocation Of Wastewater Costs To Contract Customers.
• **Tables WH-1 through WH-30**: Allocable Test Year Plant Investment and O&M expense; Allocation of Test Year System Investment; Allocation of Test Year O&M Expense; and Summary of Allocated Cost of Service

Schedule BV-3  Summary Tables: Stormwater Units  
Schedule BV-4  Summary Tables: Miscellaneous Fees Analysis  
Schedule BV-5  Cost of Service Report.  
Schedule BV-6  Assumptions And White Papers

• **WP-1**: Financial Plan – Revenue and Revenue Requirement Assumptions

• **WP-2**: Stormwater Units of Service

• **WP-3**: Cost Recovery of Discounts, Credits, Grants and TAP

• **WP-4**: Senior Citizen Discount Threshold Amount

Schedule BV-7  Resumes and Black & Veatch firm description

**PWD Statement No. 7B**  Supplemental Direct Testimony of Black & Veatch Management Consulting  
Schedule BV-S1  Balance Factors: TAP

**PWD Statement No. 8**  Direct Testimony and Schedules of H. Gil Peach  
Schedule HGP-1  Resume of H. Gil Peach  
Schedule HGP-2  Economic Analysis  
Schedule MT-1  Resume of Mark Thompson  
Schedule YJW-1  Resume of Yvonne J. Whitelaw

**Exhibits**

**PWD Exhibit 1**  Notification of Rate Filing  
Advance Notice to Rate Board and Philadelphia City Council  
Formal Notice to the Department of Records

**PWD Exhibit 2**  Summary Fact Sheet
PWD Exhibit 3A  Proposed Rates and Charges for FY2022

PWD Exhibit 3B  Proposed Rates and Charges for FY2022 (Redlined)

PWD Exhibit 3C  Proposed Rates and Charges for FY2023

PWD Exhibit 3B  Proposed Rates and Charges for FY2023 (Redlined)

PWD Exhibit 4  Documents Incorporated by Reference

Summary of the Operating Budgets:
FY 21 Budget in Brief – as proposed to the Council
FY 21 Budget in Brief – as approved by the Council

Budget Detail:
FY21 Operating Budget Detail, Book I
FY21 Operating Budget Detail, Book II

Capital Budget:
Six Year Capital Program for Fiscal Years 2022-2026, Capital
Budget for Fiscal Year 2021 per Council Approved Capital
Program and Budget

Financial Reports:
Comprehensive Annual Financial Report for Fiscal Year Ended
June 30, 2019

Five Year Financial and Strategic Plan:
Five Year Financial and Strategic for Fiscal Years 2021-2025,
presented to Council
FY2021-FY2025 Five Year Financial Plan, per Council
Approved Budget

PWD Exhibit 5  Official Statement, City of Philadelphia Water and Wastewater
Revenue Bonds, 2020A and 2020B

PWD Exhibit 6  Supplemental, Financial, Engineering and Other Data, Black &
Veatch Workpapers

PWD Exhibit 7  Consent Order and Agreement, June 1, 2011