

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

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| In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater and Stormwater Rates and Charges | Fiscal Years 2022-2023 |
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**PHILADELPHIA WATER DEPARTMENT
STATEMENT OF SUPPORT FOR
JOINT SETTLEMENT PETITION**

The Philadelphia Water Department (“PWD” or the “Department”) hereby submits this Statement in Support of the Joint Petition for Partial Settlement (“Partial Settlement” or “Joint Petition”) filed in the above-captioned proceeding.

The Partial Settlement¹ is joined by the Public Advocate (“PA” or “Public Advocate” and together with PWD, the “Joint Petitioners”). Additionally, the Philadelphia Large Users Group (“PLUG”) and PECO do not oppose the Partial Settlement.²

The proposed rates and charges in the Partial Settlement are reasonable and should be approved expeditiously and without modification.³ The Partial Settlement was reached after considerable review of PWD’s finances and operations, the submission of extensive testimony by the

¹ Issues raised by Lance Haver and Michael Skiendzielewski have been reserved for litigation. The Public Advocate and PWD have also reserved issues related to arrearage forgiveness (policy and cost recovery) for briefing.

² See Joint Petition at at 1.

³ See Joint Petition at ¶ 16.

active participants, and after a series of negotiations and discussions concerning all of the issues raised by PWD's filing, including the appropriate level and allocation of the proposed rate increase, rate design, and new or enhanced programs to benefit low-income and other customers. Given that the Public Advocate recommended that the Department be granted no rate relief in this proceeding, the Partial Settlement clearly represents a reasonable resolution of this general rate proceeding.

Beyond the proposed rates and charges, the Partial Settlement includes enhanced customer service and policy agreements that will assist customers affected by the ongoing pandemic. These customer service and policy agreements represent a benefit to customers that likely could not have been achieved outside the context of settlement.

PWD's key goals in filing its request for an increase in annual operating revenues was to ensure that it could maintain its financial health while continuing to modernize its infrastructure and make other improvements in its distribution network in order to enhance the safety, reliability and efficiency of its system. As explained further below, PWD believes the Partial Settlement achieves this result while properly considering the interests of ratepayers in the virtually unprecedented circumstances created by the COVID-19 pandemic and the accompanying economic consequences.

I. BACKGROUND

The Department's financial condition has deteriorated, since the 2018 general rate proceeding. PWD Statement 2 at 4-5; Schedule ML-8. The Department experienced significant cost increases in FY 2020, and FY 2020 ended with expenses higher than projections. PWD Statement 2 at 6-7, 43; Schedule ML-2 at 8; Schedule ML-9. Revenues were not sufficient to pay all

of the budgeted expenses in FY 2020, so the Department made a \$33 million withdrawal from cash reserves to meet obligations and debt service coverage for FY 2020. PWD Statement 2 at 3.

The Department withdrew (without prejudice) its general rate proceeding that proposed increased rates and charges case for FY 2021, due to onset of the pandemic. PWD Statement 2 at 5; Schedule ML-9. This left rates and charges unchanged in FY 2021. Even with the austerity measures implemented by the Department, revenues will not pay all of the budgeted expenses in FY 2021. PWD Statement 2 at 4, 19. This means that the Department is projected to make another withdrawal from cash reserves to meet obligations and debt service coverage for FY 2021. PWD Statement 2 at 4, 8-9.

Expenses have continued to increase. PWD Statement 2 at 5, 11, 36-40. The Department cannot continue to absorb increased expenses without additional revenues, if the Department is going to maintain its financial status and current favorable bond ratings. PWD Statement 2 at 8-9, 18-20, 31. Continued reliance on withdrawals from cash reserves to meet obligations and debt service coverage is unsustainable. PWD Statement 2 at 8-11.

In FY 2022, without rate relief, the Department would barely meet the mandatory financial metrics and would be required to make another significant withdrawal from cash reserves to meet obligations and minimum debt service coverage requirements. PWD Statement 2 at 4. The depletion of cash reserves would leave the Department with few options on a going-forward basis to fulfill its mission of providing high-quality, reliable service to its customers. PWD Statement 2 at 4. Without rate relief, it is projected that the Department would fail to meet the rate covenant requirements in FY 2023. PWD Statement 2 at 4.

II. THE PARTIAL SETTLEMENT IS REASONABLE AND SHOULD BE APPROVED EXPEDITIOUSLY AND WITHOUT MODIFICATION

Settlements eliminate the time, effort, and expense the parties must expend litigating a case and at the same time conserves administrative resources. Such savings benefit not only the individual parties, but also the Rate Board and all ratepayers of the Department, who otherwise would have to bear the financial burden such litigation necessarily entails. In fact, the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding.⁴

By definition, a “settlement” reflects a compromise of the positions that the active participants have held. Those positions arguably foster and promote rates and charges that are just and reasonable,⁵ equitably apportioned,⁶ and non-discriminatory.⁷

In their supporting statements, the Joint Petitioners conclude, after extensive discovery and discussion, that this Partial Settlement resolves all but two of the Public Advocate’s contested issues in this proceeding and is consistent with the requirements of the Philadelphia Home Rule Charter (“Charter”),⁸ the “Rate Ordinance,”⁹ the “1989 General Ordinance”¹⁰ and general ratemaking practices and industry standards.¹¹

⁴ 52 Pa. Code § 69.401.

⁵ See, Philadelphia Code §13-101(4)(d). The phrase “just and reasonable” refers to the reasonableness of the obtained rate or the justness of its application. See, *American Aniline Products, Inc. v. Lock Haven*, 135 A.726, 727 (Pa. 1927).

⁶ See, Philadelphia Code § 13-101(4)(c).

⁷ See, Philadelphia Code §13-101(4)(d).

⁸ Section 5-801 of the Charter.

⁹ Chapter 13-100 of the Philadelphia Code.

¹⁰ Restated General Water and Wastewater Revenue Bond Ordinance of 1989, approved June 24, 1993, as amended by an Ordinance approved January 23, 2007.

¹¹ See PWD Statement 2 at 22; PWD Statement 7A at 5-9.

A. Revenues and Revenue Requirement.

Need for Rate Increase

Section 5-801 of the Charter establishes that the Department's systems shall be self-sustaining. Specifically, the Charter mandates that rates and charges shall be fixed to yield at least an amount equal to operating expenses and debt incurred or about to be incurred by the Department.¹² It follows that, under the "Cash Flow" method, the Department's rates and charges must be set so as to provide appropriate levels of cash, debt service coverage and other financial metrics necessary to enable the Department to pay its bills and maintain access to the capital markets at reasonable rates.¹³

The Department's revenues have not been sufficient to pay all of its budgeted expenses. Revenues were not sufficient to pay budgeted expenses in FY 2020. PWD Statement 2 at 3. Nor are they sufficient to pay all of the budgeted expenses in FY 2021. PWD Statement 2 at 4. This means that, to satisfy its obligations and debt service coverage, the Department was (is) required to make withdrawals from its cash reserves. PWD Statement 2 at 3-4.

Revenues at current rates are not projected to pay all of the budgeted expenses in the Rate Period. PWD Statement 2 at 4. In FY 2022, without rate relief, the Department would barely meet the mandatory financial metrics and would be required to make another significant withdrawal from cash reserves to meet obligations and minimum debt service coverage requirements. PWD Statement 2 at 4. The depletion of cash reserves would leave the Department with few op-

¹² "The standards pursuant to which rates and charges shall be fixed shall be such as to yield to the City at least an amount equal to operating expenses and interest and sinking fund charges on any debt incurred or about to be incurred for water supply, sewage and sewage disposal purposes." Section 5-801 of the Charter. "In computing operating expenses, proportionate charges for all services performed for the Department by all departments, boards or commissions of the City are also included." *Id.*

¹³ PWD Statement 2 at 30.

tions on a going-forward basis to fulfill its mission of providing high-quality, reliable service to its customers. PWD Statement 2 at 4. Without rate relief, it is projected that the Department would fail to meet the rate covenant requirements in FY 2023. PWD Statement 2 at 4.

The Original and Amended Requests for Rate Relief

In its rate filing, the Department originally proposed annual revenue increases to generate approximately \$48.864 million (Table C-1A, line 10) in FY 2022 and an additional \$92.096 million (line 10) in a FY 2023 with proposed effective dates of September 1, 2021 and September 1, 2022, respectively. *See* PWD Statement 7A, Schedule BV-1 at Table C-1A (line 10).

Some of the main drivers for the requested base rate increase are: (1) changes in consumption patterns; (2) decline in collection rates; (3) higher costs related to supporting its CIP program, including the increased cost of infrastructure maintenance; and (4) unavoidable increases in workforce costs. PWD Statement 2 at 36. Another factor driving the need for rate relief includes increases in costs over various categories, such as chemicals used in the water treatment process. PWD Statement 2 at 6, 36.

During the course of this proceeding, the City revised the allocation of fringe and pension costs to the Department. *See* PWD Rebuttal Statement 1 at 41-42; Schedule ML-10. This reduced the Department's overall revenue requirements (line 10) from \$48.864 million to \$22.466 million in FY 2022 and from \$92.096 million to \$67.015 million in FY 2023. These adjustments appropriately modify the Department's original rate filing and are uncontroverted in the record.

Settlement Rates and Charges

Given the unprecedented nature of the current circumstances, agreeing to a modest rate increase (especially after the Department withdrew its 2020 rate proceeding) is a reasonable course at the present time.

The Partial Settlement, if approved, would permit the Department to file rates and charges designed to produce a total increase in (Table C-1A, line 10) revenues of \$57.422 million staged in the following manner: \$10.411 million in FY 2022 and \$47.011 million in FY 2023. The rates and charges proposed by the Settlement were negotiated and are calculated to reduce reliance on cash reserves (specifically, the rate stabilization fund).

The Partial Settlement, in this proceeding, is a “black box” settlement. This means that the Partial Settlement does not reflect a specific resolution of every element of the Department’s projected revenues and expenses. Rather, the settlement represents the Joint Petitioners’ agreed upon final revenue requirement based on their respective analyses of the various revenue and expense proposals in this proceeding.

The Partial Settlement is a compromise significantly reducing the Department’s original request (as shown on Table C-1A, Line 10), during FY 2022 and 2023. The Partial Settlement allows the Rate Board and participants to avoid the time and expense associated with the litigation of expense adjustments and recommendations advanced by the Advocate in the rate case. These proposed expense adjustments recommended decreasing the Department’s expenses by \$13.739 million in FY 2022 and by \$27.194 million in FY 2023. *See* PA Statement 1, Schedule LKM-6. The Department contested all of the Public Advocate’s adjustments.

While there is no specific resolution of every element of the Department’s projected revenues and expenses (given the nature of the black box settlement), the Partial Settlement proposes rates and charges that are well below the Department’s adjusted proposals, as shown on Table C-1A, Line 10 (as revised).

The Department submits that the rate increases proposed in the Partial Settlement are supported by the record and are eminently reasonable, since they are within the range of revenue requirements in the record.

Table 1: Range of Revenue Requirements Proposed During Rate Proceeding

| (Dollars in 1000s) | Department | | Partial Settlement |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------|---------------------------|
| <i>Source: Table C-1A</i> | <i>Official Filing</i> | <i>PWD Filing Adjusted for Pension Reallocation*</i> | <i>Partial Settlement</i> |
| FY 2022 | | | |
| Line 10 | \$48,864 | \$22,466 | \$10,411 |
| FY 2023 | | | |
| Line 10 | \$92,096 | \$67,015 | \$47,011 |
| Total for FY 2022 and FY 2023 | | | |
| | \$140,960 | \$89,481 | \$57,422 |
| *Reflects reduced Water Fund contribution to Pension Fund, as described in PWD Rebuttal Statement 1 at 41-42 and Schedule ML-10. | | | |

The proposed settlement rates and charges are also within the range of the increased rates approved by the PUC during the pandemic. The Partial Settlement increases rates (Table C-1A, Line 10) by \$10.411 million, which is 21% of the Department’s original request of \$48.864 mil-

lion in FY 2022, and increases rates (Table C-1A, Line 10) by \$47.011 million, which is 51% of the Department's original request of \$92.096 million in FY 2023. The PUC has approved phased-in rate increases for: Philadelphia Gas Works ("PGW") that were 10.5% of PGW's original request,¹⁴ the Pittsburgh Water and Sewer Authority ("PWSA") that were 43.8% of PWSA's original request,¹⁵ and Pennsylvania-American Water Company ("PAWC") that were about 51% of PAWC's original request.¹⁶ The Commission has also approved increased rates for the City of Bethlehem that were 75.9% of Bethlehem's original request.¹⁷

The modest increases in the rates and charges proposed by the Settlement are fully supported by the evidence presented in the proceeding. The \$10.411 million increase for FY 2022 does not reflect the full amount of actual expense increases experienced by the Department. The total FY 2020 expenses were about \$31 million higher than prior rate projections.¹⁸ See PWD Statement 2 at 6-7. The Department also experienced other expense increases in FY 2021 and projects additional expense increases for the Rate Period. For example, between FY 2022 and FY

¹⁴ PUC Docket No. R-2020-3017206; PGW Statement in Support at 4 ("This proposed rate change represents an average increase in the Company's distribution rates of approximately 10.5%").

¹⁵ PUC Docket Nos R-2020-3017951, R-2020-3017970. PWSA initiated that proceeding by requesting multi-year increases to water and wastewater total annual operating revenues of approximately \$43.4 million. The Settlement provides for a total increase of \$19,000,000, which is less than half, or 43.8%, of the increase originally requested. See Joint Petition for Settlement (PWSA 2020), Appendix A at ¶ 61.

¹⁶ PUC R-2020-3019369, R-2020-3019371. PAWC initiated that proceeding by requesting multiyear increases to water and wastewater total annual operating revenues of approximately \$138.6 million. The Settlement provides for a total increase of \$70.5 million.

¹⁷ PUC R-2020-3020256. The settlement provides for an increase of \$689,932, as opposed to the \$908,421 originally requested by the City of Bethlehem.

¹⁸ Please note that the \$31 million is the gross amount of increased expenses in FY 2020. See PWD Statement 2 at 6-7. In FY 2020, that gross amount was reduced by certain identified offsets (decreases) totaling about \$5.8 million, so that the net impact in FY 2020 was about \$25 million. *Id.* The Department does not anticipate that any level of decreases will be repeated in FY 2021. PWD Statement 2 at 7. So, in looking-forward, it is more appropriate to make projections based on the gross amount of actual expenses experienced in FY 2020 (as opposed to the net actual increases in FY 2020).

2023, Line 24 of Table C-1A shows an undisputed projected increase of more than \$26 million in total senior debt service payments. Partial Settlement, Appendix 1. That increase alone encompasses more than 55% of the Line 10 additional revenues resulting from the FY 2023 rate increase. While the above-described increased expenses (of about \$31 million and \$26 million) do not include all of the actual and projected increases in the filing, they do provide reasonable support and justification for the total (Table C-1A, line 10) increases for the Rate Period (roughly \$57 million).

The financial metrics produced by the rates and charges proposed by the Partial Settlement are reasonable. *See*, Partial Settlement, Appendix 1 (Table C-1A). The Appendix hereto further sets forth monthly rates and together with Table C-1A, a “Proof of Revenue” demonstrating that the proposed rates and charges produce the agreed-upon additional revenues. *See*, PWD Statement of Support, Appendix A. Simply put, the above referenced Appendices demonstrate that the proposed rates and charges should produce sufficient additional revenues so as to provide appropriate levels of cash,¹⁹ debt service coverage,²⁰ and other financial metrics²¹ necessary to enable the Department to pay its bills and maintain access to the capital markets at reasonable rates.

¹⁹ *See*, Partial Settlement, Appendix 1 (Table C-1A) at lines 16 to 19.

²⁰ *See*, Partial Settlement, Appendix 1 (Table C-1A) at lines 25 and 30.

²¹ For the capital account deposit, *see*, Partial Settlement, Appendix 1 (Table C-1A) at line 29. That amount is 1%. *See* Schedule ML-3 at 8, 11. By providing additional operating revenues for the Rate Period, the Settlement Rates will help the Department manage and utilize cash reserves (as discussed in Schedule ML-2 (Financial Plan) and PWD Statement 2). The additional operating revenues for the Rate Period will also satisfy the 90% test in the Rate Period. *Cf.* PWD Statement 2 at 19.

B. Cost of Service and Rate Design.

The Partial Settlement does not make any changes to the cost of service and rate design used by the Department in this proceeding. It does, however, provide that the Department will convene stakeholder meetings prior to the next base rate proceeding to discuss (a) alternative ways of sharing the costs/benefits of ratepayer-funded non-residential stormwater overflow remediation projects and (b) tiered residential stormwater rate structures to reflect the range of residential property sizes. *See*, Partial Settlement at Paragraph 11.C.

The above agreements are a reasonable compromise of the cost of service and rate design issues that would have otherwise been litigated. Only the Public Advocate submitted testimony proposing changes to the Department's cost of service studies. Mr. Mierzwa, on behalf of the Public Advocate, proposed changes to the cost of service studies for water and stormwater. No changes were proposed to the wastewater cost of service study in the above testimony. PWD Rebuttal Statement 2 at 7. The Advocate's proposed changes were opposed by the Department and by PLUG. None of the Advocate's proposed revenue allocation or rate design changes are included in the Partial Settlement.

C. Rate and Rate Impacts.

The proposed rates and charges in the Partial Settlement will impact typical customer bills in FY 2022 as follows: the bill for a typical PWD residential customer who uses 5 hundred cubic feet (ccf) per month will increase by \$2.42 per month from \$66.73 to \$69.15 per month or by 3.6%. The bill for a typical senior citizen customer who uses 3 ccf per month will increase by \$1.37 per month from \$38.43 to \$39.80 per month or by 3.6%. The bill for a typical small busi-

ness customer²² who uses 6 ccf per month will decrease by \$0.55 per month from \$112.13 to \$111.58 per month or by -0.5%.

The proposed rates and charges in the Partial Settlement will impact typical customer bills in FY 2023 as follows: the bill for a typical PWD residential customer who uses 5 hundred cubic feet (ccf) per month will increase by \$4.43 per month from \$69.15 to \$73.58 per month or by 6.4%. The bill for a typical senior citizen customer who uses 3 ccf will increase by \$2.52 per month from \$39.80 to \$42.32 per month or by 6.3%. The bill for a typical small business customer who uses 6 ccf will increase by \$7.69 per month from \$111.58 to \$119.27 per month or by 6.9%.

Tables W-18, W-19, W-19A, WW-18, SW-19A and SW-19B are attached as Appendix A to this Statement. These tables set forth monthly rates and charges proposed for the Partial Settlement. Tables C-4 (residential) and C-5 (non-residential), which are attached as Appendix 2 to the Joint Petition, show the impact on the bill of a typical customer, if the Partial Settlement rates are approved.

D. Customer Service and Policy Agreements.

Beyond the proposed rates and charges, the Partial Settlement includes customer service and policy agreements that will assist customers affected by the pandemic. These customer service and policy agreements represent a benefit to customers that could not have been achieved

²² The calculations for a typical small business customer used a parcel gross area of 5,500 sq. ft. and impervious area of 4,000 sq. ft.

outside the context of settlement, since the Rate Board does not have the authority to direct how the Department provides service.²³

The terms of the Partial Settlement acknowledge additional measures to be undertaken by PWD to mitigate economic burdens ratepayers are experiencing, while affording the Department sufficient revenues necessary to maintain safe and reliable service. The customer service and policy agreements focus on affordability issues for residential customers, including (but not limited to) low-income and customers currently facing payment difficulties. While these customer service and policy agreements are not within the scope of the Rate Board's jurisdiction (and do not require approval from the Rate Board), they are part of the entire compromise reached between the Joint Petitioners.

²³ The Law Department also advised that “[u]nder the Charter, only the Law Department has authority to settle delinquent debts, and the Rate Board's authority for ‘fixing and regulating rates and charges’ does not extend to directing the Revenue and Law Departments in the collection (or abatement) of those amounts. Rather, the Rate Board should set overall rates and charges, taking into account the impact on revenues of the Administration's abatement policies.” 2016 Determination of Water Department Rates and Charges for FY 2017-2018, at 39 and Appendix B.

III. CONCLUSION

With the exception of issues reserved for litigation, the Partial Settlement provides a reasonable means of resolving all of the issues raised by the Public Advocate in this proceeding. It also reduces the administrative burden on the Rate Board and the litigation costs of all of the active participants. Accordingly, for the reasons set forth above and in the Joint Petition, PWD submits that the Partial Settlement is reasonable and should be approved without modification.

Respectfully submitted,

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**TABLE W-18
WATER: PROPOSED RATES FOR
GENERAL SERVICE**

| | | (1) | (2) |
|----------|------------|-----------------|-----------------|
| | | SERVICE CHARGE | |
| Line No. | Meter Size | FY 2022 Monthly | FY 2023 Monthly |
| | Inches | \$ | \$ |
| 1 | 5/8 | 4.90 | 5.00 |
| 2 | 3/4 | 5.28 | 5.39 |
| 3 | 1 | 6.46 | 6.61 |
| 4 | 1-1/2 | 8.75 | 9.01 |
| 5 | 2 | 12.26 | 12.64 |
| 6 | 3 | 19.61 | 20.28 |
| 7 | 4 | 35.46 | 36.62 |
| 8 | 6 | 66.76 | 69.02 |
| 9 | 8 | 101.84 | 105.39 |
| 10 | 10 | 148.99 | 154.13 |
| 11 | 12 | 245.14 | 254.33 |

| | | QUANTITY CHARGE | |
|----------|---------------------|------------------------|------------------------|
| Line No. | Monthly Water Usage | FY 2022 Charge per Mcf | FY 2023 Charge per Mcf |
| | | \$ | \$ |
| 12 | First 2 Mcf | 45.99 | 49.22 |
| 13 | Next 98 Mcf | 42.33 | 45.23 |
| 14 | Next 1,900 Mcf | 32.84 | 35.05 |
| 15 | Over 2,000 Mcf | 31.94 | 34.09 |

Mcf - Thousand cubic feet

Note: FY 2023 Rates are subject to reconciliation prior to implementation.

**TABLE W-19
WATER: PROPOSED RATES FOR
PRIVATE FIRE PROTECTION**

| Line No. | Size of Meter or Connection | (1) | (2) |
|----------|-----------------------------|------------------------|------------------------|
| | | FY 2022 Monthly Charge | FY 2023 Monthly Charge |
| | Inches | \$ | \$ |
| 1 | 4" or less | 22.37 | 23.03 |
| 2 | 6 | 40.59 | 41.85 |
| 3 | 8 | 59.96 | 61.93 |
| 4 | 10 | 88.79 | 91.64 |
| 5 | 12 | 132.60 | 137.50 |

PUBLIC FIRE PROTECTION

| Line No. | Description | (1) | (2) |
|----------|-------------------|-----------------------|-----------------------|
| | | FY 2022 Annual Charge | FY 2023 Annual Charge |
| | | \$ | \$ |
| 6 | Standard Pressure | 6,533,000 | 7,148,000 |

Note: FY 2023 Rates are subject to reconciliation prior to implementation.

**TABLE W-19A
PROPOSED RATES FOR
PRIVATE FIRE PROTECTION
RESIDENTIAL PRIVATE FIRE PROTECTION**

| Line No. | Size of Meter or Connection | (1) | (2) |
|-------------------------------------------------------|-----------------------------|------------------------|------------------------|
| | | FY 2022 Monthly Charge | FY 2023 Monthly Charge |
| | Inches | \$ | \$ |
| Water Service Charge Including Fire Protection | | | |
| 1 | 3/4 | 7.00 | 7.25 |
| 2 | 1 | 8.18 | 8.47 |
| 3 | 1-1/2 | 10.47 | 10.87 |
| 4 | 2 | 13.98 | 14.50 |
| Sewer Service Charge | | | |
| 5 | 3/4 | 7.20 | 7.54 |
| 6 | 1 | 7.20 | 7.54 |
| 7 | 1-1/2 | 7.20 | 7.54 |
| 8 | 2 | 7.20 | 7.54 |

Note: FY 2023 Rates are subject to reconciliation prior to implementation.

**TABLE WW - 18
WASTEWATER: PROPOSED RATES
FOR GENERAL SERVICE
SANITARY SEWER**

| METER BASED SERVICE CHARGE | | | |
|----------------------------|------------|------------------------|------------------------|
| Line No. | Meter Size | (1) | (2) |
| | | FY 2022 Monthly Charge | FY 2023 Monthly Charge |
| | Inches | \$ | \$ |
| 1 | 5/8 | 7.20 | 7.54 |
| 2 | 3/4 | 9.16 | 9.63 |
| 3 | 1 | 13.40 | 14.14 |
| 4 | 1 1/2 | 23.50 | 24.91 |
| 5 | 2 | 36.22 | 38.43 |
| 6 | 3 | 65.25 | 69.32 |
| 7 | 4 | 110.93 | 117.78 |
| 8 | 6 | 218.57 | 232.18 |
| 9 | 8 | 345.77 | 367.45 |
| 10 | 10 | 499.09 | 530.31 |
| 11 | 12 | 906.63 | 964.36 |

| QUANTITY CHARGE | | | |
|-----------------|--------------------------|------------------------|------------------------|
| Line No. | | FY 2022 Charge per Mcf | FY 2023 Charge per Mcf |
| | | \$ | \$ |
| 12 | All billable water usage | 32.61 | 34.77 |
| 13 | Groundwater Charge | 11.91 | 12.66 |

| SURCHARGE RATES | | | |
|-----------------|--------------------------|-----------------------|-----------------------|
| Line No. | | FY 2022 Charge per lb | FY 2023 Charge per lb |
| | | \$ | \$ |
| 14 | BOD (excess of 250 mg/l) | 0.375 | 0.393 |
| 15 | SS (excess of 350 mg/l) | 0.393 | 0.408 |

| SEPTIC HAULER RATE | | | |
|--------------------|-------------------------------------------|-------------------------|-------------------------|
| Line No. | | FY 2022 Charge per Mgal | FY 2023 Charge per Mgal |
| | | \$ | \$ |
| 16 | Sanitary Wastewater Delivered to WPCP (a) | 55.72 | 58.11 |

(a) Based on BOD and SS Loading of 9,000 mg/l.

Mcf-Thousand cubic feet

mg/l-milligrams per liter

Mgal - Thousand gallons

WPCP - Water Pollution Control Plant

TABLE SW-19A
STORMWATER: PROPOSED RATES FOR RESIDENTIAL SERVICE

| Line No. | Description | (1) FY 2022 Monthly Charge | (2) FY 2023 Monthly Charge |
|---------------------------------------------|-------------------|-------------------------------------|-------------------------------------|
| STORMWATER MANAGEMENT SERVICE CHARGE | | | |
| 1 | Charge Per Parcel | \$ 15.04 | \$ 16.27 |
| BILLING AND COLLECTION CHARGE | | | |
| 2 | Charge Per Bill | \$ 1.82 | \$ 1.89 |

Note: FY 2023 Rates are subject to reconciliation prior to implementation.

TABLE SW-19B
STORMWATER: PROPOSED RATES FOR NON-RESIDENTIAL SERVICE

| Line No. | Description | | (1) FY 2022 Monthly Charge | | (2) FY 2023 Monthly Charge |
|---------------------------------------------|-----------------|----|-------------------------------------|----|-------------------------------------|
| STORMWATER MANAGEMENT SERVICE CHARGE | | | | | |
| 1 | Min Charge | \$ | 15.04 | \$ | 16.27 |
| 2 | GA (per 500 sf) | | 0.724 | | 0.784 |
| 3 | IA (per 500 sf) | | 5.117 | | 5.526 |
| BILLING AND COLLECTION CHARGE | | | | | |
| 4 | Charge Per Bill | \$ | 2.36 | \$ | 2.45 |

Note: FY 2023 Rates are subject to reconciliation prior to implementation.