

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

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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**MAIN BRIEF OF THE
PHILADELPHIA WATER DEPARTMENT**

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I. INTRODUCTION

A. THE DEPARTMENT’S PROPOSALS FOR THE RATE PERIOD¹

The Philadelphia Water Department (“PWD” or “Department”) submits this Brief in support of its proposals, as amended by the Joint Petition for Partial Settlement (“Joint Petition” or “Partial Settlement”),² to increase rates for the recovery of additional revenues for two fiscal years (FY 2022 and FY 2023³) (collectively, the “Rate Period”).⁴

Consistent with the Partial Settlement, the Department is proposing annual revenue increases of approximately \$10.411 million (Table C-1A, line 10) in FY 2022 and an additional \$47.110 million (line 10) in FY 2023⁵ with proposed effective dates of September 1, 2021 and September 1, 2022, respectively. Reductions in the proposed rates and charges are the result of a compromise. This compromise, among other things, gives recognition to the possibility of (i) a

¹ The projected test years presented in the rate proceeding are actually based on the fiscal years. The supporting tables and the information provided in Statement 7A are all fiscal year based. The proposals discussed in this Brief exclude revenue loss associated with providing Tiered Assistance Program discounts and TAP Rate Rider Surcharge (“TAP-R” or “TAP Rider”) revenues. *See* PWD Statement 7A at 5, 13. Issues related to the excluded issues are covered in a separate proceeding regarding the annual adjustment to the TAP Rate Rider.

² Amendments were made to the Department’s proposals to acknowledge the terms agreed-upon in the Partial Settlement.

³ PWD presents a multi-year rate period consisting of two fully projected test years (FPFTY). One for the period of July 1, 2021 to June 30, 2022 (“FY 2022”) with proposed rates effective September 1, 2021 and one for the period of July 1, 2022 to June 30, 2023 (“FY 2023”) with proposed rates effective September 1, 2022.

⁴ The Rate Period is part of a larger “Study Period” (from FY 2021 to FY 2026), which is mandated by the City’s financial planning requirements. PWD Statement 7A at 4. Long-term financial planning, which in Philadelphia covers five years, estimates revenues and expenditures over a multi-year period instead of an annual budget’s one-year time frame.

⁵ This proposal is less than the Department’s original proposal. The Department originally proposed annual revenue increases to generate approximately \$48.864 million (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.

one-time receipt of stimulus funds from the federal government that, under certain circumstances, may be used to offset a portion of additional revenues in FY 2023; and/or (ii) the sharing of benefits that may be realized if PWD's financial performance in FY 2021 is better than projected (using the RSF balance as a barometer). In either case (or in combination), up to a maximum of \$34.411 million may be used to offset additional revenues approved for FY 2023.

The rates and charges proposed by the Partial Settlement are a reasonable reduction from the Department's original request. For FY 2022, 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 million in FY 2022. For FY 2023, the Partial Settlement 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 proposed rates and charges in the Partial Settlement will impact typical customer bills; however, those bill impacts are more modest than the Department's original proposal. Additionally, the Department's Tiered Assistance Program ("TAP") will offset (eliminate) the impact of the proposed rate increases for eligible low-income residential customers. Customers enrolled in TAP will not spend more on bills from the Department, since they will continue to receive a consistent bill from the Department that is based upon a percentage of their household income. It should be further noted that the impact of proposed rates on senior bills will be mitigated for those households participating in the senior citizen discount program (25% discount).

Certain terms in the Partial Settlement explicitly benefit TAP participants. As explained in the Partial Settlement, the Department has waived program recertification during the pandemic

to TAP participants and this policy will continue for the near term.⁶ To improve outreach for TAP, PWD will also evaluate new approaches to inform the Department’s customers of this program and other assistance programs that PWD offers.⁷

In addition, certain terms in the Partial Settlement benefit all residential customers. The Department voluntarily extended a freeze on shutoffs for residential customers, protecting those account holders from losing water services until April 2022. As explained in the Partial Settlement, the Department agreed to review and evaluate the need to extend the current moratorium to protect public health and safety during the pandemic.⁸ The Department will also provide more flexible terms for payment arrangements to help its customers bring their accounts current.⁹ In addition, the Department will be reviewing business practices, website disclosures, and governing regulations to address certain tenant issues raised in this proceeding and will be considering changes in its language access plan, in coordination with the City’s Office of Immigrant Affairs.¹⁰

The Department has shown that its proposals and the resulting rate increases are reasonable and are consistent with the Philadelphia Home Rule Charter, “Rate Ordinance,”¹¹

⁶ Joint Petition at ¶ 11.D.1.(a).

⁷ Joint Petition at ¶ 11.D.1.(a).

⁸ Joint Petition at ¶ 11.D.3.

⁹ Joint Petition at ¶ 11.D.4.(a).

¹⁰ See, Joint Petition at ¶ 11.D.2, 11.D.4(d).

¹¹ Chapter 13-100 of the Philadelphia Code.

“1989 General Ordinance”¹² and general ratemaking principles. To be sure, current revenues are **not** sufficient for the Department to pay all of its bills when they are due. Significant withdrawals from cash reserves have been required since FY 2020 (and are projected for FY 2021) in order to satisfy the Department’s obligations. Additional withdrawals are unsustainable. Without rate relief, it is projected that the Department will fail to meet rate covenant requirements in FY 2023.¹³

B. OVERVIEW OF THE DEPARTMENT

The Department is one of the ten operating departments of the City of Philadelphia (“City” or “Philadelphia”).¹⁴ It provides integrated water and wastewater services, including services for sanitary wastewater and stormwater, for accounts and properties in Philadelphia. It also provides water and wastewater services to certain bulk or wholesale customers pursuant to wholesale services contracts.¹⁵

Under the Philadelphia Home Rule Charter (“Charter”), the Department is responsible for operating, maintaining, repairing and improving the City’s water supply facilities, sewage system and wastewater treatment plants.¹⁶ The Department operates under a dedicated Water Fund

¹² Restated General Water and Wastewater Revenue Bond Ordinance of 1989, approved June 24, 1993, as amended from time to time including by the Twentieth Supplemental Ordinance, approved by the Mayor on April 18, 2018.

¹³ Please note that the summary of arguments related to PWD’s position is incorporated in this section of the Brief.

¹⁴ PWD Statement 1 at 2.

¹⁵ PWD Statement 1 at 2.

¹⁶ PWD Statement 1 at 2.

established to ensure that the revenues received from our customers are used only for Department purposes.¹⁷

The Department's primary mission is (i) to plan for, operate, and maintain both the infrastructure and organization necessary to purvey high quality drinking water, (ii) to provide an adequate and reliable water supply to meet all household, commercial and community needs, and (iii) to sustain and enhance the region's watersheds and quality of life by managing wastewater and stormwater effectively.¹⁸

C. ORDER OF PROCEEDINGS

On January 15, 2021, the Department filed its advance notice with Philadelphia City Council ("City Council") and the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board") communicating its intent to file proposed changes in rates for water and wastewater service to become effective during the Rate Period ("Advance Notice"). On February 16, 2021, the Department filed its formal notice with the Rate Board and the Department of Records of the aforesaid application for rate relief ("Formal Notice").

In the Advance Notice and Formal Notice (collectively, the "proposals"), the Department presented supporting engineering, financial and accounting documentation as well as the prepared direct testimony and related schedules and exhibits of the Department, the Water Revenue Bureau¹⁹ ("WRB"), Black & Veatch Management Consulting LLC ("Black & Veatch" or "B&V") and Raftelis Financial Consultants ("Raftelis" or "RFC"). All written testimony,

¹⁷ PWD Statement 1 at 2.

¹⁸ PWD Statement 1 at 3.

¹⁹ The WRB, which is part of the City's Department of Revenue, provides all billing and collection functions for charges by the Department. PWD Statement 1 at 3.

schedules, exhibits and other supporting documentation were served upon the participants and posted at the Rate Board's website, consistent with the Rate Board's regulations.

Pursuant to the Rate Board's Regulations,²⁰ the instant rate proceeding was initiated to review the Department's proposals. The Board appointed Marlane R. Chestnut, Esquire ("Hearing Officer") to preside over the rate hearings and to prepare a report. The Rate Board also appointed Community Legal Services to serve as Public Advocate ("Public Advocate" or "PA") in the proceeding.

Active participants in the proceeding (in addition to PWD, WRB and the Public Advocate) included, the Philadelphia Large Users Group ("PLUG"), PECO Energy Company/ Exelon ("PECO"), Lance Haver and Michael Skiendzielewski. There were five inactive (*pro se*) individuals: Sharon Keselman, Michael Blowney, Kesrick Jones, Jr., Joseph Sherick and Juliana Martell.

An on-the-record prehearing conference to address preliminary procedural issues was held by the Hearing Officer via Zoom²¹ on February 24, 2021. All participants to the rate proceeding were invited by e-mail to participate.²² During the prehearing conference, among other issues, the proceeding schedule, hearing format, and discovery matters were discussed. A prehearing order was issued on February 24, 2021. The prehearing order addressed the procedural schedule, the hearing format, and discovery matters.

²⁰ Rate Board Regulations, § II(1-5).

²¹ Access through the Zoom platform was available by phone and/or videoconference.

²² The notice of the prehearing conference and the passcode to participate were posted on the Board's website.

Information exchange (discovery)²³ started on January 8, 2021, with “advance discovery” requests from the Public Advocate, and continued through April 9, 2021.²⁴ In that time period, the Department received and responded to more than 525 formal and informal discovery requests from the other active participants.

Prior to the public input hearings (on March 15, 2021), Lance Haver filed a Motion for Continuance requesting that the Rate Board delay the 2021 Rate Proceeding pending determinations regarding the distribution of funds under the Consolidated Appropriations Act of 2021²⁵ (“CARES Act”), enacted on December 27, 2020, and the American Rescue Plan Act (“ARPA”),²⁶ enacted on March 11, 2021 (collectively, the “federal legislation”). The Department filed an Answer²⁷ to the Continuance Motion on March 18, 2021. Hearing Officer Marlane Chestnut, on March 21, 2021, indicated that she would hold the Motion in abeyance.²⁸ Mr. Haver appealed that ruling to the Rate Board on April 5, 2021.²⁹ On April 9, 2021, the Department

²³ See, Rate Board Hearing Regulations at §7(b). Information exchange is sometimes referred to as “discovery.”

²⁴ Under the schedule, the last day to send discovery requests to another participant was April 9, 2021.

²⁵ 116 P.L. 260; 134 Stat. 1182. Section 501 of the CARES Act allocates \$638 million to the U.S. Department of Health and Human Services (HHS) to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program. See, e.g., 15 USC § 9058a.

²⁶ Public Law No: 117-2. Section 9901 of the ARPA, *inter alia*, provides funds to certain governmental entities that may be used, among other things, to make necessary investments in water, sewer, or broadband infrastructure. Section 2912 of American Rescue Plan Act allocates \$500 million to the U.S. Department of Health and Human Services to assist low-income households that pay a high proportion of household income for drinking water and wastewater services. The funds under Section 2912 of American Rescue Plan Act are in addition to the funds under Section 501 of the CARES Act.

²⁷ <https://www.phila.gov/media/20210319161321/RESPONSE-TO-MOTION-FOR-CONTINUANCE.pdf>.

²⁸ Hearing Officer’s Determination Re: Haver Motion for Continuance, <https://www.phila.gov/media/20210325171439/Hearing-Officer-Decision-on-Haver-Motion.pdf>.

²⁹ <https://www.phila.gov/media/20210409165058/Appeal-to-Rate-Board.pdf>.

responded to Mr. Haver's appeal.³⁰ The Rate Board heard argument on Mr. Haver's appeal on April 14, 2021. At that time, Mr. Haver withdrew his appeal regarding the Continuance Motion.

The Hearing Officer convened a total of four public input hearings. An afternoon hearing and evening hearing were separately held on both March 16 and 18, 2021. Approximately 103 members of the public provided written comments or public input testimony.³¹ The majority of the customers who commented expressed concerns regarding the affordability of water service. A summary of that testimony is attached as Appendix C.

Prior to the start of the technical hearings, the Department and the Public Advocate reached a settlement. The terms of the Partial Settlement are presented in PWD Hearing Exhibit 2³² and the Joint Petition.³³ The Joint Petition, together with the written Statements in Support thereto, amplify and demonstrate that the Partial Settlement is reasonable and should be adopted. Statements in Support of the Partial Settlement were separately filed by the Department³⁴ and the Public Advocate on Wednesday, May 5, 2021. PLUG and PECO stated their non-opposition to the Partial Settlement. Written opposition to the Partial Settlement is due no later than Tuesday, May 11, 2021.³⁵

³⁰ <https://www.phila.gov/media/20210414161418/PWD-2021-ANSWER-TO-HAVER-APPEAL-FINAL.pdf>.

³¹ Seventy-one members of the public submitted written comments before the Technical Hearing. Those written comments are posted on the Rate Board's website. Thirty-two members of the public provided public input testimony. The transcripts are posted on the Rate Board's website.

³² <https://www.phila.gov/media/20210430162106/Settlement-Term-Sheet.pdf>.

³³ <https://www.phila.gov/media/20210505154832/Joint-Petition-for-Partial-Settlement.pdf>.

³⁴ <https://www.phila.gov/media/20210505154836/PWD-Statement-in-Support-of-Joint-Petition-for-Partial-Settlement.pdf>.

³⁵ <https://www.phila.gov/media/20210504170435/further-procedural-order-April-30-2021.pdf>.

Two issues raised by the Public Advocate related to arrearage forgiveness and its recovery through the TAP Rider were not resolved by the Partial Settlement.³⁶ The Partial Settlement also did not include the resolution of issues raised by the active *pro se* individuals,³⁷ Mr. Haver and Mr. Skiendzielewski (collectively, the “Non-Settling Participants”), since they are not signatories to the Joint Petition.

In addition to the Water Commissioner (PWD Statement 1), the written statements of the following witnesses were presented by the Department and WRB in support of the Department’s proposals:

- The Financial Panel (PWD Statement 2) consisting of Melissa La Buda the Department’s Deputy Commissioner of Finance; Valarie J. Allen of the law firm Ballard Spahr LLP, who is the City’s Bond Counsel; Katherine Clupper, the Managing Director of Public Financial Management, and Peter Nissen, the Managing Director of Acacia Financial Group, Inc., the City’s Financial Advisors.
- The Capital Panel (PWD Statement 3) consists of Stephen J. Furtek and Trisha Grace. Mr. Furtek is the Department’s General Manager of the Engineering and Construction Division. Ms. Grace is the Capital Program Manager for the Department.
- The Operations Panel (PWD Statement 4) consists of Donna Schwartz, Benjamin Jewell, Brendan Reilly, and Mary Ellen Senss. Ms. Schwartz is the Department’s Deputy Commissioner and General Manager of the Operations Division. Mr. Jewell is the Manager of the Department’s Collector System Unit. Mr. Reilly is the Department’s Water Conveyance Chief. Ms. Senss is the Wastewater Manager for the Department.
- The WRB Panel (PWD Statement 5) consisting of Susan M. Crosby, the Deputy Revenue Commissioner in charge of the WRB; and RaVonne A. Muhammad, who serves as Assistant to the Director of Finance, Water Revenue Assistance Division of the City’s Revenue Department.
- The Raftelis Panel (PWD Statement 6) consisting of Jon Davis, Henrietta Locklear and Jennifer Tavantzis regarding (a) background on the City’s Tiered

³⁶ Arrearage forgiveness implementation and its recovery through the TAP Rider are addressed in Section IV.D of this brief.

³⁷ Other than general opposition to rate increases, the five inactive (*pro se*) individuals did not raise any specific issues (or complaints) on their own behalf.

Assistance Program (TAP) management reporting; and (b) the reporting RFC performs in support of cost of service development for the rate proceeding.

- The Black & Veatch Panel (PWD Statement 7A and 7B) consisting of Ann Bui, Brian Merritt and David Jagt regarding (1) an overview of the cost of service methodology;³⁸ (2) the description of the analytical approach and results of the Cost of Service Study; (3) an outline the miscellaneous fee updates; (4) the proposed adjustment to the senior citizen income threshold; and (5) updates to the TAP Rate Rider formula.
- The Economic Panel (PWD Statement 8) from H. Gil Peach & Associates (“HGP”) consisting of H. Gil Peach, Mark Thompson, and Yvonne Whitelaw.

Many of the above-described witnesses also participated in presenting PWD Rebuttal Statements 1 through 4.

Written statements were submitted on behalf of the other active participants as follows:

Lafayette Morgan, Jerome Mierzwa and Roger Colton for the Public Advocate; and Billie LaConte for PLUG. Lance Haver provided prepared testimony on his own behalf.³⁹ Michael Skiendzielewski participated in the public input hearings, but did not submit either prepared written or public input testimony on his own behalf.⁴⁰

³⁸ TAP discounts and TAP-R surcharge billings are excluded from the cost of service analysis. See footnote 1.

³⁹ Consistent with the schedule, Lance Haver submitted prepared (written) testimony on March 21, 2021. In that testimony, Mr. Haver expressed his opinion that the public hearings held in this matter on March 16 and 18, 2021, were legally insufficient. On April 6, 2021, the Department moved to strike that testimony, since Mr. Haver is not an attorney and that topics presented were not the appropriate subject of testimony. The Department’s Motion was denied by the Hearing Officer on April 7, 2021.

⁴⁰ Michael Skiendzielewski testified at the public input hearing (at 6 PM) on March 18, 2021. Tr. (18 March) at 29-35. Mr. Skiendzielewski raised concerns about submitting claims of financial impropriety. *Id.* Mr. Skiendzielewski did not submit prepared (written) testimony on March 21, 2021. Prior to the start of the technical hearings, the Department filed a motion seeking to preclude Mr. Skiendzielewski from testifying at the technical hearings on (i) allegations of “financial impropriety” in the operation, management and disposition of the HELP Loan program, (ii) allegations of misconduct by Counsel for “Water Revenue Board” and (iii) allegations related to the 2017 investigation by Mr. Cantu-Hertzler. That Motion was granted by the Hearing Officer on April 16, 2021. Mr. Skiendzielewski did not appear at the technical hearing.

The technical hearing was convened by the Hearing Officer on April 30, 2021. The record remained open for transcript responses, outstanding discovery responses, the Joint Petition for Partial Settlement and Statements of Support.⁴¹

All hearings were open to the public and were advertised consistent with Rate Board Regulations and the Hearing Officer's directives. Under the unique circumstances presented by the COVID-19 pandemic, all hearings were conducted virtually (and telephonically) to help minimize non-essential personal social contact. Transcripts of the technical hearings and public input hearings are available on the Rate Board's website.

On May 10, 2021, Mr. Haver filed a Motion seeking the removal of the City's Director of Finance (Schedule ML-10) and related rebuttal testimony from the record ("Removal Motion"). That same day, the Hearing Officer indicated that any answers to the Removal Motion were due on or before May 12, 2021.

II. SUMMARY OF ARGUMENT

The Department's summary of argument is fully stated in Section I.A of this Brief. It bears emphasis that PWD must increase annual operating revenues to ensure that it can maintain its financial health, pay its obligations, and improve its infrastructure in order to enhance the safety, reliability and efficiency of its system. PWD believes that the Partial Settlement achieves this overall result while reasonably considering the interests of ratepayers in the virtually unprecedented circumstances created by the COVID-19 pandemic and the accompanying economic consequences.

⁴¹ In the Scheduling Order, dated April 30, 2021, the Hearing Officer made clear that she would receive comments and statements of support or opposition to the Joint Settlement through May 11, 2021.

III. LEGAL STANDARDS AND RATEMAKING METHODOLOGY

A. LEGAL STANDARDS

The governing legal standards (requirements and covenants) require that the Rate Board establish rates and charges sufficient to meet operating requirements and obligations to investors through creation of a stable revenue stream over a reasonable period of years.

1. The Philadelphia Home Rule Charter

Section 5-800 of the Charter conveys authority to the Department to operate the water and wastewater systems.⁴² In addition, Section 5-801 of the Charter establishes that the systems shall be self-sustaining. Specifically, the Charter mandates that rates and charges shall be fixed so as to yield at least an amount equal to operating expenses and debt incurred or about to be incurred by the Department.⁴³ The Charter intends that the fixing and regulating of the Department's rates and charges be removed from political pressures.⁴⁴

Historically, the power to set rates and charges resided with the Water Commissioner. However, pursuant to an amendment of the Charter in 2012, City Council established the Rate Board to fix the Department's rates and charges. The Rate Board's rate making authority includes

⁴² "Wastewater" or "sewer" services are defined very broadly so as to include stormwater management. *See, e.g.,* Water Commissioner's Rate Determination City of Philadelphia Fiscal Years 2009-2012 (Phase II – Stormwater) dated July 21, 2009; Water Commissioner's Rate Determination City of Philadelphia Fiscal Years 2013-2015 dated December 20, 2012.

⁴³ "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.*

⁴⁴ *See*, Annotation to Section 5-801. In November 2012, Philadelphia voters approved an amendment to the Charter to allow City Council to establish, by ordinance, an independent ratemaking board responsible for fixing and regulating rates and charges for water, sanitary sewer and stormwater services. Under the Rate Ordinance adopted by the Council, the Board replaces the PWD as the entity responsible for setting water, wastewater and storm water rates. The Rate Ordinance, which is Rate Ordinance is Chapter 13-100 of the Philadelphia Code, became effective January 20, 2014. The Board's first rate proceeding was completed in 2016.

the power to approve or deny any rate increase consistent with the requirements of the Charter, the Philadelphia Code and the 1989 General Ordinance (as amended). The Rate Board does not have the power to direct how the Department provides service.⁴⁵

2. The Rate Ordinance

The Rate Ordinance establishes the following standards for setting the Department's rates and charges.

- **Just and Reasonable:** The PWD's rates and charges shall be just and reasonable.⁴⁶ This means that rates and charges must (a) provide the PWD with adequate funding for both operating and capital costs (which include, but are not limited to, planned and actual debt service coverage)⁴⁷ and (b) provide for PWD's financial stability over a reasonable number of years.⁴⁸
- **Equitably Apportioned:** The PWD's rates and charges shall be equitably apportioned among the various types of consumers.⁴⁹ The costs incurred to provide service are generally responsive to the specific service requirements imposed on the system by its customers.⁵⁰ PWD's cost of service study recognizes the differences in service/usage between customer types and apportions PWD's costs to the customer class or type that causes them.

⁴⁵ See, 2016 Determination of the Department's Rates and Charges for FY 2017-2018, at 39 and Appendix B. 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 the Department's Rates and Charges for FY 2017-2018, at 39 and Appendix B.

⁴⁶ See, Philadelphia Code §13-101(4)(d). The phrase "just and reasonable" refers to the reasonableness of the ordained rate or the justness of their application. See, *American Aniline Products, Inc. v. Lock Haven*, 135 A. 726, 727 (Pa. 1927).

⁴⁷ See, Philadelphia Code §13-101(4)(a); PWD Statement 2 at 11-12.

⁴⁸ See, Philadelphia Code §13-101(2), (4)(d)

⁴⁹ See, Philadelphia Code §13-101(4)(c).

⁵⁰ AWWA M-1 at 61.

- **Non-Discriminatory:** The rates and charges shall be non-discriminatory as to the same type of consumers.⁵¹ This mandate does not prohibit different types of service or different customer classifications:⁵² only unreasonable differences as to the same type of consumers are prohibited. Stated otherwise, not all variances in rates are discriminatory.

In addition to the above, the Rate Ordinance requires the Department to develop a comprehensive plan (“Financial Stability Plan” or “Financial Plan”), in which the Department forecasts capital and operating costs and expenses and corresponding revenue requirements.⁵³ The Financial Plan must: (i) forecast capital and operating costs and expenses and corresponding revenue requirements; (ii) identify the strengths and challenges to the Department’s overall financial status including the Department’s credit ratings, planned and actual debt service coverage, capital and operating reserves and utility service benchmarks; and (iii) compare PWD to similar agencies in peer cities in the United States.⁵⁴ The Department must submit an updated Financial Plan to City Council every four years and update the plan prior to proposing revisions in rates and charges.⁵⁵

⁵¹ See, Philadelphia Code §13-101(4)(d).

⁵² Generally speaking, different rates may be charged to customers which are receiving a different type, grade or class of service. See, e.g., *Carpenter v. PUC*, 15 A.2d 473 (Pa. Super. 1940). Customer types and accompanying rate differences can be justified by various considerations, including the quantity of use, the nature of the use, the time of the use, the pattern of the use, and differences in conditions of service or cost of service. See *Philadelphia Suburban Transportation Co. v. PUC*, 281 A.2d 179, 186 (Pa. Cmwlth. 1971). Differences in the value of service provided to customers can also be a valid basis for rate differentiation. See, e.g., *Zucker v. PUC*, 401 A.2d 1377 (Pa. Cmwlth. 1979); *U.S. Steel Corp. v. PUC*, 390 A.2d 849 (Pa. Cmwlth. 1978).

⁵³ See, Philadelphia Code §13-101(2); PWD Exhibit 5 (Official Statement) at 52; PWD Statement 2 at 22.

⁵⁴ See, Philadelphia Code §13-101(2); PWD Exhibit 5 (Official Statement) at 52; PWD Statement 2 at 22.

⁵⁵ See, Philadelphia Code §13-101(2); PWD Exhibit 5 (Official Statement) at 52; PWD Statement 2 at 22.

3. The 1989 General Ordinance

The 1989 General Ordinance contains a number of covenants (collectively, the “rate covenants”) that the City has made with the holders of its water and wastewater revenue bonds (“Bondholders”) concerning the imposition of rates and charges sufficient to support the water and wastewater systems and repay related debt.⁵⁶ To ensure compliance with the rate covenants, the General Ordinance requires that such rates and charges be reviewed at least annually.⁵⁷

The three key rate covenants that the City has made to Bondholders contained in the 1989 General Ordinance are related to debt service coverage.⁵⁸ First, the City will charge and collect rates and charges in each Fiscal Year sufficient to produce annual net revenues that are at least 1.20 times (1.2x) the debt service requirements for senior debt in such Fiscal Year.⁵⁹ Second, such net revenues must also be equal to at least 1.00 times (1.0x) the debt service requirements for all debt related to the systems,⁶⁰ together with certain other required transfers, such as the Capital Account Deposit described below.

⁵⁶ PWD Exhibit 5 (Official Statement) at 17.

⁵⁷ PWD Exhibit 5 (Official Statement) at 44.

⁵⁸ “Debt service coverage provides ongoing revenues to continue to fund a portion of a systems capital needs with internally generated funds. Adequate coverage also permits reserves to be maintained at levels which can mitigate unforeseen expenses and capital needs or shortfalls in expected revenue.” PWD Schedule ML-6 (Financial Advisors Memorandum), at 2-3.

⁵⁹ PWD Statement 2 at 22. This rate covenant “requires, while any Water and Wastewater Revenue Bonds remain outstanding, the City to establish rents, rates, fees and charges for the use of the Water and Wastewater Systems sufficient to yield Net Revenues in each Fiscal Year at least equal to 1.20 times the Debt Service Requirements for such Fiscal Year (recalculated to exclude principal and interest payments in respect of Subordinated Bonds, of which none exist).” PWD Exhibit 5 (Official Statement) at 17. *See also* PWD Exhibit 5 (Official Statement) at 44 (Coverage A).

⁶⁰ PWD Statement 2 at 22. This rate covenant requires that: Net Revenues must equal at least 100% of : (i) the Debt Service Requirements (including Debt Service Requirements in respect of Subordinated Bonds) payable in such fiscal year; (ii) amounts required to be deposited into the Debt Reserve Account during such fiscal year; (iii) debt service on all General Obligations Bonds issued for the Water and Wastewater Systems payable in such fiscal year; (iv) debt service on Interim Debt payable in such fiscal year; and (v) the Capital Account Deposit Amount for such fiscal year, less amounts transferred from the Residual Fund to the Capital Account during such fiscal year.” *See* PWD Exhibit 5 (Official Statement) at 17, 44 (Coverage B).

The third rate covenant examines whether current revenues (that is, net revenues produced in a Fiscal Year excluding transfers from the Rate Stabilization Fund) are sufficient to pay for current senior debt service.⁶¹ This requirement, also known as the “90% Test,” provides that “a violation of Rate Covenants occurs if current revenues fall below 90% (or 0.90) of senior debt service. That is the minimum level of required current revenues,⁶² and the fiscally responsible goal is to always pay for current debt service from current revenues.”⁶³ Under the 90% “test, 100% (or 1.00) means that current revenues are sufficient to pay for the Department’s current debt service. A level higher than 1.00 means that current revenues are sufficient to not only pay current debt service, but also to pay for other expenses from current revenues. A level lower than 1.00 means that current revenues are not sufficient to pay for current debt service.”⁶⁴

In addition, the 1989 General Ordinance requires an annual deposit into the Capital Account. That deposit is necessary to finance water and wastewater capital improvements. A deposit of one percent (1%) is the legal minimum.⁶⁵ This provides a minimum level of “Pay-Go” Financing, which is discussed in Section III.B.2.c of this Brief.

⁶¹ PWD Statement 2 at 19, 23-24. This rate covenant requires that “Net Revenues (excluding amounts transferred from the Rate Stabilization Fund into the Revenue Fund during, or as of the end of, such fiscal year) must equal at least equal to 90% of the Debt Service Requirements (excluding debt service on any Subordinated Bonds) payable in such fiscal year.” *See* PWD Exhibit 5 (Official Statement) at 17, 44 (Coverage C).

⁶² That is, net revenues produced in a Fiscal Year less transfers from the Rate Stabilization Fund.

⁶³ PWD Statement 2 at 19.

⁶⁴ PWD Statement 2 at 19.

⁶⁵ *See* discussion of capital funding through pay-go financing at Section IV.B.2.c of this Brief.

B. RATEMAKING METHODOLOGY

1. Ratemaking Practices and Industry Standards

The Department's proposed rates and charges must be developed in accordance with sound utility ratemaking practices and consistent with the current industry standards.⁶⁶ The Department uses cash basis accounting.⁶⁷ Under the "cash flow" method, rates are set by determining the appropriate levels of cash, debt service coverage and other financial metrics necessary to enable the utility to pay its bills and maintain access to the capital markets at reasonable rates.⁶⁸

In this proceeding, the Department is proposing rates and charges for two (distinct) fully forecasted fiscal years: FY 2022 and FY 2023.⁶⁹ The forecasts or projections were developed in the same manner as in the two previous general rate proceedings before the Rate Board.⁷⁰ Forecasts or projections are required, since City Council has not approved budgets for the Rate Period (and the Study Period) before the commencement of this rate proceeding. For each fiscal year ("FY"), the Department has two budgets, the operating budget and the capital budget.⁷¹

⁶⁶ See, PWD Statement 2 at 22; PWD Statement 7A at 5-9.

⁶⁷ PWD Statement 2 at 30.

⁶⁸ PWD Statement 2 at 30.

⁶⁹ PWD Statement 7A at 4-5.

⁷⁰ PWD Statement 2 at 32; PWD Statement 7A at 6, 47.

⁷¹ See, PWD Statement 2 at 33-34. The segregation satisfies a Charter requirement to separately lay out what will be consumed in a short period of time (operations budget), and what will be a more long-term investment (capital budget). The operating budget covers the ongoing spending needs of the Department, purchases of equipment and construction with life of less than five years, and the interest and principal on debt used to finance the capital budget. The capital budget covers spending for purchases of land and major construction items with useful life of more than five years. The capital budget is supplemented by a capital program which shows projects planned for the next six years.

Both of these budgets are annually approved by City Council,⁷² albeit during or after a rate proceeding.

Projections were made for the Department's revenues and revenue requirements for each fiscal year of the Rate Period.⁷³ The Department's operations are entirely funded from rates, either indirectly as a result of short-term or long-term borrowing (which then must be paid back by ratepayers) or directly through charges to customers.⁷⁴ "Without adequate cash, the Department will not be able to pay its bills when they are due. That could result in failing to satisfy financial metrics or a violation of the covenants."⁷⁵

A cost of service study was performed, by Black & Veatch, to provide the basis for designing a rate schedule that allows the Department to recover costs from its customers equitably.⁷⁶ As a part of that analysis, the costs of providing service to various customer types are matched with their associated service demands.⁷⁷ This was done using general ratemaking principles and industry standards, including the AWWA's "Principles of Water Rates, Fees, and Charges Manual of Water Supply M1" (the "AWWA Manual" or the "M1 Manual");⁷⁸ and the Water Environment Federation's ("WEF") "Wastewater Financing & Charges for Wastewater

⁷² See, PWD Statement 2 at 33-34.

⁷³ The "revenue requirement" is the total amount of money the utility needs to receive from retail ratepayers in order to cover its costs. "It is important to understand that if the Board approves a proposed downward adjustment to the revenue requirements that does not mean that the Board has set the revenue requirement below the cost to the Department (or lower than its target for financial stability). Rather, it means that the Board is persuaded by the participant offering the adjustment that the expenses in the [FPFTY(s)] will be lower [than the Department's projections]." 2018 Rate Determination at 38.

⁷⁴ PWD Statement 2 at 31.

⁷⁵ PWD Statement 2 at 31.

⁷⁶ PWD Statement 7A at 7-9.

⁷⁷ PWD Statement 7A at 7-9.

⁷⁸ Philadelphia Code §13-101(4)(b)(ii); PWD Statement 7A at 6.

Systems, Manual of Practice M27 (MoP 27); and, WEF’s “User Fee Funded Stormwater Programs.”

2. Financial Metrics

In determining just and reasonable rate levels for the Department, the Rate Board must consider the Department’s enumerated goals and financial metrics (collectively, “financial metrics”). The financial metrics are designed to satisfy (or exceed) legal requirements, discussed above, and to maintain the Department’s current credit ratings.⁷⁹ “Credit ratings are a critical component in determining the cost of debt as the ratings signal the Department’s ability and willingness to meet financial obligations, notably including the repayment of its debt in full and on time. A downgrade of the credit ratings would result in an increase in the Department’s borrowing costs and necessitate higher rates over time.”⁸⁰

The key financial metrics include:

a. Cash Reserves

Adequate cash reserves allow systems to contribute to increasing capital projects, mitigate system disruptions, and fund unexpected operating expenses. The Board adopted a combined target level of \$150 million for the Department’s cash reserves, which are held in either the rate stabilization fund (RSF) or the residual fund (RF).⁸¹ The Department’s goal is to maintain liquidity by managing to a \$135 million balance in the Rate Stabilization Fund (over

⁷⁹ PWD Statement 2 at 16.

⁸⁰ PWD Statement 2 at 16.

⁸¹ 2018 Rate Determination at 38.

time) and \$15 million in the Residual Fund.⁸² The credit agencies give credit to the Department for balances in both funds in calculating liquidity levels.

The Department relies upon withdrawals from the Rate Stabilization Fund to cover annual expenditures when revenues are less than projected or when expenses are higher than projected. The Rate Stabilization Fund is, therefore, critical to the Department's overall financial strength, both in consideration of the Department's credit rating by all three rating agencies that rate the Department and for actual protection in the event of unforeseen capital or operating requirements. The purpose of the Rate Stabilization Fund is to maintain liquidity in the Water and Wastewater Funds in satisfaction of financial covenants and otherwise for the financial health and operation of the utility.

A smaller level of financial protection is provided by the Residual Fund, which may be used to pay Operating Expenses or debt service, or for almost any other purpose in support of the System. As the PWD's Funds are a closed system, the Residual Fund is the last Fund into which revenues may flow.

Regarding emergency capital expenditures, the only sources available are the Residual Fund and the Capital Account,⁸³ and not the Rate Stabilization Fund.

⁸² PWD Schedule ML-6 (Financial Advisors Memorandum) at 6.

⁸³ The Capital Account holds Project Revenues accumulated over time primarily to pay capital expenditures, though such moneys may be used for certain other purposes. Amounts deposited in the Capital Account may be applied to (i) payments for the cost of renewals, replacements and improvements to the System; (ii) payments into the Sinking Fund or into the Subordinated Bond Fund to cure a deficiency in one of the foregoing; or (iii) the purchase of Bonds if a Consulting Engineer first has certified to the City that amounts remaining on deposit in the Capital Account following the proposed purchase of Bonds will be sufficient to pay, the cost of renewals, replacements and improvements to the System projected to be payable during such Fiscal Year. PWD Statement 2, Memorandum from Bond Counsel (Schedule ML-3) at 6.

b. Debt Service Coverage for Senior Debt

The Board adopted 1.3 times as the debt service coverage ratio target for senior debt.⁸⁴ That level is just above the minimum legal requirement for debt service coverage (which is 1.2 times coverage of senior debt service requirements, including contributions from the Rate Stabilization Fund). The difference between 1.2 times coverage and 1.3 times coverage is called the “margin.” This margin, which is also referred to as coverage or internally generated funds, is a municipal utility’s only real alternative to issuing debt to fund capital program costs. Stated otherwise, coverage above the legal minimum results in stronger liquidity and will ultimately allow for increased pay-go funding.

c. Capital Funding from Current Revenues (Pay-Go Financing)

Consistent with the 2018 Rate Determination, the Department is working towards the goal of funding at least 20% of its capital program from current revenues (or 80% long-term borrowing).⁸⁵

Pay-go financing is simply funding capital needs with current revenues.⁸⁶ Pay-go financing is mathematically necessary to improve debt service coverage to industry standards and is just and reasonable as a principle of both finance and ratemaking. By reducing borrowing needs, pay-go financing reduces costs that customers will have to bear over the life of the typical 30-year bond.⁸⁷ Stated differently, pay-go funding lessens PWD’s dependence on borrowing

⁸⁴ See, 2018 Rate Determination at 23.

⁸⁵ PWD Statement 2 at 26, 28; PWD Schedule ML-2 (Financial Plan) at 6, 21-22; PWD Schedule ML-6 (Financial Advisors Memorandum) at 2.

⁸⁶ PWD Schedule ML-6 (Financial Advisors Memorandum) at 2.

⁸⁷ PWD Statement 2 at 30; PWD Schedule ML-6 (Financial Advisors Memorandum) at 2.

money for capital improvements. Similarly situated utility systems that have been able to fund significant portions of their capital programs with annual revenues,⁸⁸ are able to manage their debt without significantly burdening future ratepayers.

3. Other Relevant Factors

In addition to the financial metrics discussed above, in fixing rates the Board must consider all relevant information presented including, but not limited to, peer utility practices, best management practices and projected impacts on customer bills.⁸⁹

The fourth section of the Financial Plan is a peer utility review⁹⁰ and includes a comparison of credit ratings, financial metrics for revenue and debt, debt service coverage, reserve levels, debt to revenue ratios, affordability and asset conditions.⁹¹

IV. ARGUMENT

A. FINANCIAL PLAN

The Financial Plan is designed to specifically comply with all of the legal standards (discussed above) and to maintain the Department's current credit rating.⁹² For the Rate Period, the Financial Plan calls for the following:

⁸⁸ PWD Schedule ML-6 (Financial Advisors Memorandum) at 2.

⁸⁹ PWD Statement 2 at 23; PWD Schedule ML-6 (Financial Advisors Memorandum); Philadelphia Code §13-101(4)(b)(i).

⁹⁰ The Department is required to compare itself with similar agencies in peer cities in the United States. Philadelphia Code, Section 13-101(2).

⁹¹ PWD Statement 2 at 26.

⁹² PWD Statement 2 at 16. The Department's proposals satisfy the rate covenants, including the 90% Test. *See* PWD Statement 7A at 30-33. Lines 4 and 5 in Table C-2 (Schedule BV-1) presents the debt service coverage calculations. Line 6 in Table C-2 (Schedule BV-1) presents the projected Senior Debt Coverage from current revenues, also referred to as the 90% Test, for the Study Period. It should be noted that the Capital Account Deposit is held at the 1% level. PWD Statement 7A at 30; Schedule BV-6: WP-1 at 10.

- **Capital Funding from Current Revenues:** Over the next few years, PWD is not projected to meet its goal of funding at least 20% of its capital program from current revenues.⁹³ Transfers to the Capital Account must increase, over time, to achieve the 20% goal.⁹⁴
- **Debt Service Coverage (for Senior Debt):** PWD will maintain the goal of 1.30 times debt service coverage for revenue bonds; however the interim focus is on maintaining the minimum legal requirement (of 1.20 times) in FY 2021, FY 2022 and FY 2023⁹⁵ and to resume targeting debt service coverage ratios of 1.30 times in FY 2024 and FY 2025.⁹⁶
- **Debt Issuance:** PWD's goal is to relieve cash flow pressure and better align debt payments, over the lifetime of assets, through strategic debt amortization.⁹⁷ The PWD expects to finance its Capital Improvement Program during the Rate Period with projected long term debt issuances totaling \$740 million, revolving commercial paper program of \$200 million, current revenues (i.e. coverage), and possibly alternate sources of funding, including loans or grants.⁹⁸
- **Cash Reserves:** PWD is deferring its cash reserve target of \$150 million for combined RSF and Residual Fund balances for FY 2021, FY 2022 and FY 2023.⁹⁹ PWD is projecting to maintain less than \$135 million in the RSF and to maintain \$15 million in the Residual Fund.¹⁰⁰ The projections reflect the Department's intent to maintain the RSF balance during the Rate Period and to restore the RSF to \$135 million over time,¹⁰¹ starting in FY 2024. During the Rate Period, PWD will utilize cash reserves in the RSF and Residual Fund to absorb unexpected costs.¹⁰²

⁹³ PWD Schedule ML-2 (Financial Plan) at 6, 21.

⁹⁴ PWD Schedule ML-2 (Financial Plan) at 21.

⁹⁵ PWD Schedule ML-2 (Financial Plan) at 6, 22.

⁹⁶ PWD Exhibit 5 (Official Statement) at 43.

⁹⁷ PWD Schedule ML-2 (Financial Plan) at 6, 23.

⁹⁸ PWD Statement 2 at 12.

⁹⁹ PWD Schedule ML-2 (Financial Plan) at 6, 24.

¹⁰⁰ PWD Schedule ML-2 (Financial Plan) at 24.

¹⁰¹ PWD Schedule ML-2 (Financial Plan) at 24.

¹⁰² PWD Schedule ML-2 (Financial Plan) at 6.

1. Financial Metrics

The financial metrics approved in the 2018 Rate Determination are PWD's targets in this case, subject to the caveats stated above. Please note that none of the active participants opposed the Department's proposed metrics for the Rate Period.

Only the Public Advocate submitted testimony concerning the financial metrics proposed for the Rate Period. Mr. Morgan, on behalf of the Public Advocate, stated that he accepts the Department's goals for senior debt service coverage, the Rate Stabilization Fund, and the Residual Fund.¹⁰³

None of the other active participants contested the above-described financial metrics at the technical hearing or in their testimony before the Rate Board.

2. Benefits of Construction Activity During the Pandemic

The Department's testimony supports proposed construction activity, since such activity will provide needed improvements to PWD infrastructure and promote economic benefits for the City that will counter-balance some of the negative impacts of the pandemic.

A number of public input hearing participants questioned the amount of the Department's proposed capital plans during the pandemic.¹⁰⁴ PWD Statement 8 was prepared in anticipation of such concerns.

Construction activity should be continued during the pandemic. The process for developing and approving the Capital Program and Capital Budget is described in PWD

¹⁰³ PA Statement 1 (Morgan) at 33-35.

¹⁰⁴ Letter to Water Commissioner from Councilwoman Maria Quiñones Sánchez (dated February 18, 2021), <https://www.phila.gov/media/20210324163459/02.18.21-MQS-to-Hayman-re-Rate-Increase.pdf.pdf>

Statement 3.¹⁰⁵ PWD Statement 8, proffered by the Economic Panel, concludes that the economic benefits associated with a typical year of construction and related activity for the Department's Capital Improvement Program ("CIP") generate wide-ranging substantial economic impacts in Philadelphia, the surrounding counties and the Commonwealth as a whole.¹⁰⁶ The Economic Panel testified that "the proposed PWD expenditures for capital projects ..., represent a substantial injection of investment dollars into the local economy that will promote economic activity, support jobs and generate tax revenues, thus providing important economic stimulus in Philadelphia and the region to counter-balance some of the negative impacts of the pandemic."¹⁰⁷

Mr. Colton, on behalf of the Public Advocate, did not contest the economic benefits explained in PWD Statement 8.¹⁰⁸

None of the other active participants contested the economic benefits at the technical hearing or in their testimony before the Rate Board.

B. ADDITIONAL REVENUES

The Department's proposed additional revenues – as amended by the Partial Settlement – should be approved without further modification; and the contentions of the Non-Settling Parties should be dismissed.

The Department needs higher rates (increased revenues) so that it will have additional cash-in-hand to pay its bills when they are due and to maintain efficient access to the capital

¹⁰⁵ See PWD Statement 3 at 3 and Appendix I.

¹⁰⁶ PWD Statement 8 at 3.

¹⁰⁷ PWD Statement 8 at 3.

¹⁰⁸ See, PWD Rebuttal Statement 3 at 50.

markets at reasonable cost.¹⁰⁹ The record demonstrates that the Department needs additional revenues to address unavoidable increases in operating costs in several areas and to continue to achieve the financial metrics necessary to maintain its current favorable bond rating and to continue infrastructure improvements.¹¹⁰ Continuing at its current level of rates is unsustainable.¹¹¹ The Department explained that, without sufficient rate relief, the Department will be at or just above minimum financial metrics in FY 2022 and will not satisfy the 90% Test in FY 2023.¹¹²

With that in mind, careful attention must be given to the 90% Test. The 90% Test focuses on current revenues. It was explained by Ms. La Buda as follows:¹¹³

The 90% test examines whether current revenues are sufficient to pay for current debt service. Under that test, 100% (or 1.00) means that current revenues are sufficient to pay for the Department's current debt service. A level higher than 1.00 means that current revenues are sufficient to not only pay current debt service, but also to pay for other expenses from current revenues. A level lower than 1.00 means that current revenues are not sufficient to pay for current debt service. The test mandates that a violation of Rate Covenants occurs if current revenues fall below 90% (or 0.90). That is the minimum level of required current revenues, and the fiscally responsible goal is to always pay for current debt service from current revenues.

Under that test, current "revenues" excludes transfers from the Department's cash balances, including the RSF.¹¹⁴

¹⁰⁹ PWD Statement 2 at 11-12.

¹¹⁰ PWD Statement 2 at 3-5, 12, 26.

¹¹¹ PWD Statement 2 at 8-9.

¹¹² PWD Statement 2 at 4, 19.

¹¹³ PWD Statement 2 at 19.

¹¹⁴ *See*, Schedule ML-4 (Rating Agency), S&P at 2.

The Department's requested rate increase, as amended by the Partial Settlement, will address these deficiencies by allowing it to cover its expenses and other costs; to assure that it will be able to meet its debt service coverage requirements in the Rate Period; to provide a minimum level of cash working capital from rates; it will have adequate liquidity to meet all of its needs throughout the year; and to permit the Department to continue to reduce its dependence on expensive long term debt to fund capital improvements.

1. Fringe Benefits and Pension Costs

In its Rebuttal Testimony, the Department acknowledged that its need for rate relief materially changed due to external circumstances.¹¹⁵ PWD Rebuttal Statement 1 explains that, during the course of this proceeding, the City revised the allocation of fringe and pension costs to the Water Fund.¹¹⁶ This had the effect of reducing the Department's overall revenue requirements.

The need for an adjustment to reflect the revised allocation was not in controversy, since it would reduce the overall revenue requirement and was directed by the City. The Department's view of the adjustment was presented¹¹⁷ so as to openly and transparently respond to inquiries about the revised allocation. To be clear, the adjustment to reflect the revised allocation was not ignored by the Department. Its parameters, as originally presented, were not clearly defined by the City. The need for an actual on the record adjustment became unnecessary, however, once agreement was reached and memorialized in the Partial Settlement.

¹¹⁵ See, PWD Rebuttal Statement 1 at 41-42; Schedule ML-10.

¹¹⁶ See, PWD Rebuttal Statement 1 at 41-42; Schedule ML-10.

¹¹⁷ Joint Petition at ¶ 11.A; PWD Statement in Support at § II.A.

2. The Partial Settlement Is Reasonable

The additional revenues – as amended by the Partial Settlement – should be approved without further amendment because the Partial Settlement is reasonable and supported by the Hearing Record.

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 it represents the Joint Petitioners’ agreed upon final revenue requirement or additional revenues based on their respective analyses of the various revenue and expense proposals in this proceeding.

The Partial Settlement is a compromise of the Department’s proposed revenue requirements for the Rate Period that would have otherwise been litigated. Only the Public Advocate proposed adjustments to the Department’s projections for the Rate Period. Specifically, the Public Advocate proposed five upward adjustments to the Department’s revenues for the Rate Period. Those proposed revenue adjustments recommended increasing the Department’s revenues by \$42.834 million in FY 2022 and by \$35.005 million in FY 2023.¹¹⁸ The Public Advocate also proposed five downward adjustments to the Department’s expenses for the Rate Period. Those proposed expense adjustments recommended decreasing the Department’s expenses by \$13.739 million in FY 2022 and by \$27.194 million in FY 2023.¹¹⁹ The Department contested all of the Public Advocate’s adjustments. The Partial Settlement, if approved, will

¹¹⁸ See, Schedule LKM-6.

¹¹⁹ See, Schedule LKM-6.

permit the Joint Petitioners to avoid the time and expense associated with litigation over the above-described individual adjustments.

Approval of the Partial Settlement is supported by the record. The Rate Board may approve, modify, or reject the proposed rates and charges.¹²⁰ 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 proposed additional revenues in the record.

Range of Proposed Additional Revenues in the Record			
(dollars in 1000s)	Department	Partial Settlement	General Opposition
<i>Source:</i>	<i>(Official Filing)</i>	<i>(Partial Settlement)</i>	<i>(Recommended Increased Revenues)</i>
FY 2022			
Line 10	\$48,864	\$10,411	\$0
FY 2023			
Line 10	\$92,096	\$47,011	\$0
Total			
	\$140,960	\$57,422	\$0

The Partial Settlement is reasonable. The terms of the Partial Settlement acknowledge that the Department will take additional measures to mitigate the economic burden on ratepayers, while still affording the Department sufficient revenue necessary to maintain safe and reliable service. The financial metrics produced by the Partial Settlement rate levels are the minimum

¹²⁰ See, Philadelphia Code §§13-101(3) and 13-101(4)(b)(iii).

reasonable.¹²¹ Given that the Public Advocate essentially recommended that the Department be granted no rate relief, the Partial Settlement clearly represents a reasonable compromise of the various positions of the active participants. Moreover, the Department believes that, in view of the unprecedented nature of the current circumstances, agreeing to a modest rate increase (especially after withdrawing its prior rate proceeding) was the most reasonable course at the present time.

a. Statements in Support

The Department and the Public Advocate commented in favor of the Partial Settlement for the following reasons:

Reasonable Compromise

The Partial Settlement is a compromise of the positions advanced by the Department and the Public Advocate, as discussed above.¹²² The compromise is also, as explained in Section II.A of PWD’s Statement in Support, within the range of the increased rates approved by the Pennsylvania Public Utility Commission (“PUC”) during the pandemic.

This compromise is reasonable, since (as discussed above) it provides the Department with increased revenues to upgrade its facilities in order to continue to provide safe and reliable service to its customers.¹²³ The increased revenues will help the Department continue on its path to financial stability and will also support the Department’s efforts to improve customer service.

¹²¹ See, Partial Settlement at Appendix 1.

¹²² See, e.g., PWD Statement in Support at § II.A to II.C; Public Advocate Statement in Support at § III.A and III.B.

¹²³ See, e.g., PWD Statement in Support at § II.A to II.C; Public Advocate Statement in Support at § III.A and III.B.

This compromise is beneficial because the Partial Settlement resolves numerous detailed issues that would require extensive technical hearings, associated briefing, and further time by the Rate Board and the participants.

More Modest Typical Rate Impacts

The proposed rates and charges in the Partial Settlement, if approved by the Rate Board, will impact typical customer bills. The impacts proposed by the Partial Settlement are, however, more modest than the Department's original proposal. Here, an affordability comparison is part of Schedule ML-2 (Financial Plan) and Schedule ML-6 (Financial Advisors Memorandum). Peer utilities were compared in detail as part of Schedule ML-6. That information was summarized in Schedule ML-2, which indicates that even with original proposed increase in rates and charges, the Department's rates compare favorably to other large urban water and wastewater systems.¹²⁴ It follows that the proposed rates and charges in the Partial Settlement would also compare favorably to the Department's peers, since the proposed rates and charges in the Partial Settlement are lower than those in the Department's original request.

The proposed rates and charges in the Partial Settlement will impact typical customer bills in FY 2022 (including the proposed TAP-R rates, which are not in the Partial Settlement) as follows:¹²⁵ 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 business

¹²⁴ See, Schedule ML-2 at 30.

¹²⁵ See, PWD Statement in Support at § II.C; PWD Statement in Support, Appendix A; Joint Petition at Appendix 2.

customer¹²⁶ who uses 6 ccf per month will decrease by \$0.55 per month from \$112.13 to \$111.58 per month or by negative one-half percent (-0.5%).

The proposed rates and charges in the Partial Settlement will impact typical customer bills in FY 2023 as follows (assuming that no changes are made under the reconciliation proceeding):¹²⁷ the bill for a typical PWD residential customer who uses 5 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%.¹²⁸

Those rate impacts in the Department's original request, if approved by the Rate Board, would have increased customer bills – as described in PWD Exhibit 2 (Summary Fact Sheet). Specifically, the total monthly bill for a residential customer using 5 ccf of water per month would have increased by 11.6% on September 1, 2021 and an additional 5.3% on September 1, 2022; and the total monthly bill for a small business customer with a 5/8-inch meter and using 6 ccf of water per month and having a 5,500 square foot lot with 4,000 square feet of impervious area would have increased by 7.2% on September 1, 2021 and an additional 5.7% on September 1, 2022.

¹²⁶ 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.

¹²⁷ See, PWD Statement in Support at § II.C; PWD Statement in Support, Appendix A; Joint Petition at Appendix 2.

¹²⁸ The above bill impacts for FY 2022 and FY 2023 include proposed TAP-R rates which are subject for approval by the Rate Board in a separate proceeding.

Benefits to TAP Participants

Certain terms in the Partial Settlement directly benefit TAP participants. Those settlement terms reasonably correspond to specific, on-the-record litigation positions taken by the Public Advocate (via the direct testimony of Mr. Colton).¹²⁹ As explained in the Partial Settlement, the Department waived program recertification during the pandemic to TAP participants which policy is to continue for the near term.¹³⁰ To improve outreach for TAP, PWD will also evaluate new approaches to inform PWD customers of this program and other assistance programs that PWD offers.¹³¹ That being said, these benefits likely could not have been achieved outside the context of settlement, since the Rate Board lacks jurisdiction to direct how the Department provides service.

Customer Service and COVID

Certain terms in the Partial Settlement also benefit residential customers generally. That is, the Department voluntarily extended a freeze on shutoffs for residential customers, protecting those account holders from losing water services until April 2022. As explained in the Partial Settlement, the Department agreed to review and evaluate the need to extend the current moratorium to protect public health and safety during the pandemic.¹³² The Department will also provide more flexible terms for payment arrangements to help PWD customers bring their accounts current.¹³³ In addition, the Department will be reviewing business practices, website

¹²⁹ See, PWD Statement in Support at § II.D; Public Advocate Statement in Support at § III.C.4.

¹³⁰ Joint Petition at ¶ 11.D.1.(a).

¹³¹ Joint Petition at ¶ 11.D.1.(a).

¹³² Joint Petition at ¶ 11.D.3.

¹³³ Joint Petition at ¶ 11.D.4.(a).

disclosures, and governing regulations to address certain tenant issues raised in this proceeding and will be considering changes in its language access plan, in coordination with the City's Office of Immigrant Affairs.¹³⁴

b. Statements of Non-Opposition

The non-opposition¹³⁵ of PLUG and PECO is significant. Both the members of PLUG¹³⁶ and PECO,¹³⁷ as customers of the Department, are allocated costs of water, wastewater and stormwater service as part of the proposed rates and charges. They are knowingly not opposing the proposed rates and charges. This is evidence that some of the Department's large commercial customers find the resolution of the proposed rates and charges reasonably acceptable considering the totality of the resolution for this proceeding through the Partial Settlement.

c. Silence of the Inactive (Pro Se) Participants

The five inactive (*pro se*) individuals were silent on the Partial Settlement, even after being given the opportunity to provide whatever comments or evidence they wished on the subject of the Partial Settlement.

¹³⁴ See, Joint Petition at ¶ 11.D.2, 11.D.4(d).

¹³⁵ PLUG and PECO are listed as not opposing the Partial Settlement. PLUG stated its non-opposition to the Partial Settlement. Tr. (Technical Hearing) at 7, 28. PECO does not oppose the Partial Settlement. Tr. (Technical Hearing) at 7.

¹³⁶ PLUG is an ad hoc group of large volume customers receiving water, sewer, and stormwater service from the Department under the Industrial and Hospital/University Rate Schedules. PLUG Statement 1 at 1. PLUG members require substantial volumes of water in their operations, and the proposed rate increase and tariff modifications may have an adverse impact upon their operations. PLUG Statement 1 at 1.

¹³⁷ "PECO is the largest electric and natural gas utility in Pennsylvania, serving approximately 1.6 million electric customers and more than 511,000 natural gas customers in southeastern Pennsylvania." <https://www.peco.com/AboutUs/Pages/CompanyInformation.aspx>. It provides electric services within the City and electric and/or gas services the surrounding counties: Bucks, Chester, Delaware, Lancaster, Montgomery, and York. *Id.*

All of the participants in this proceeding – including the inactive (*pro se*) individuals – were invited to comment upon the Partial Settlement or propose settlement terms. The Department and the Public Advocate engaged in discussions to try to achieve a settlement of some or all of the issues in this case. These discussions started on April 9, 2021, which was after the participants had time to engage in discovery, develop their positions and to submit prepared testimony in support of their positions. On April 21, 2021, after the Department and the Public Advocate reached tentative agreements on certain rate case issues, the terms of the proposed partial settlement were distributed to the other participants in this proceeding. That same day, Lance Haver and Michael Skiendzielewski separately expressed their opposition to the proposed partial settlement, and urged the other active participants to oppose the proposed partial settlement. Updated and revised term sheets were circulated to all participants in order to provide all participants with an opportunity for input on the proposed terms and conditions – until April 29, 2021 (the day before the technical hearing).

On April 29, 2021, the Department circulated a copy of the (final) Partial Settlement to all participants. In fact, the Department made the terms of the Partial Settlement publicly available (via the Rate Board’s website) on April 29, 2021 as PWD Hearing Exhibit No. 2.¹³⁸ The five inactive (*pro se*) individuals did not express any position on the Partial Settlement before or during the technical hearing. The terms of the Partial Settlement were also separately posted on the websites of the Department and the Public Advocate. At the technical hearing, the date was established for the filing of written statements in either support or opposition to the Partial Settlement. None of the five inactive (*pro se*) individuals has submitted a written

¹³⁸ <https://www.phila.gov/media/20210430162106/Settlement-Term-Sheet.pdf>.

statement as of this date. The Hearing Officer also directed in the April 30, 2021 Scheduling Order that comments and statements of support/opposition would be received through May 11, 2021.

d. Statements in Opposition

The Partial Settlement reflects a consensus among the Joint Petitioners that it would be reasonable to permit the Department to increase its rates modestly, despite the remaining arguments against any rate increase by the Non-Settling Participants and others. Not all of the anticipated statements in opposition to the Partial Settlement have been filed as of this writing. Therefore, this section of the Brief anticipates arguments against the Partial Settlement that may be submitted by May 11, 2021.

Ample Opportunity to Review and Respond

Mr. Skiendzielewski was critical of the proceedings with regard to the time available to comment on the Partial Settlement. In doing so, he expressly acknowledged that his comments were sought on the Partial Settlement. That being said, he was previously aware of the Partial Settlement, as discussed in the immediately preceding subsection of this Brief¹³⁹ and participated in this proceeding, as described in Section IV.E.8 below.

Participants and non-participants were given ample opportunity to review and respond to the Partial Settlement. Allowing “notice and comment” satisfies the requirements in the Charter, the Rate Ordinance and the Rate Board’s regulations. Moreover, under the Rate Ordinance, the Rate Board has 120 days to evaluate proposed rates and charges. This deadline, together with other timing requirements specified in the Board regulations, necessitates the careful

¹³⁹ See, Section IV.B.2.c of this Brief.

development of the deadlines for action within the Board’s overall time limit. By providing the opportunity to comment on the Partial Settlement both at the technical hearing and after the technical hearing (in writing, until May 11, 2021) provides the ample opportunity for both participants and non-participants to review and comment on the Partial Settlement, and remains consistent with the established schedule.

Unreasonable Opposition to Rate Increases

In opposition to the Partial Settlement, it is anticipated that Mr. Haver and others will suggest that the proposed rates and charges, as amended by the Partial Settlement, are too “high” for FY 2022. Rather than address the fact that revenues from rates and charges will not pay for all of the Department’s expenses in FY 2022, Mr. Haver and others want the Rate Board to “kick the can down the road” to FY 2023 or beyond.

The goal of keeping the same rates in FY 2022 is not reasonable. The Department’s current revenues are not sufficient to pay all of the Department’s expenses.¹⁴⁰ As noted, the “1989 General Ordinance” contains a number of rate covenants requiring the imposition of rates and charges sufficient to support the systems. Without regard to those and other covenants, Mr. Haver and others suggest that it is reasonable to keep the same rates, given the pandemic and poverty levels in Philadelphia. However, keeping the rates at the same level is merely a product of “robbing Peter to pay Paul.”

The Rate Board should decline the invitation to keep rates at the same level, since keeping current rates will require withdrawals from the Department’s cash balances. Keeping rates at the existing level (which were set in 2018), does not recognize that the Department’s

¹⁴⁰ See, PWD Statement 2; PWD Statement 7A.

revenues in FY 2020 did not pay for all of its expenses in FY 2020, that the Department's expenses have increased in FY 2021, and that the Department's expenses are projected to be higher in FY 2022 and FY 2023. Without higher rates (and all else being equal), the Department will need to make withdrawals from cash reserves to pay its obligations. So, Mr. Haver's approach invites the Rate Board to force the depletion of the Department's cash reserves in FY 2022, and worry to about the consequences in FY 2023 or beyond. That approach is neither reasonable nor sustainable. In fact, Ms. LaBuda testified that such an "approach (running a deficit with rates not high enough to meet revenue requirements and using limited financial reserves to make up the difference) is unsustainable."¹⁴¹

Avoiding changes in rates and charges in FY 2023 (in addition to FY 2022) comes at too high a price. The Department explained that, without sufficient rate relief, the Department will be at or slightly above minimum financial metrics in the FY 2022 and will not satisfy the 90% Test in FY 2023.¹⁴² The Rate Board should be working towards the self-sufficiency of the utility; it should not be placing the Department at risk of violating the 90% Test. That test cannot be passed by withdrawals from the cash balances, as explained above. It follows that the invitation to keep rates at the same level for both FY 2022 and FY 2023 will negatively impact the Department's financial metrics. Consequences of that negative impact could include a downgrade of the Department's credit ratings – which would result in an increase in the Department's borrowing costs and necessitate higher rates over time.¹⁴³

¹⁴¹ PWD Statement 2 at 11.

¹⁴² PWD Statement 2; PWD Statement 7A.

¹⁴³ *See*, PWD Statement 2 at 16.

Affordability Comparisons

Mr. Haver incorrectly suggests that the proposed rates and charges, as amended by the Partial Settlement, are not affordable. This suggestion is based on speculation. Specifically, Mr. Haver states that the rates and charges proposed by the Partial Settlement are excessive considering the pandemic and the struggle of the Department's low-income customers to pay current rates and charges. However, as a *pro se* participant, Mr. Haver can only represent himself. He cannot represent the interests of others.

That being said, Mr. Haver did not present any analysis on this issue at the technical hearing or in his testimony before the Rate Board. Instead, during cross-examination of witnesses at the technical hearing, Mr. Haver asked questions as to whether (or not) an expert was hired to determine the impact of increased rates on families in Philadelphia.¹⁴⁴ Mr. Haver suggests that the lack of expert inquiry is fatal to any increase in rates and charges. He is wrong.

Mr. Haver overlooks that an affordability comparison is part of Schedule ML-2 (Financial Plan) and Schedule ML-6 (Financial Advisors Memorandum). As noted in Section IV.B.2.a of this Brief, the proposed rates and charges in the Partial Settlement are more affordable than other large urban water and wastewater systems.¹⁴⁵ He also ignores our in-house professionals at WRB who address affordability issues on a daily basis and are very much aware of the needs of our most vulnerable customers.

¹⁴⁴ See, e.g., Tr. (Technical Hearing) at 111-112, 114, 156.

¹⁴⁵ See, Schedule ML-2 at 30.

3. No Further Adjustments Due to Federal Legislation

There should be no further adjustments due to the potential for funds under federal legislation because (1) the Partial Settlement contains a reconciliation mechanism to address the Department's future receipt of stimulus funding;¹⁴⁶ and (2) there is no reasonable estimate of the amount of potential funding from any active participant.

Federal Stimulus Funding

The Partial Settlement contains a reconciliation mechanism to address the Department's potential receipt of federal stimulus funding,¹⁴⁷ despite the current lack of an estimate of the amount of potential funding under federal legislation. The reconciliation mechanism, if triggered, will deal on a reasonable basis with the actual receipt of funds.

The potential amounts of stimulus funding under the enacted federal legislation were not treated as revenues by the Department for the Rate Period, since ARPA was introduced (February 24, 2021) and passed (March 11, 2021) during the pendency of this proceeding and the CARES Act was passed only 24 days before the Advance Notice was filed in this proceeding.

To be sure, rate setting is prospective, but projections must be reasonable. It is not appropriate to make an upward adjustment to the Department's revenues based on potential stimulus funds from the federal government. The Department understands that the U.S. Department of Health and Human Services has not established eligibility criteria, the amount, frequency, and conditions of assistance. It is anticipated that the Pennsylvania Department of Human Services ("DHS") and/or Utility Emergency Services Fund ("UESF") will be involved in

¹⁴⁶ See, Joint Petition at ¶ 11.a.2.

¹⁴⁷ See, Joint Petition at ¶ 11.A.2

coordinating assistance for utility customers. In any event, customer assistance will require an application by the tenant, landlord or owner to make an application. There is no way to project – with reasonable certainty – the applicants’ eligibility or whether (or not) the applicable agencies will distribute funds to, or on behalf of, any of the applicants. Two of the active participants speculate that the amount to be received by the Department is significant and material,¹⁴⁸ but they did not propose a specific adjustment to the PWD’s revenues or revenue requirement (or both) based on the federal legislation.

Infrastructure Funding

Mr. Haver criticizes the Department for not considering funds from the federal government for “infrastructure funding” as revenues in the Rate Period. That criticism, which is made repeatedly, is not well founded.

The phrase “infrastructure funding” is used herein to refer to (a) Section 9901 of the ARPA, *inter alia*, provides funds to certain governmental entities that may be used, among other things, to make necessary investments in water, sewer, or broadband infrastructure; and, (b) the \$35 billion bill to bolster states’ water infrastructure.¹⁴⁹ During his cross-examination of witnesses at the technical hearing, Mr. Haver highlighted that proposed legislation (called the Drinking Water and Wastewater Infrastructure Act or “Infrastructure Act”) – as passed by the United States Senate on April 29, 2021 – includes nearly \$30 billion in funding for clean water and drinking water revolving loan funds and an additional \$6 billion in grant funding.¹⁵⁰ That

¹⁴⁸ See, PA Statement 1 (Morgan), at 5, 6, 8; Haver Continuance Motion at ¶¶ 6-9.

¹⁴⁹ S.914 (117th Congress, 2021-2022).

¹⁵⁰ See, Tr. (Technical Hearing) at 457, 60-62, 75-75, 77, 163.

being said, as of this writing, the Infrastructure Act has not passed the United States House of Representatives and has not been signed by the President.

It is not appropriate to make an upward adjustment to the Department's revenues based on "infrastructure funding." The Department considers the potential infrastructure funding to be speculative and, therefore, unacceptable for purposes of this rate proceeding. At this time, there is no way of knowing the permitted uses, timing or amounts of infrastructure funding that may be received by the Department in the Rate Period. Simply put, there is no factual basis upon which the Department (or the Rate Board) can, with a reasonable degree of accuracy and have a high probability, predict the amounts of infrastructure funding that may be received by the Department in the Rate Period.

There is no adequate and reasonable basis for an adjustment to the Department's revenue or revenue requirement projections, since the record contains no details the permitted uses, timing or amounts of infrastructure funding. Mr. Haver and others at the public input hearings questioned the amount of funds available under the federal legislation.¹⁵¹ To answer the question, the Department reached out to the City Administration. The City's response is contained in Schedule ML-10.¹⁵² That Schedule indicates, among other things,¹⁵³ that the Department should not expect to receive direct stimulus payments (under the federal legislation) through the City. Consistent with Schedule ML-10, the Mayor proposed a budget to City Council, on April 15, 2021, that did not allocate any funds under the federal legislation to the Department.¹⁵⁴ The

¹⁵¹ See, Tr. (March 16, 2021) at 30-34; Tr. (March 18, 2021) at 28, 64-65, 66.

¹⁵² See, PWD Rebuttal Statement at 37-41.

¹⁵³ For example, Schedule ML-10 also indicates that the City revised its allocation of fringe and pension costs to the Department. That revision is discussed in Section IV.B.1 of this Brief.

¹⁵⁴ <https://www.phila.gov/media/20210413201617/FY22-Operating-Budget-Overview-April-2021.pdf>.

proposed Budget indicates that ARPA funding received by Philadelphia will be used to fill shortfalls for City operations.

Even if ARPA funds were directed by City Council to the Department, it must be remembered that the bulk of ARPA funds are limited to infrastructure.¹⁵⁵ That limitation is significant because infrastructure (or capital) funding is different than operational funding. Capital funding is forward looking and takes place over longer time periods. It looks forward, since capital funding from grants and loans can only be sought for pending projects. It cannot be sought for projects that are underway. It takes place over longer time periods because the application process is lengthy.

In addition, it should be noted that dollars for infrastructure projects have different impacts than dollars for operations. One dollar of operational funding can displace the need to raise one dollar from rates, all else being equal. That is not the situation with capital funding. One dollar of capital funding displaces the need for long-term borrowing of a dollar through issuance of revenue bonds. So, the “capital funding” dollar only reduces the need for additional debt service and debt service coverage. For example, in the Rate Period, the Department projects long term debt issuances totaling \$740 million,¹⁵⁶ that will add about \$47 million in debt service during the Rate Period.¹⁵⁷

Mr. Haver has stated his belief that City Council will direct a portion of infrastructure funds under ARPA to the Department. Speculation and lay opinion are not evidence. The Rate Board should not make decisions based on speculation of what City Council may (or may not)

¹⁵⁵ See, Section 9901 of the ARPA.

¹⁵⁶ PWD Statement 2 at 12.

¹⁵⁷ PWD Statement 7A, Table W-5 and Table WW-5.

do. Each year City Council approves the operating budget for the Department.¹⁵⁸ City Council also annually approves the CIP and capital budget for the Department.¹⁵⁹ The Rate Board acts on reasonable projections that are based on evidence. Traditionally, the Rate Board does not speculate upon the contents of City Council's approval of the Department's budgets.¹⁶⁰ There is, therefore, no reason for the Rate Board to speculate what City Council will do in the Department's FY 2021 budgets and create an adjustment to the Department's additional revenues in the Rate Period.

Mr. Haver has implied that the Infrastructure Act will provide additional infrastructure funds to the Department. The Infrastructure Act has not passed the United States House of Representatives and has not been signed by the President, as noted herein. The Rate Board should not make decisions based on speculation of what final legislation may or may not do.

No Speculative Revenue Adjustments

Notwithstanding the foregoing, Mr. Haver is arguing that potential funding should be treated as a revenue adjustment. Certainly, the Rate Board is empowered to accept, modify or reject the Department's projected additional revenues.¹⁶¹ Acceptance of Mr. Haver's argument, however, would require the Rate Board to make assumptions on the permitted uses, timing or amounts of funding from the federal government. Such assumptions would be arbitrary and speculative, in since the record does not contain any estimates or projections regarding the

¹⁵⁸ PWD Statement 2 at 33-34.

¹⁵⁹ PWD Statement 2 at 34.

¹⁶⁰ "It is important to understand that if the Board approves a proposed downward adjustment to the revenue requirements, that does not mean that the Board has set the revenue requirement below the cost to the Department (or lower than its target for financial stability). Rather, it means that the Board is persuaded by the participant offering the adjustment that the expenses in the [FPFTY(s)] will be lower [than the Department's projections]." 2018 Rate Determination at 38.

¹⁶¹ See, Philadelphia Code §§13-101(3) and 13-101(4)(b)(iii).

funding from any active participant. Those assumptions, and the resulting adjustment to increase the Department's additional revenues, would be impossible to quantify with any degree of certainty.

The need for caution is highlighted by the desire for a gradual transition to new rates. The federal legislation, whether ARPA, CARES Act or the Infrastructure Act, will be providing limited (or one-time) funding for specific situations. That limited funding may depress the need for revenues from rates in FY 2023, which will keep rates lower in the near term. It will, however, delay the time over which consumers and businesses can adapt to the level of rates needed by the utility to be self-sustaining. This means that accepting speculation to reduce rates in the Rate Period may lead to higher increases in the future.

In the instant case, Mr. Haver is seeking certainty for the Rate Period. That is not the standard. There may be differences between the Department's projections for the operating budget, the capital budget, the CIP or the allocation of direct stimulus payments in FY 2022 with the actual operating budget, the capital budget, the CIP or the allocation of direct stimulus payments approved by City Council for FY 2022. Those differences do not (retroactively) render the Department's projections false or misleading.

Contrary to the claims of Mr. Haver (and PennFuture for that matter),¹⁶² the prospect that the Department may receive stimulus funding under the federal legislation does not render the Board unable to act on the Department's rate request, as discussed in Section IV.E.4 below. Simply put, the pending (future) approval by City Council and the pending (future) disbursement of funds by federal agencies does not mean that the Rate Board cannot review the projections

¹⁶² It should be noted that PennFuture raises a similar argument in comments submitted with the public input hearings.

presented in support of the Department's proposed rates and charges and decide the merits of the same.

4. Response to General Opposition to Rate Increases

Notwithstanding the evidence refuting his contentions, Mr. Haver persists in his claim that there should be no rate increases for the Department. Such claims should be rejected, since continuing at current rates and charges is insufficient to produce crucially necessary cash working capital and liquidity for the Rate Period.

Existing Rates and Charges Are No Longer Reasonable

The Department's existing rates and charges (which were established in the 2018 rate case) are no longer sufficient. A complete denial of rate relief in this proceeding would place the Department in an extremely precarious financial position.

The Department needs higher rates (increased revenues) so that it will have additional cash-in-hand to pay its bills when they are due and to maintain efficient access to the capital markets at reasonable cost, as explained (above) in Section IV.B of this Brief and Section II.A of the PWD Statement of Support for Joint Settlement Petition. Those deficiencies are addressed by the Department's requested rate increase, as amended by the Partial Settlement.¹⁶³

Contrary to the foregoing, Mr. Haver contends that the *status quo* of existing rates can be maintained. His contention, which is based on the premise that the Department can rely on cash balances during the Rate Period, is flawed. To support his contention, Mr. Haver used cross-examination of witnesses at the technical hearing to ask questions regarding the projected RSF

¹⁶³ See Section IV.B.2 of this Brief.

balance shown a chart labeled as LH-A-5.¹⁶⁴ That chart shows information from the City five-year plans, which are used for long-term financial planning. Those plans are not directly utilized for ratemaking. It was explained, by Black and Veatch, that expenses in the City-approved budget for the Department are reduced (using an actual-to-budget ratio) for ratemaking purposes.

None the less, in reliance on chart LH-A-5, Mr. Haver wrongly assumes that past performance (as shown in that chart) guarantees future results. The fact that some historic actual results out-performed prior projections, however, does not mean that out-performance will occur in the Rate Period. This simple fact is demonstrated by looking at the actual results for FY 2019 and FY 2020. Schedule ML-2 shows that the withdrawal from the RSF was 28.85% higher than projected for FY 2020 and was 31.86% higher than projected for FY 2019.¹⁶⁵

Mr. Haver also wrongly assumes that the Department can make withdrawals from the cash balances during the Rate Period without consequences. On its face, chart LH-A-5 shows that the Department made a \$27.3 million RSF withdrawal to pay its bills in FY 2020. Assuming *arguendo* that such pace continues (and all else being equal), the Department would withdraw an additional \$81 million to pay its bills in FY 2021, FY 2022 and FY 2023. That would lower the RSF balance to unacceptable levels, since S&P has explicitly warned that it will consider lowering the Department's rating or outlook if cash balances are significantly lowered.¹⁶⁶

By keeping the existing rates, Mr. Haver would not permit the recovery of any of the Department's increased costs and expenses. In light of this, his recommendation is contrary to

¹⁶⁴ <https://www.phila.gov/media/20210318160014/Combine-Mar-11-2021.pdf>. See, e.g., Tr. (Technical Hearing) at 71-72, 99-101, 132, 136, 141, 168.

¹⁶⁵ See, Schedule ML-2 at 10, 16.

¹⁶⁶ See, Schedule ML-4, S&P Report at 4 (among other things, drawdowns in liquidity below \$75 million or 90 days' cash could lower the rating or revise the outlook to negative).

the Charter’s intention that the water and wastewater systems should be self-sustaining. It is also confiscatory toward the Department, since it would not even allow additional rate recovery for the non-contested increases in expenses during the Rate Period. Please recall that the total FY 2020 expenses were about \$31 million higher than prior rate projections.¹⁶⁷ The Department also experienced other expense increases in FY 2021 and projects additional expense increases for the Rate Period.¹⁶⁸ For example, between FY 2022 and FY 2023, Line 24 of Table C-1 shows an undisputed projected increase of more than \$26 million in senior debt coverage.¹⁶⁹ Those categories of expenses, which total roughly \$57 million (\$31 million and \$26 million) do not include all of the actual and projected increases in the filing. They do, however, show increases for the Rate Period that would not be fully recovered under existing rates.

Potential Cost-Saving Programs

Mr. Haver’s proposed “cost-saving” programs or measures should be denied by the Rate Board, since the Rate Board does not have the power to direct how the Department provides service.

During his cross-examination of witnesses at the technical hearing, Mr. Haver (indirectly) indicated that “cost-saving” programs or measures should be implemented by the Department. He implies that such programs or measures would negate, in whole or in part, the Department’s need for increased revenues in the Rate Period. Specifically, Mr. Haver argues that the need for rate increases in the Rate Period can be negated through (a) innovation,¹⁷⁰ (b) consolidating

¹⁶⁷ See, PWD Statement 2 at 6-7.

¹⁶⁸ PWD Statement 2 at 11.

¹⁶⁹ Joint Petition at Appendix 1.

¹⁷⁰ See, e.g., Tr. (Technical Hearing) at 107, 110, 129-130, 167.

billing, meter reading and other efforts with PGW;¹⁷¹ and (c) direct concessions from bondholders.¹⁷²

None of Mr. Haver's recommendations of "cost-saving" programs or measures were actually made on the record. Mr. Haver is participating (*pro se*) in this proceeding. At the public input hearings, Mr. Haver asked questions of others. He did not, at that time, present testimony on his own behalf. Later, Mr. Haver submitted prepared testimony. That testimony did not make any recommendations concerning "cost-saving" programs or measures.

Mr. Haver's "cost-saving" programs or measures are speculative. Nothing indicates the projected cost or timing of any of his recommendations. There is also no indication of how long it will take to implement any of Mr. Haver's recommendations. Finally, there is no indication of how long it could take to realize savings under these recommendations. Taken together, Mr. Haver has provided no basis for making a decision.

C. COST OF SERVICE AND RATE DESIGN

The Department's cost of service and rate design should be approved without modification, since the issues raised by the Public Advocate were addressed in the settlement.

The Partial Settlement is a compromise of the cost of service and rate design issues that would otherwise have 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

¹⁷¹ See, e.g., Tr. (Technical Hearing) at 42, 85, 96, 120-121, 136, 154.

¹⁷² See, e.g., Tr. (Technical Hearing) at 130-131.

were proposed to the wastewater cost of service study.¹⁷³ His changes were opposed by the Department and by PLUG. The Partial Settlement does not make any changes to the cost of service and rate design used by the Department in this proceeding. Rather, it states that the rate design, revenue allocation and cost of service recommendations proposed by the Department are approved as a part of the Partial Settlement. It also provides 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.¹⁷⁴

None of the other active participants contested the cost of service studies and rate design at the technical hearing or in their testimony before the Rate Board.

D. TAP RIDER

Two issues raised by the Public Advocate related to arrearage forgiveness (sometimes referred to as “AF”) and its recovery through the TAP Rider were reserved for litigation, since mutually acceptable agreements could not be reached. Other issues raised by the Public Advocate TAP recertification and outreach were resolved, as discussed in Section IV.B.2.a of this Brief.

1. Arrearage Forgiveness: Implementation

Arrearage forgiveness should be implemented as proposed by the Department because it is reasonable and the Rate Board lacks jurisdiction to direct how debt (arrearage) forgiveness should be implemented. The Rate Board does not have the authority change the City’s arrearage

¹⁷³ PWD Rebuttal Statement 2 at 7.

¹⁷⁴ See, Joint Petition at ¶ 11.C.2.

forgiveness policies. Pursuant to the Charter, that authority lies with the Law Department.¹⁷⁵ The Department and the Department of Revenue worked in collaboration with the Law Department and others to develop the City's current policy.

As described more fully in PWD's Rebuttal Testimony, in July 2017, PWD and the Department of Revenue issued regulations that allowed TAP customers to receive forgiveness of outstanding penalty charges on pre-TAP arrears after twenty-four (24) consecutive monthly payments of the TAP bill. Those regulations were amended and, effective September 1, 2020, principal forgiveness was launched.¹⁷⁶ Pursuant to Section 206.7(a) of the amended regulations, qualified TAP customers, who have made twenty-four (24) payments, will receive forgiveness of all arrears accumulated by the customer prior to entering the program.¹⁷⁷ In other words, the current policy allows for forgiveness after payment of twenty-four (24) TAP bills.¹⁷⁸ Additionally, the current policy provides that, if a TAP customer is removed due to a change in income, forgiveness will be applied to the pre-TAP arrears in a prorated amount equal to the number of payments made at that time.¹⁷⁹

Public Advocate witness Roger Colton suggests a reformulation of established City policies relating to arrearage forgiveness. First, Mr. Colton asserts that arrearage forgiveness of 1/24th of a TAP participant's pre-program arrears should vest for TAP participants with each complete payment the participant makes. Second, Mr. Colton provides that proration of arrearage

¹⁷⁵ See, Charter §§1-102(1), 4-100, 6-201, 4-400(b) and 8-410.

¹⁷⁶ PWD Rebuttal Statement 3 at 20. Please note that prior to the current City policy, arrears were not retired for a period of 15 years.

¹⁷⁷ PWD Statement 5 at 9.

¹⁷⁸ PWD Rebuttal Statement 3 at 20.

¹⁷⁹ PWD Statement 3 at 21.

forgiveness (AF) should begin immediately, with credits granted for payments previously made.¹⁸⁰ Mr. Colton's proposals depart from the current City policy and should be rejected.¹⁸¹

The City's current policy is a reasonable approach to arrearage forgiveness. The City's current policy provides both penalty forgiveness and principal forgiveness, a significant benefit offered to eligible TAP customers.¹⁸² The current policy also offers a more favorable result to TAP participants than the prior policy. The arrearage forgiveness program encourages participants to build good habits by paying bills on a consistent basis, which serves to decrease the cost to serve all customers.

It is abundantly clear from applicable precedent that the Rate Board lacks jurisdiction to direct how arrearage forgiveness should be implemented. In its 2016 rate proceeding, the Public Advocate proposed that the Department be required to provide an earned arrearage forgiveness program for customers with incomes between 150% and 250% of poverty. In its 2016 Rate Determination, the Rate Board indicated that it had consulted with the Law Department regarding whether it had jurisdiction to entertain the Public Advocate's proposal. The 2016 Rate Determination reflected that it was advised by the Law Department that requiring abatements such as arrearage forgiveness is "beyond the jurisdiction of the Board."¹⁸³ The Public Advocate ignored this jurisdictional limitation and proposed arrearage forgiveness policies in the Department's 2018 rate proceeding and, again, in this proceeding.

¹⁸⁰ PWD Rebuttal Statement 3 at 21; PA Statement 3 at 43-59.

¹⁸¹ PWD Rebuttal Statement 3 at 21.

¹⁸² PWD Rebuttal Statement 3 at 21.

¹⁸³ *See*, 2016 Rate Determination at 33

In the 2018 rate proceeding, the Public Advocate’s witness Mr. Colton recommended that arrearage forgiveness for TAP participants be “improved.” In the Rate Board’s 2018 Rate Determination, the Rate Board declined the Public Advocate’s request that it order the Department to establish an arrearage forgiveness program as part of its TAP rate. Recognizing its limited authority, the Rate Board directed the Department to work with the Department of Revenue and the Law Department to evaluate what legal barriers must be overcome in order to implement an arrearage forgiveness program.¹⁸⁴ As stated herein, the City’s arrearage forgiveness program has evolved over time. However, changes to the City’s arrearage forgiveness policies are in the scope of authority of the above-mentioned City Departments and not the Rate Board.

For the reasons addressed above, PWD should carry out the arrearage forgiveness legislation, unanimously adopted by the Philadelphia City Council, that became effective September 1, 2020. The Rate Board does not have jurisdiction to direct that the Department change its policy as requested by the Public Advocate. Consequently, the Department suggests that the Rate Board resolve issues related to implementation of arrearage forgiveness consistent with its past findings and its limited legal authority.

2. Arrearage Forgiveness: Cost Recovery

The Department’s proposal to recover the cost of arrearage forgiveness, as part of the TAP Rider, should be adopted as it is (i) reasonable; (ii) calculated based on the amount of arrearage forgiven in an annual reporting period; and (iii) consistent with current City policy. In

¹⁸⁴ 2018 Rate Board Rate Determination at 80.

the instant context, PWD proposes that the TAP Rider formula be updated to include an arrearage forgiveness factor (“AF Factor”).¹⁸⁵

a. AF Factor Needed for Cost Recovery.

The proposed AF Factor is intended to allow PWD to recover a portion of the costs of providing arrearage forgiveness to eligible TAP customers through the TAP-R surcharge rate. Based upon current City policy and the Department’s regulations, the arrearage forgiveness program provides an eligible TAP customer, who has made 24 payments on or after September 1, 2020, with forgiveness of arrears accumulated by such customer prior to entering the program (“pre-program arrears”).¹⁸⁶ For customers unable to retain enrollment due to a change in household income, a portion of pre-program arrears may be forgiven based upon the number of payments made during the customer’s enrollment in TAP. For qualified TAP customers, all pre-program arrears are frozen at the time of enrollment. Finally, once enrolled in TAP, the Department no longer pursues the collection of such customer’s existing or pre-program arrears.¹⁸⁷

For purposes of cost recovery, PWD proposes that arrearage forgiveness be determined at the time of the annual TAP-R reconciliation.¹⁸⁸ Arrearage forgiveness will be based on the actual amount of arrears forgiven in accordance with Section 206.7 of the Department’s regulations. The total amount of AF, used in determining the TAP-R surcharge for a given reporting period, will be adjusted by applying a proposed TAP-R lost revenue adjustment factor of 9% (“lost

¹⁸⁵ PWD Statement 7B at 10-14.

¹⁸⁶ PWD Statement 7B at 10.

¹⁸⁷ PWD Statement 7B at 10.

¹⁸⁸ PWD Statement 7B at 10-11.

revenue factor”). The lost revenue factor is intended to represent the percentage of pre-program arrears that a TAP customer would have likely paid (i) had such customer not been enrolled in the program; (ii) had their arrears not been frozen; and (iii) had PWD continued to collect on those arrears.¹⁸⁹ PWD proposes only to recover the amount of arrears forgiven (as adjusted above) in the calculation of the TAP-R surcharge rate. Recovery of AF will also be tracked so, on an annual basis, any amount of over or under recovery will be included in the subsequent annual reconciliation filing. The AF Factor would also not be subject to interest earnings.¹⁹⁰ Stated simply, the amount of forgiven arrears proposed to be recovered, by including AF in the development of TAP-R surcharge rates, is determined by multiplying the lost revenue factor by the actual arrears forgiven for the reporting period. The resulting dollar amount is the amount of arrearage forgiveness included in TAP-R surcharge rates.¹⁹¹

Public Advocate witness Roger Colton proposes that no AF cost recovery be allowed through the TAP Rider.¹⁹² This position appears to be tied to Mr. Colton’s recommendation that that the City’s arrearage forgiveness policy be reformulated.¹⁹³ Pursuant to Section 206.7(a) of the Department’s amended regulations, a qualified TAP customer, who has made twenty-four (24) payments, will receive forgiveness of all arrears accumulated by such customer prior to entering the program. That is the City’s current policy. Notwithstanding the above, Mr. Colton

¹⁸⁹ PWD Statement 7B at 11.

¹⁹⁰ PWD Statement 7B at 11.

¹⁹¹ PWD Statement 7B at 11.

¹⁹² PA Statement 3 at 60.

¹⁹³ See discussion *supra*. Section IV.D.1 of this Brief.

proposes a reformulation of the current City policy. As alluded to above, however, he is in the wrong venue for this purpose.

Please also note that Mr. Colton has completely reversed his position from the 2018 rate proceeding. There, he recommended that arrearage forgiveness credits, provided in connection with TAP, should be recovered through the TAP Rider.¹⁹⁴

In reversing his position on this issue, Mr. Colton now insists that arrearage forgiveness credits have already been taken into account in establishing base rates. He maintains that to allow AF in the updated TAP-R formula would permit a “double recovery” of arrearage credits.¹⁹⁵ PWD submits that his premise is incorrect. To be clear, the Department uses collection factors to project future revenues from billings so as to provide sufficient revenues to support the utility. Collection factors are not intended to collect on prior unpaid bills or outstanding arrears. These amounts are the responsibility of customers (e.g., as sometimes evidenced by liens for non-TAP customers). In absence of the TAP Rider, PWD would have no way to recover past due amounts associated with customers enrolled in TAP.¹⁹⁶ Mr. Colton’s recommendation falsely claims that the proposed AF Factor will result in over-recovery when, in fact, it will allow PWD to recover only a portion of total past due amounts.¹⁹⁷ Moreover, the proposed AF Factor is already weighted to account for data that is outside the reporting period used to establish rates and charges — to specifically avoid over-recovery.¹⁹⁸

¹⁹⁴ See, 2018 Rate Determination at 78; PWD Rebuttal Statement 3 at 22; PA Statement 3 at 61.

¹⁹⁵ See, PA Statement 3 at 61-62.

¹⁹⁶ PWD Rebuttal Statement 3 at 19.

¹⁹⁷ Please note that 9% of arrears is to be recovered after application of the loss revenue factor. See, PWD Statement 7B at 11.

¹⁹⁸ PWD Rebuttal Statement 3 at 15.

b. AF Factor is Needed Regardless of Current City Policy.

As a practical matter, the proposed AF Factor is needed regardless of the current City policy concerning arrearage forgiveness. The policy defines the parameters of the program and performs the amount of arrears to be passed through in a given reporting period (depending on whether arrears are forgiven after 24 completed payments or using the 1/24 proration of AF after each payment). The fact, that hopefully will not be lost in this discussion, is that there are costs associated with arrearage forgiveness that should be equitably recovered through the TAP-R surcharge rate under any AF policy. The 2018 Rate Determination recognized that we needed an arrearage forgiveness policy in place first and that the implementation of cost recovery mechanism (AF Factor) would follow.

At present, AF recovery should be based on the City's current policy. This policy conceivably may be revisited at some future time, at a different venue, and with the involvement of the appropriate City departments.

In the instant case, PWD specifically proposes that the AF Factor be included in the TAP-R formula beginning September 1, 2021. As a practical matter, the AF Factor would be set at zero (at the beginning of the first reporting period for arrearage forgiveness) until the annual TAP-R adjustment for FY 2023 rates. As arrears are forgiven, they will be captured for the reporting period at the time of annual reconciliation. It should also be noted that when arrears are forgiven, the associated lien is also removed from the customer's property. The recommendation to update the TAP-R formula is consistent with the 2018 Rate Determination and should be adopted.¹⁹⁹

¹⁹⁹ See discussion *supra*. Section IV.D.1 of this Brief.

E. OTHER ISSUES

1. Housekeeping Changes

The Department's proposed housekeeping changes to its regulations should be adopted, since they are reasonable and were not contested by any active participant.

Apart from the proposed changes to rates and charges, the Department also proposed the language or "housekeeping" changes discussed in Schedule ML-7 and shown in redline on PWD Exhibits 3B and 3D. Twelve categories of style, clarification and conforming changes were proposed by the Department to revise language in the Department's regulations.

None of the active participants contested the housekeeping changes at the technical hearing or in their testimony before the Rate Board. The Department's housekeeping changes should be adopted as proposed, since the Department's housekeeping changes were not opposed and were not modified by the terms of the Partial Settlement.

2. Miscellaneous Fees and Charges

The Department's proposed miscellaneous rates and charges should be adopted, since they are reasonable and the issues raised by the Public Advocate were resolved.

The updated miscellaneous rates and charges proposed by the Department are reasonable. PWD is proposing to update various miscellaneous rates and charges, as summarized in Schedule BV-4 and as discussed in PWD Statement 7A.²⁰⁰ The proposed miscellaneous rates and charges are detailed in Tables M-1 and M-2, in Schedule BV-4.²⁰¹ The updated miscellaneous rates and

²⁰⁰ See, PWD Statement 2 at 40.

²⁰¹ See, PWD Statement 2 at 40. See also Section 6 of PWD Exhibit No. 3 for additional information regarding these proposed updates.

charges are based on cost of service, with the following exceptions: the phasing-in of a stormwater fee and the proposed reduction of certain fees for TAP participants.²⁰²

The Partial Settlement does not make any changes to updated miscellaneous rates and charges proposed by the Department. The only challenge to the miscellaneous rates and charges was from the Public Advocate, which challenged the Department's proposals to reduce two existing fees to \$12 for TAP participants.²⁰³ Those fees are the "final-knock" fee, which may be imposed if the Department is required to visit a Property to shut off service for non-payment; and, payment is tendered at the time of the shut-off, and the "restoration" fee, which may be imposed when the Department visits a property to restore water service after termination of water service for nonpayment or violation of service requirements.²⁰⁴ Rather than charging the higher fees generally applicable to all residential customers under Sections 6.4(a) and 6.4(c) in those situations, the Department proposed an exception for TAP participants in those situations under the proposed Section 6.4(e). Reducing those fees for TAP participants is consistent with concerns about affordability within the TAP.²⁰⁵ The lower fees reduce a barrier to keeping and/or maintaining service for TAP participants.²⁰⁶ The fees are set at \$12.00, which is the same as the minimum allowable bill for customers enrolled in TAP.²⁰⁷ Without this proposed reduction for

²⁰² See, PWD Statement 7A at 48-49.

²⁰³ See, PA Statement 3 at 114-118.

²⁰⁴ See, PWD Rebuttal Statement 3 at 49; See PWD Exhibit 3A (Clean) and 3B (Redlined) at Sections 6.4(a), 6.4(c) and 6.4(e).

²⁰⁵ See, PWD Statement 5 at 14-15; PWD Rebuttal Statement 3 at 49.

²⁰⁶ See, PWD Rebuttal Statement 3 at 49.

²⁰⁷ PWD Statement 7A at 49.

TAP participants, TAP participants would be subject to the same (higher) fees generally applicable to all residential customers.

None of the miscellaneous rates and charges were contested by the active participants at the technical hearing or in their testimony before the Rate Board. The Department's original proposals should be adopted as proposed, since the Department's original proposals were not modified by the terms of the Partial Settlement.

3. Partial Settlement: Amendment to Rate Board Regulations

If the Rate Board approves the Partial Settlement, PWD recommends that a proceeding to amend Rate Board regulations be initiated to clearly incorporate the Special Rate Reconciliation Proceeding proposed by the Partial Settlement.

The Special Rate Reconciliation Proceeding proposed by the Partial Settlement does not clearly fall within the scope of the Rate Board's regulations. The proposed proceeding is described in Paragraph ¶ 11.A.2.a of the Joint Petition. The Rate Board's regulations anticipate three types of rate proceedings: a general rate proceeding, a TAP-R reconciliation proceeding and a special rate proceeding. The proposed Special Rate Reconciliation Proceeding is not (1) a general rate proceeding, since the proposed proceeding has limited issues; (2) a TAP-R reconciliation proceeding because the proposed proceeding does not impact TAP-R; (3) a special rate proceeding (as currently defined), since the proposed proceeding may or may not have a "de minimis impact on residential customer bills."

One way to incorporate the proposed Special Rate Reconciliation Proceeding into the Rate Board's regulations is to amend the definition for a special rate proceeding. The current definition of a special rate proceeding provides as follows:

A proceeding concerning a proposed change in rate structure, which has not more than a de minimis impact on residential customer bills, arising from a City Council ordinance, or a change in State or Federal law, that, due to factors beyond the Department's ability to control, cannot reasonably be addressed in a General Rate Proceeding.

If amended, that definition could incorporate the proposed proceeding. For example, the above-definition could simply be amended by striking the phrase "which has not more than a de minimis impact on residential customer bills." In the alternative, the definition could be amended, as follows:

A proceeding concerning a proposed change **(a)** in rate structure, which has not more than a de minimis impact on residential customer bills, arising from a City Council ordinance, or a change in State or Federal law, that, due to factors beyond the Department's ability to control, cannot reasonably be addressed in a General Rate Proceeding **or (b) filed by the Department with the Board that is not a General Rate Proceeding or a TAP Rate Rider Reconciliation Proceeding.**

A third way to incorporate the proposed Special Rate Reconciliation Proceeding into the Rate Board's regulations would be to create a new section "E" regarding other rate proceedings filed by the Department. The provisions in the new Section E could be substantially similar to the provisions in existing Section D regarding special rate proceedings. Since the new Section E would create an additional type of rate proceeding, the Rate Board would also need to create a definition for "other rate proceedings filed by the Department" and to amend the definition of "Rate Proceeding" to include that newly defined proceeding.

That being said, the Department notes that the Partial Settlement contemplates the filing of the proposed Special Rate Reconciliation Proceeding on or before March 1, 2022.²⁰⁸ With that

²⁰⁸ Joint Petition at ¶ 11.A.2.a.

in mind, it is requested that any proceeding to amend the Rate Board's regulations be initiated – if the Rate Board approves the Partial Settlement – so that the amended regulations can officially take effect promptly after the Rate Determination in this proceeding.

4. Lance Haver: Request For Continuance

Mr. Haver's request to continue these proceedings should be denied, since (a) the Rate Board lacks the authority to accommodate Mr. Haver's request to continue or delay these proceedings; and (b) the requested delay in the timely implementation of rate increases (from the projected effective date of September 1, 2021) is in contravention to the Philadelphia Code and may cause harm to the utility and its customers.

Mr. Haver requested a continuance of these proceedings, as described in the Section I.C (Order of Proceedings) of this Brief. The Continuance Motion was held in abeyance.²⁰⁹ Mr. Haver filed and later withdrew his appeal regarding the Continuance Motion. To the extent that Mr. Haver did not withdraw the Continuance Motion, the Continuance Motion is still pending with the Hearing Officer.

The Department's position is unchanged. The Department contends that the Rate Board lacks the authority to accommodate Mr. Haver's request to continue or delay these proceedings. Here, Mr. Haver's request is based upon on the passage of the federal legislation. The ability of PWD to directly receive funds under federal legislation is speculative and uncertain, as discussed above in Section IV.B.3 of this Brief. The federal legislation does not render the Board unable to act on the Department's rate request, as discussed in the Department's Answer to Mr. Haver's

²⁰⁹ Hearing Officer's Determination Re: Haver Motion for Continuance, <https://www.phila.gov/media/20210325171439/Hearing-Officer-Decision-on-Haver-Motion.pdf>.

Continuance Motion and the Department's Answer to Mr. Haver's Appeal regarding Continuance Motion. Therefore, the Rate Board lacks the authority to accommodate Mr. Haver's request to continue or delay these proceedings.

The additional delays in rate relief recommended by Mr. Haver would reduce the Department's ability to collect revenues in FY 2022. Under the Partial Settlement, the proposed rates and charges are projected to produce additional revenues of about \$1 million per month in FY 2022.²¹⁰ A two month delay (from September 1, 2021 to November 1, 2021) means that the Department would not be able to collect about \$2 million in increased rates and charges.

5. Lance Haver: Public Input Hearings

Mr. Haver's arguments on the legal sufficiency of the public hearings should be denied, since Mr. Haver has failed to establish non-compliance with the requirements in the City Charter²¹¹ or the Rate Board's regulations.²¹²

Mr. Haver, a non-attorney, questioned the legal sufficiency of the public hearings held in this proceeding. Mr. Haver concluded²¹³ that the public hearings in this proceeding were not sufficient based upon his interpretation of the holding in *Philadelphia v. Weiner*, 550 A.2d 274 (Pa.Cmwlth. 1988). His interpretation is wrong.

²¹⁰ See, Joint Petition, Appendix 1 at Line 5 (which shows the amount for 10 months in FY 2022).

²¹¹ Charter, § 5-801 and 8-407.

²¹² The regulations require the Rate Board, or a designated member or Hearing Officer on its behalf, to hold public hearings to: (1) ensure an open and transparent rate proceeding; (2) make Departmental personnel available to answer relevant questions about the proposed changes in rates and charges; (3) permit the Department and any person or entity affected by the proposed rates and charges to provide information to the Board regarding any change in rates or charges as proposed by the Department; and (4) to assist the Board in the collection of information relevant to the Department's proposed changes in rates and charges. Hearing Regulations at Section II.B.4.

²¹³ Haver Direct Testimony at ¶ 14-16.

Philadelphia v. Weiner is not applicable to this proceeding. That case involved the passage of an ordinance by City Council (to set the rate of a tax) and compliance with Section 2-201 of the City's Charter. This proceeding involves changes to the Department's regulations.²¹⁴ It does not involve the passage of an ordinance by City Council. The Department's rates and charges are not taxes.

Mr. Haver's underlying logic is wrong. Mr. Haver's speculates that the receipt of funds under federal legislation will decrease (or negate) the Department's need for increased rates and charges.²¹⁵ Mr. Haver then argues that public hearings can only be "real," if the exact amount of the increase is known at the time of the public hearing.²¹⁶ That is wrong. The Department's original proposal was known at the time of the public input hearings. Contrary to Mr. Haver's logic, decreases to that proposal do not render the public hearings insufficient. Decreases can occur in different ways, such as by the Department's voluntary acceptance of adjustments proposed by participants or by way of an accounting change by the City. Decreases can also occur by the Rate Board's modification of the Department's proposed rates and charges.²¹⁷ It follows that, decreases to the original proposed rates and charges, do not render the public hearings insufficient.

²¹⁴ Charter, § 5-801 and 8-407.

²¹⁵ Haver Direct Testimony at ¶ 13.

²¹⁶ See, Haver Direct Testimony at ¶¶ 12, 14, 15-18.

²¹⁷ See, Philadelphia Code §§ (4)(b)(iii), (4)(b)(iv), 8, stating that Rate Board may "approve, modify or reject" the Department's proposed rates and charges.

6. Lance Haver: Outreach to Customers

The customer service recommendations by Mr. Haver should be denied by the Rate Board — since the Department will be evaluating new approaches to inform PWD customers of TAP and other assistance programs and the Rate Board does not have the authority to direct how the Department provides service.

To improve outreach for TAP, PWD will also evaluate new approaches to inform PWD customers of this program and other assistance programs that PWD offers, as noted in the Joint Petition at ¶ 11.D.1.(a) and in Section IV.B.2.a of this Brief. That commitment is outside of the Rate Board’s jurisdiction since it relates to how the Department provides service.²¹⁸

To the extent that Mr. Haver raises customer service issues, he overlooks the provisions in the Partial Settlement and continues to suggest that the Department should do “more” to improve outreach. During cross-examination of witnesses at the technical hearing, Mr. Haver suggested that the Department could do more outreach to residential customers.²¹⁹ His suggestion is based on the well-known “fact” that Philadelphia being the poorest big city in America,²²⁰ and a comparison of the number of customers enrolled in the Department’s TAP program with the number of customer enrolled in PGW’s Customer Responsibility Program (“CRP”). That being said, while making his suggestion, Mr. Haver did not actually make any outreach recommendations on the record.

The above-described comparison is unreliable, since it does not compare like things or “apples to apples.” The TAP ordinance requires the Department to enroll customers in programs

²¹⁸ See Section III.A.1 of this Brief.

²¹⁹ See, e.g., Tr. (Technical Hearing) at 12, 22- 23, 30-31.

²²⁰ Tr. (Technical Hearing) at 157.

other than TAP if the other programs offer a more affordable bill. Under PWD's TAP, TAP participants pay between 2 and 4 percent of their income towards their water bills. PWD also has an active senior citizen discount program and other discounts, PGW does not.²²¹ PGW's primary program is CRP. However, PGW's CRP is not limited to customers who are billed at a percent of income payment (PIP) for each income level. In 2017, the PUC directed PGW to allow low-income customers to enroll in CRP at the PIP level or budget billing, whichever is lower.²²² This means that simply looking at PGW's enrollment level for PGW's CRP does not reveal the number of PGW's who are billed at a percentage of their income.

7. Lance Haver: Challenge to Schedule ML-10

Mr. Haver's motion for the removal of the Memorandum from the City's Director of Finance (Schedule ML-10) should be denied, since that Memorandum is relevant and material to issues in this proceeding.

Mr. Haver's arguments will be discussed in the Department's Answer to his "Removal Motion." The Answer, which will be filed on or before May 12, 2021, should be incorporated herein by reference.

8. Michael Skiendzielewski

Michael Skiendzielewski is not entitled to any relief by the Rate Board, since he did not make any recommendations or proposals on the record for the Rate Board's consideration concerning the Department's proposed rates and charges.

²²¹ Compare the Senior Citizen discount program described in Section 5.2(b) of PWD Rates and Charges with Page 72 of PGW's Gas Service Tariff, Pa P.U.C. No. 2 ("As of September 1, 2003 enrollment in the Senior Citizens Program will be closed"). <https://www.pgworks.com/customer-care/your-business/tariffs>.

²²² *Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2017-2020*, PUC Docket No. M-2016-2542415, PUC Opinion and Order entered August 3, 2017, 2017 Pa. PUC LEXIS 23.

Mr. Skiendzielewski participated (*pro se*) in this proceeding. Mr. Skiendzielewski participated in the public input hearings to ask a question about submitting claims of financial impropriety.²²³ However, as noted in footnote 40, Mr. Skiendzielewski did not submit either prepared testimony or public input testimony to make recommendations or proposals on the record²²⁴ concerning the Department's proposed rates and charges.

The Hearing Officer correctly sustained the Department's objections to discovery from Mr. Skiendzielewski. Mr. Skiendzielewski sent discovery requests to the Department.²²⁵ The Department objected to those requests, which sought 12 years of documents and information relating to operation of the HELP loan program. The Hearing Officer determined that the information sought by Mr. Skiendzielewski was not relevant to this proceeding, and sustained the Department's objections.

The Hearing Officer's correctly acted to limit the scope of technical hearing testimony from Mr. Skiendzielewski. Prior to the start of the technical hearings, the Department filed a motion seeking to preclude Mr. Skiendzielewski from testifying at the technical hearings on (i) allegations of "financial impropriety" in the operation, management and disposition of the HELP Loan program, (ii) allegations of misconduct by Counsel for the "Water Revenue Board" and (iii) allegations related to the 2017 investigation by Mr. Cantu-Hertzler. That Motion was granted by the Hearing Officer on April 16, 2021. The Hearing Officer's determination regarding allegations

²²³ Tr. (18 March) at 29-35.

²²⁴ Settlement negotiations are privileged, confidential and inadmissible into evidence. The law is clear that an unaccepted offer to compromise or settle cannot be introduced into evidence. *See, e.g., Redevelopment Authority of City of Philadelphia v. Pelullo*, 409 A.2d 122, 125 (Pa.Cmwlth. 1979). Mr. Skiendzielewski participated in settlement discussions with the Department. His settlement proposals were presented to the Department for its consideration. No agreement was reached, as evidenced by Mr. Skiendzielewski's opposition to the Partial Settlement.

²²⁵ <https://www.phila.gov/media/20210409164904/SkiendzielewskiWRBdisc1.pdf>.

of financial impropriety is correct. Looking backward (for more than a decade) to establish financial impropriety is not reasonably calculated to lead to the discovery of admissible evidence for purposes of forward-looking rate setting. The Hearing Officer is also correct that the Rate Board has limited jurisdiction. The Rate Board's jurisdiction is summarized in Section III.A.1 of this Brief. That jurisdiction does not include authority to investigate, administer or enforce public integrity laws or ethical codes.

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V. CONCLUSION

For all of the reasons stated in this Brief (together with the facts and information contained in the record), the Department respectfully requests that the Hearing Officer recommend that (1) the approval by the Rate Board of the Department's proposed rates and charges as amended by the Partial Settlement; (2) the Rate Board reject any remaining issues, proposals, modifications and/or adjustments by the other participants hereto that are not contained in the Partial Settlement; (3) the Rate Board initiate a proceeding to amend its regulations to clearly incorporate the Special Rate Reconciliation Proceeding proposed by the Partial Settlement; and, (4) the Rate Board permit the Department to prepare and submit regulations to include rates and charges and other issues consistent with the Partial Settlement and the foregoing discussion.

Respectfully submitted,

/s/ Andre C. Dasent

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APPENDICES

- A. Updated Tables C-1 through C-9; Tables W-18, W-19, W-19A, WW-18, WW-19, SW-19A and SW-19B.
- B. Updated PWD Exhibit 4 - PWD Rates and Charges FY 2022 and FY 2023 (plain and black-lined).
- C. Summary of Public Input Hearings

TABLE C-1: PROJECTED REVENUE AND REVENUE REQUIREMENTS
Base and TAP-R Surcharge Rates
(in thousands of dollars)

Line No.	Description	2022	2023
OPERATING REVENUE			
1	Water Service - Existing Rates	266,656	269,813
2	Wastewater Service - Existing Rates	427,613	433,417
3	Total Service Revenue - Existing Rates	694,269	703,229
	Additional Service Revenue Required		
	Percent Increase		
	Months Effective		
4	FY 2021 0.00% 10	-	-
5	FY 2022 1.83% 10	10,411	12,901
6	FY 2023 5.83% 10		34,110
7	FY 2024 10		
8	FY 2025 10		
9	FY 2026 10		
10	Total Additional Service Revenue Required	10,411	47,011
11	Total Water & Wastewater Service Revenue	704,679	750,241
	Other Income (a)		
12	Other Operating Revenue	21,719	21,638
13	Debt Reserve Fund Interest Income	-	-
14	Operating Fund Interest Income	1,230	1,249
15	Rate Stabilization Interest Income	1,088	982
16	Total Revenues	728,716	774,110
OPERATING EXPENSES			
17	Total Operating Expenses	(517,470)	(533,064)
NET REVENUES			
18	Transfer From/(To) Rate Stabilization Fund (b)	10,131	11,554
19	NET REVENUES AFTER OPERATIONS	221,376	252,600
DEBT SERVICE			
	Senior Debt Service		
	Revenue Bonds		
20	Outstanding Bonds	(163,516)	(164,558)
21	Pennvest Parity Bonds	(10,885)	(11,067)
22	Projected Future Bonds	(8,000)	(30,798)
23	Commercial Paper	(2,000)	(4,000)
24	Total Senior Debt Service	(184,401)	(210,423)
25	TOTAL SENIOR DEBT SERVICE COVERAGE (L19/L24) (c)	1.20 x	1.20 x
26	Subordinate Debt Service	-	-
27	Transfer to Escrow	-	-
28	Total Debt Service on Bonds	(184,401)	(210,423)
29	CAPITAL ACCOUNT DEPOSIT	(29,447)	(31,155)
30	TOTAL COVERAGE (L19/(L24+L26+L29)) (c)	1.03 x	1.04 x

RESIDUAL FUND			
31	Beginning of Year Balance	15,042	15,020
32	Interest Income	150	150
	Plus:		
33	End of Year Revenue Fund Balance	7,529	11,022
34	Deposit for Transfer to City General Fund (d)	1,839	2,037
	Less:		
35	Transfer to Construction Fund	(7,700)	(11,100)
36	Transfer to City General Fund	(1,839)	(2,037)
37	Transfer to Debt Service Reserve Fund	-	-
38	End of Year Balance	15,020	15,092
RATE STABILIZATION FUND			
39	Beginning of Year Balance (e)	113,988	103,857
40	Deposit From/(To) Revenue Fund	(10,131)	(11,554)
41	End of Year Balance	103,857	92,303

- (a) Includes other operating and nonoperating income, including interest income on funds and accounts transferable to the Revenue Fund and reflects projected contra revenue credits for Affordability Program Discounts (TAP Costs).
- (b) Pursuant to the General Ordinance, as of June 30 of each Fiscal Year, the City may transfer (i) from the Rate Stabilization Fund to the Revenue Fund or (ii) from the Revenue Fund to the Rate Stabilization Fund, the amount determined. The amounts presented are subject to actual results.
- (c) Projected estimates are subject to actual financial results and final transfers to/from Rate Stabilization (see note (b)). The amounts presented are subject to actual results.
- (d) Transfer of interest earnings from the Bond Reserve Account to the Residual Fund as shown in Line 34 to satisfy the requirements for the transfer to the City General Fund shown on Line 36.
- (e) Beginning balance is estimated based on projected financial results. The amounts presented are subject to actual results.

TABLE C-1A: PROJECTED REVENUE AND REVENUE REQUIREMENTS
Base Rates Excluding TAP-R Surcharge
(in thousands of dollars)

Line No.	Description	2022	2023
OPERATING REVENUE			
1	Water Service - Existing Rates	263,593	266,743
2	Wastewater Service - Existing Rates	423,433	429,267
3	Total Service Revenue - Existing Rates	687,026	696,010
	Additional Service Revenue Required		
	Percent Increase Months Effective		
4	FY 2021 0.00% 10	-	-
5	FY 2022 1.85% 10	10,411	12,901
6	FY 2023 5.89% 10		34,110
7	FY 2024 10		
8	FY 2025 10		
9	FY 2026 10		
10	Total Additional Service Revenue Required	10,411	47,011
11	Total Water & Wastewater Service Revenue	697,437	743,022
	Other Income (a)		
12	Other Operating Revenue	29,192	29,111
13	Debt Reserve Fund Interest Income	-	-
14	Operating Fund Interest Income	1,230	1,249
15	Rate Stabilization Interest Income	1,088	982
16	Total Revenues	728,947	774,364
OPERATING EXPENSES			
17	Total Operating Expenses	(517,470)	(533,064)
NET REVENUES			
18	Transfer From/(To) Rate Stabilization Fund (b)	9,900	11,300
19	NET REVENUES AFTER OPERATIONS	221,376	252,600
DEBT SERVICE			
	Senior Debt Service		
	Revenue Bonds		
20	Outstanding Bonds	(163,516)	(164,558)
21	Pennvest Parity Bonds	(10,885)	(11,067)
22	Projected Future Bonds	(8,000)	(30,798)
23	Commercial Paper	(2,000)	(4,000)
24	Total Senior Debt Service	(184,401)	(210,423)
25	TOTAL SENIOR DEBT SERVICE COVERAGE (L19/L24) (c)	1.20 x	1.20 x
26	Subordinate Debt Service	-	-
27	Transfer to Escrow	-	-
28	Total Debt Service on Bonds	(184,401)	(210,423)
29	CAPITAL ACCOUNT DEPOSIT	(29,447)	(31,155)
30	TOTAL COVERAGE (L19/(L24+L26+L29)) (c)	1.03 x	1.04 x
31	End of Year Revenue Fund Balance	7,529	11,022

(a) Includes other operating and nonoperating income, including interest income on funds and accounts transferable to the Revenue Fund.

(b) Pursuant to the General Ordinance, as of June 30 of each Fiscal Year, the City may transfer (i) from the Rate Stabilization Fund to the Revenue Fund or (ii) from the Revenue Fund to the Rate Stabilization Fund, the amount determined. The amounts presented are subject to actual results.

(c) Projected estimates are subject to actual financial results and final transfers to/from Rate Stabilization (see note (b)). The amounts presented are subject to actual results.

TABLE C-1B: PROJECTED REVENUE AND REVENUE REQUIREMENTS
TAP-R Surcharge Rates Excluding Base Rates
(in thousands of dollars)

Line No.	Description	2022	2023
OPERATING REVENUE			
1	Water Service - Existing Rates	3,063	3,069
2	Wastewater Service - Existing Rates	4,179	4,150
3	Total Service Revenue - Existing Rates	7,242	7,219
	Additional Service Revenue Required		
	Percent Increase		
	Months Effective		
4	FY 2021	0.00%	10
5	FY 2022	0.00%	10
6	FY 2023	0.00%	10
7	FY 2024		10
8	FY 2025		10
9	FY 2026		10
10	Total Additional Service Revenue Required	-	-
11	Total Water & Wastewater Service Revenue	7,242	7,219
	Other Income		
12	Other Operating Revenue (a)	(7,473)	(7,473)
13	Debt Reserve Fund Interest Income	-	-
14	Operating Fund Interest Income	-	-
15	Rate Stabilization Interest Income	-	-
16	Total Revenues	(231)	(254)
OPERATING EXPENSES			
17	Total Operating Expenses	-	-
NET REVENUES			
18	Transfer From/(To) Rate Stabilization Fund (b)	231	254
19	NET REVENUES AFTER OPERATIONS	-	-
DEBT SERVICE			
	Senior Debt Service		
	Revenue Bonds		
20	Outstanding Bonds	-	-
21	Pennvest Parity Bonds	-	-
22	Projected Future Bonds	-	-
23	Commercial Paper	-	-
24	Total Senior Debt Service	-	-
25	TOTAL SENIOR DEBT SERVICE COVERAGE (L19/L24)	NA	NA
26	Subordinate Debt Service	-	-
27	Transfer to Escrow	-	-
28	Total Debt Service on Bonds	-	-
29	CAPITAL ACCOUNT DEPOSIT	-	-
30	TOTAL COVERAGE (L19/(L24+L26+L29))	NA	NA
31	End of Year Revenue Fund Balance	-	-

(a) Reflects net recoverable costs for TAP-R based on the 2020 Annual Adjustment Proceeding.

(b) Rate Stabilization Fund transfers necessary to meet over or under recovery of TAP costs until recovery is reconciled via TAP-R reconciliation.

TABLE C-2
Base and TAP-R Surcharge Rates
COMBINED SYSTEM: PROJECTED RATE STABILIZATION FUND
AND COVENANTS METRICS PERFORMANCE

Line #	Description	2022	2023
RATE STABILIZATION FUND			
1	Beginning Balance: Rate Stabilization Fund (a)	113,988	103,857
2	Transfers From (To) Revenue Fund (b)	(10,131)	(11,554)
3	Year-End Rate Stabilization Fund Balance (Line 1 + Line 2)	103,857	92,303
General Bond Ordinance Covenants			
4	Senior Debt Coverage (c)	1.20	1.20
5	Total Debt Coverage (d)	1.03	1.04
6	90% Test - Senior Debt Coverage from Current Revenues (e)	1.14	1.14
O&M Actual to Budget Ratio			
7	Projected O&M Budget (f)	595,439	612,858
8	O&M Actual to Budget Ratio	86.9%	87.0%
Rate Ordinance Requirements			
9	Projected Total Revenues	728,716	774,110
10	Projected Total Appropriations (g)	816,815	865,458
11	Rate Ordinance Requirement Compliance (h)	Yes	Yes
Cash Funding			
12	Cash Funded Capital (i)	37,147	42,255
13	Capital Improvement Program annual expenses	345,303	426,730
14	Cash Funded Capital Ratio (j)	10.8%	9.9%

(a) Estimated based on projected financial results. The amounts presented are subject to actual results.

(b) See Line 18 in Table C-1 and related footnote (b).

(c) Senior Debt Coverage = (Total Revenues - Operating Expenses + Transfer From (to) Rate Stabilization) divided by Senior Debt. The General Bond Ordinance requires the minimum Senior Debt Service Coverage of 1.20. The amounts presented are subject to actual results.

(d) Total Debt Coverage = (Total Revenues - Operating Expenses + Rate Stabilization Transfer) divided by (Senior Debt + Subordinate Debt + Capital Account Deposit). The General Bond Ordinance requires the minimum Total Debt Service Coverage of 1.00. The amounts presented are subject to actual results.

(e) Senior Debt Coverage from Current Revenues = (Total Revenues - Operating Expenses - Transfer to Rate Stabilization Fund) divided by Senior Debt. Transfers from Rate Stabilization are excluded from the Total Revenues. The General Bond Ordinance requires a minimum Senior Debt Service Coverage of 0.90 from Current Revenues. The amounts presented are subject to actual results.

(f) FY 2022 and FY 2023 reflect projected budget based on annual cost escalation factors.

(g) Total Appropriation = Total O&M Budget + Senior Debt + Subordinate Debt + Transfer to Escrow + Capital Account Deposit + Transfer to Rate Stabilization Fund + Transfer to Residual Fund. Costs to service the City included as required by the General Bond Ordinance rate covenants.

(h) Rate Ordinance requires that Total Revenues not exceed Total Appropriations.

(i) Cash Funded Capital = Capital Account Deposit + Residual Transfer to Construction Fund

(j) Cash Funded Capital Ratio = Cash Funded Capital divided by Capital Improvement Program annual expenses.

TABLE C-3: PROJECTED RECEIPTS UNDER EXISTING RATES
(in thousands of dollars)

Line No.	Description	2022	2023
1	Water Sales Receipts	263,593	266,743
	Wastewater Sales Receipts		
2	Sanitary Sewer	253,995	256,956
3	Stormwater	169,438	172,311
4	Subtotal Wastewater Service Receipts	423,433	429,267
5	Total Water & Wastewater Receipts	687,026	696,010
Other Income			
6	Penalties	10,089	10,008
7	Miscellaneous City Revenue	1,650	1,650
8	Other	9,963	9,963
9	State & Federal Grants	1,000	1,000
10	Permits Issued by L&I	5,800	5,800
11	Miscellaneous (Procurement)	390	390
12	City & UESF Grants	300	300
13	Affordability Program Discount Cost (a)	-	-
14	Release from Debt Service Reserve (b)	-	-
15	Other Operating Revenues	29,192	29,111
Interest Income			
16	Interest Income on Debt Service Reserve Fund (c)	-	-
17	Operating Fund	1,230	1,249
18	Rate Stabilization Fund	1,088	982
19	Total Nonoperating Income	2,318	2,231
20	Total Receipts	718,536	727,353

(a) Affordability Program Discounts represent anticipated lost revenue due to the Tiered Assistance Program (TAP).

Beginning in FY 2019, TAP Revenue Loss is recovered via the TAP Rate Rider Surcharge.

(b) Projected Release from Debt Reserve Fund based on outstanding and proposed debt service payments.

(c) Excludes deposit into Residual Fund for Transfer to City General Fund.

TABLE C-4

**COMBINED SYSTEM: COMPARISON OF TYPICAL
BILL FOR RESIDENTIAL CUSTOMERS
UNDER EXISTING AND PROPOSED RATES**

(1)	(2)	(3) FY 2021	(4) FY 2022	(5)	(6) FY 2023	(7)
Meter Size	Monthly Use	Existing Rates	Proposed Rates	% Proposed of Existing	Proposed Rates	% Proposed of FY 2022
Inches	Mcf	\$	\$	%	\$	%
5/8	0.0	28.02	28.96	3.4	30.70	6.0
5/8	0.2	43.50	45.04	3.5	47.85	6.2
5/8	0.3	51.24	53.07	3.6	56.43	6.3
5/8	0.4	58.98	61.11	3.6	65.01	6.4
5/8	0.5	66.73	69.15	3.6	73.58	6.4
5/8	0.6	74.46	77.18	3.7	82.15	6.4
5/8	0.7	82.20	85.22	3.7	90.73	6.5
5/8	0.8	89.94	93.25	3.7	99.31	6.5
5/8	1.7	159.60	165.59	3.8	176.49	6.6
5/8	2.7	232.63	243.40	4.6	259.46	6.6
5/8	3.3	275.33	289.42	5.1	308.52	6.6

Typical Senior

Typical Residential

Notes:

The FY 2021 figures reflect the existing base and current TAP-R rates, of \$0.57/MCF for water and \$0.78/MCF for sewer.

The FY 2022 figures reflect:

- (1) the proposed TAP-R rates, of \$0.70/MCF for water and \$1.07/MCF for sewer; and
- (2) the proposed FY 2022 base rates in accordance with the Settlement Agreement.

The FY 2023 figures reflect:

- (1) the proposed FY 2022 TAP-R rates, of \$0.70/MCF for water and \$1.07/MCF for sewer; and
- (2) the proposed FY 2023 base rates in accordance with the Settlement Agreement.

These rates are subject to reconciliation prior to implementation.

The TAP-R rates are subject to annual reconciliation.

Typical Senior Citizen is presented prior to discount. Eligible Senior Citizen's receive a 25% discount on their total bill.

The associated FY 2021, FY 2022, and FY 2023 bills would be \$38.43, \$39.80 and \$42.32, respectively.

Mcf - Thousand cubic feet

TABLE C-5

**COMBINED SYSTEM: COMPARISON OF EXAMPLE BILLS
FOR NON-RESIDENTIAL CUSTOMERS
UNDER EXISTING AND PROPOSED RATES**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				FY 2021	FY 2022		FY 2023	
Meter Size	Monthly Use	Impervious Area	Gross Area	Existing Rates	Proposed Rates	% Proposed of Existing	Proposed Rates	% Proposed of FY 2022
Inches	Mcf	sf	sf	\$	\$	%	\$	%
5/8	0.0	1,794	2,110	39.75	38.55	(3.0)	41.01	6.4
5/8	0.2	1,794	2,110	55.23	54.63	(1.1)	58.16	6.5
5/8	0.3	1,794	2,110	62.97	62.66	(0.5)	66.74	6.5
5/8	0.4	1,794	2,110	70.71	70.70	(0.0)	75.32	6.5
5/8	0.5	1,794	2,110	78.46	78.74	0.4	83.89	6.5
5/8	0.6	4,000	5,500	112.13	111.58	(0.5)	119.27	6.9
5/8	0.7	4,000	5,500	119.87	119.62	(0.2)	127.85	6.9
5/8	0.8	26,000	38,000	412.25	399.86	(3.0)	430.54	7.7
5/8	1.7	26,000	38,000	481.91	472.20	(2.0)	507.72	7.5
5/8	2.7	4,000	5,500	270.30	277.80	2.8	296.58	6.8
5/8	3.3	4,000	5,500	313.00	323.82	3.5	345.64	6.7
5/8	11.0	7,000	11,000	901.27	953.16	5.8	1,017.05	6.7
1	1.7	7,700	7,900	251.68	252.31	0.2	269.95	7.0
1	5.0	22,500	24,000	668.22	678.11	1.5	726.33	7.1
1	8.0	7,700	7,900	701.86	736.68	5.0	786.30	6.7
1	17.0	22,500	24,000	1,522.14	1,598.63	5.0	1,707.57	6.8
2	7.6	1,063	1,250	621.72	658.68	5.9	701.88	6.6
2	16.0	22,500	24,000	1,478.95	1,550.54	4.8	1,656.12	6.8
2	33.0	66,500	80,000	3,245.05	3,385.99	4.3	3,620.31	6.9
2	100.0	7,700	7,900	7,276.55	7,822.62	7.5	8,339.46	6.6
4	30.0	7,700	7,900	2,391.49	2,550.83	6.7	2,718.89	6.6
4	170.0	10,500	12,000	11,779.08	12,657.30	7.5	13,487.99	6.6
4	330.0	26,000	38,000	21,980.87	23,608.78	7.4	25,154.47	6.5
4	500.0	140,000	160,000	34,010.90	36,379.51	7.0	38,775.99	6.6
6	150.0	10,500	12,000	10,665.70	11,451.84	7.4	12,202.99	6.6
6	500.0	41,750	45,500	32,922.57	35,349.72	7.4	37,660.16	6.5
6	1,000.0	26,000	38,000	63,978.69	68,785.12	7.5	73,266.57	6.5
6	1,500.0	140,000	160,000	96,627.12	103,738.45	7.4	110,512.79	6.5
8	750.0	10,500	12,000	48,312.53	51,946.12	7.5	55,328.63	6.5
8	1,500.0	66,500	80,000	95,875.96	103,032.69	7.5	109,746.67	6.5
8	2,000.0	26,000	38,000	126,617.52	136,167.40	7.5	145,028.21	6.5
8	3,000.0	140,000	160,000	189,685.95	203,830.73	7.5	217,109.43	6.5
10	600.0	22,500	24,000	39,284.40	42,203.78	7.4	44,953.17	6.5
10	1,700.0	41,750	45,500	108,254.22	116,376.47	7.5	123,951.40	6.5
10	3,300.0	26,000	38,000	206,972.34	222,583.87	7.5	237,058.81	6.5
10	6,000.0	140,000	160,000	374,862.77	402,991.20	7.5	429,211.03	6.5

Typical Small Business

(a) Examples with gross area less than 5,000 square feet reflect an impervious area of 85% of the gross area consistent with PWD Regulations section 304.3.

(b) FY 2021 figures reflect existing base and current TAP-R rates, of \$0.57/MCF for water and \$0.78/MCF for sewer.

(c) FY 2022 figures reflect:

- (1) the proposed TAP-R rates, of \$0.70/MCF for water and \$1.07/MCF for sewer; and
- (2) the proposed FY 2022 base rates in accordance with the Settlement Agreement.

(d) The FY 2023 figures reflect:

- (1) the proposed FY 2023 TAP-R rates, of \$0.70/MCF for water and \$1.07/MCF for sewer; and
- (2) the proposed FY 2023 base rates in accordance with the Settlement Agreement. These rates are subject to reconciliation prior to implementation. The TAP-R rates are subject to annual reconciliation.

Mcf - Thousand cubic feet

sf - square feet

TABLE C-6: PROJECTED OPERATION AND MAINTENANCE EXPENSE
(in thousands of dollars)

Line No.	Description	2022	2023
Water and Wastewater Operations			
1	Personal Services	163,064	168,411
2	Pension and Benefits	127,517	134,360
3	Subtotal	290,581	302,770
Purchase of Services			
4	Power	14,800	14,874
5	Gas	4,602	4,671
6	SMIP/GARP	25,000	25,000
7	Other	144,781	147,147
8	Subtotal	189,183	191,692
Materials and Supplies			
9	Chemicals	25,950	26,599
10	Other	25,837	26,516
11	Subtotal	51,787	53,115
12	Equipment	4,686	4,817
13	Indemnities and Transfers	13,044	13,044
14	Subtotal Expenses	549,280	565,438
15	Liquidated Encumbrances	(31,810)	(32,374)
16	Total Expenses	517,470	533,064

TABLE C-7: PROJECTED CAPITAL IMPROVEMENT PROGRAM
(in thousands of dollars)

Line No.	Description	2022	2023
1	Engineering and Administration (a)	13,595	11,871
2	Plant Improvements	250,550	309,300
3	Distribution System Rehabilitation	30,760	106,760
4	Large Meter Replacement	5,000	5,000
5	Storm Flood Relief	-	15,000
6	Reconstruction of Sewers	45,260	68,360
7	Green Infrastructure	20,000	72,000
8	Vehicles	12,000	12,000
9	Total Improvements	377,165	600,291
10	Inflation Adjustment (b)	-	18,009
11	Inflated Total	377,165	618,300
12	Rollforward Adjustments	352,000	-
13	Total Inflated Adjusted CIP Budget	729,165	618,300
14	Contingency Adjustment	(105,536)	(89,057)
15	Annual Encumbrances	623,630	529,243
16	Project Expenses (c)	345,303	426,730
17	Annual Net Encumbrances	278,327	102,513

(a) Reflects shift in capital related salary costs from capital to operating budget.

(b) Allowance for inflation of 3.0 percent per year after fiscal year 2022.

(c) Reflects annual drawdown of capital budget appropriations based on project durations and annual encumbrances.

TABLE C-8: PROJECTED FLOW OF FUNDS - CONSTRUCTION FUND & DEBT RESERVE ACCOUNT
(in thousands of dollars)

Line No.	Description	2022	2023
Disposition of Revenue Bond Proceeds			
1	Proceeds From Sale of Bonds	240,000	500,000
	Transfers:		
2	Debt Reserve Fund (a)	14,465	21,136
3	Cost of Bond Issuance (b)	1,560	3,250
4	Refund Commercial Paper	-	200,000
5	Construction Fund (c)	223,975	275,614
6	Total Issue	240,000	500,000
Disposition of Commercial Paper			
7	Proceeds From Commercial Paper	200,000	200,000
	Transfers:		
8	Debt Reserve Fund (a)	2,000	2,000
9	Cost of Issuance	250	-
10	Construction Fund (c)	197,750	198,000
11	Total Issue	200,000	200,000
Construction Fund			
12	Beginning Balance	377,643	519,574
13	Transfer From Revenue Bond Proceeds	223,975	275,614
14	Transfer From Commercial Paper Proceeds	197,750	198,000
15	Penn Vest Loan	23,897	10,391
16	Capital Account Deposit	29,447	31,155
17	Transfer from Residual Fund	7,700	11,100
18	Interest Income on Construction Fund	4,464	5,693
19	Total Available	864,876	1,051,528
20	Net Cash Financing Required	345,303	426,730
21	Ending Balance	519,574	624,798
Capital Program Net Encumbrances			
22	Beginning Balance	234,373	512,700
23	Annual Encumbrances	623,630	529,243
24	Project Expenses	(345,303)	(426,730)
25	Ending Balance	512,700	615,213
26	Allowance Commitments Prior to Bond Issue	-	-
27	Target Balance	512,700	615,213
Debt Reserve Fund			
28	Beginning Balance	175,625	192,090
29	Transfer From Bond Proceeds	16,465	23,136
30	Debt Service Reserve Release	-	-
31	Ending Balance	192,090	215,225
32	Interest Income on Debt Reserve Fund	1,839	2,037

(a) Amount of Debt Reserve Fund estimated based on outstanding and proposed debt service payments.

(b) Cost of bonds issuance assumed at 0.65 percent of issue amount.

(c) Deposits equal proceeds from sale of bonds less transfers to Debt Reserve Fund and Costs of Issuance.

TABLE C-9: SUMMARY OF EXISTING AND PROPOSED DEBT SERVICE
(in thousands of dollars)

Line No.	Description	2022	2023
Revenue Bonds			
1	Existing (a)	163,516	164,558
	Proposed		
2	Fiscal Year 2022 (b)	8,000	14,131
3	Fiscal Year 2023 (c)		16,667
4	Fiscal Year 2024 (c)		
5	Fiscal Year 2025 (c)		
6	Fiscal Year 2026 (c)		
7	Total Proposed	8,000	30,798
8	Total Revenue Bonds	171,516	195,356
Pennvest Loans			
9	Pennvest Loans - Parity Pennvest (d)	10,885	11,067
Commercial Paper			
10	Commercial Paper	2,000	4,000
11	Total Senior Debt Service	184,401	210,423

(a) Projected debt service amounts include (i) debt service for the Series 2020A and 2020B Bonds which issued in FY 2021; and

(ii) debt service and savings from the Forward Refunding for the Series 2011A Bonds.

(b) Projected debt service amounts assume interest only payment for the first year of the bond authorization based on 4.00% interest rate; and assume issuance during the first quarter of the fiscal year.

(c) Projected debt service amounts assume interest only payment for the first year of the bond authorization based on 4.00% interest rate; and assume issuance during the first quarter of the fiscal year.

(d) Includes projected Pennvest Loan for the Torresdale Pump Station Rehabilitation.

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	FY 2023
		Monthly Charge	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) FY 2022 Monthly Charge	(2) 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

		(1)	(2)
		FY 2022	FY 2023
		Monthly	Monthly
Line No.	Description	Charge	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

		(1) FY 2022 Monthly Charge	(2) FY 2023 Monthly Charge
Line No.	Description		
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.

PHILADELPHIA WATER DEPARTMENT

Effective: September 1, 2021

RATES AND CHARGES

Effective: September 1, 2021.

1.0 DEFINITIONS.

(a) Condominium Properties: Real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(b) Customer: An owner, Tenant or occupant who by operation of law or agreement is responsible for payment of the charges for water/sewer/stormwater service at a Residential, Non-residential or Condominium Property.

(c) Department: The Philadelphia Water Department is the operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(d) Dwelling Unit: A single unit within a building providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

(e) Home Rule Charter: The Philadelphia Home Rule Charter, as codified in Pennsylvania First Class City Home Rule Act, April 21, 1949 P.L. 665, 351 Pa. Code §1-100 et seq.

(f) Mcf: Thousand cubic feet. The quantity charges in Sections 2, 3, 9 and 10 are expressed in Mcf.

1 Mcf = 1,000 cubic feet = 7,480 gallons

(g) Municipal Stormwater System: City owned and maintained real property, infrastructure or natural feature used and/or constructed for purposes of transporting, conveying, retaining, detaining, or discharging stormwater runoff.

(h) Non-residential Property: Real estate which cannot be classified as either Residential or Condominium. Real estate used exclusively as a cemetery shall not be considered Non-residential property.

(i) Philadelphia Code: The body of laws and regulations enacted by the Philadelphia City Council.

(j) Philadelphia Department of Records: An operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(k) Property: Any parcel of real estate identified in the records of the Philadelphia Department of Records.

(l) Property Owner: The owner of the particular parcel of real estate identified in the records of the Philadelphia Department of Records, or the grantee in a land transfer of record.

(m) Residential Property: Real estate used exclusively for residential purposes with at least one and no more than four Dwelling Units and which cannot be classified as Condominium Property. Property adjacent to Residential Property owned and utilized exclusively by the Residential Property owner for residential uses. Upon proof submitted to the Department, said properties shall be deemed by the Department to form one Residential parcel comprised of the Property and the Residential Property.

(n) Stormwater Management Practice (SMP): Any man-made structure that is designed and constructed to detain, infiltrate, or otherwise control stormwater runoff quality, rate, or quantity.

(o) Surface Discharge: The discharge of stormwater runoff from a property to an adjacent surface water body, without the use of City infrastructure.

(p) Undeveloped Property: Property classified by the Board of Revision of Taxes as SB, SC, SI, SR, or SS; Undeveloped refers to the status of the property as having no structures and is not related to whether the property has ever been developed.

(q) Water Commissioner: The Water Commissioner of the City of Philadelphia who performs the duties and obligations as set forth in the Philadelphia Home Rule Charter and the Philadelphia Code.

1.1 Conformity with Existing Law.

Nothing contained herein shall be deemed to overrule or annul any existing provisions of the Home Rule Charter or the Philadelphia Code.

1.2 Severability.

If any provision, paragraph, word or sections herein is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words and sections shall not be affected and shall continue in full force and effect.

2.0 WATER CHARGES

Charges for water service supplied by the City of Philadelphia shall be effective on September 1, 2021, as follows:

2.1 General Customers.

Charges for the supplying of water shall be determined and billed as follows:

(a) Charges and billing in general.

(1) Water charges shall consist of a service charge and quantity charge.

(2) A service charge shall be billed monthly.

(3) As set forth in Section 2.1(b), the type and size of the meter shall determine the service charge.

(4) In addition, there shall be a quantity charge as provided herein for water used in a monthly billing cycle, either as metered or as estimated.

(5) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be the period between the dates of scheduled metered readings, actual or estimated.

(b) Monthly service charges.

(1) Effective September 1, 2021 and thereafter, the monthly service charge for the various types and sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$4.90
3/4	Z	5.28
1	Q	6.46
1 -1/2	P	8.75
2	X	12.26
3	O	19.61
4	W	35.46
6	N	66.76
8	V	101.84
10	E	148.99
12	T	245.14

Residential Fire Sprinkler System Meters

<u>Size</u>	<u>Code</u>	<u>Charge</u>
3/4	Z	7.00
1	Q	8.18
1 -1/2	P	10.47
2	X	13.98

(c) Quantity charges

In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge set forth below to all water use. In addition, the quantity charge will also include a Tiered Assistance Program (TAP) Rate Rider Surcharge, as set forth in Section 10.

(1) Effective September 1, 2021 and thereafter, the quantity charge portion of each bill shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons.

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	\$45.99	\$0.70	\$46.69
Next 98 Mcf (2.1 to 100 Mcf)	42.33	0.70	43.03
Next 1,900 Mcf (100.1 to 2,000 Mcf)	32.84	0.70	33.54
Over 2,000 Mcf	31.94	0.70	32.64

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

(d) Temporary Transitional Provisions: Some special customers whose charges are now based on meter size may find that they are in fact 'over-metered' - their metered service is too large for their actual requirements and results in excessive bills. They may apply for a downward revision in the size of their meters. After the approval of the Department, the revision of plumbing arrangements and the installation of smaller meter, the lower charge by meter size shall apply.

3.0 SEWER CHARGES

Charges for sewer service supplied by the City of Philadelphia shall be effective on September 1, 2021, as follows:

3.1 General Customers.

(a) All customers discharging wastewater into the City's wastewater system shall pay sewer charges as set forth in Section 3.3. In addition to the charges set forth in Section 3.3, all customers discharging wastewater whose pollutant content is greater than the pollutant content of Normal Wastewater, as defined below in Section 3.1(b), shall pay an additional surcharge as set forth in Section 3.4.

(b) Normal Wastewater subject to the regular sewer charges set forth in Section 3.3 is that wastewater which contains 250 milligrams per liter or less of five day biochemical oxygen demand (BOD₅) and 350 milligrams or less per liter or less of suspended solids (SS).

(c) Wastewater subject to the surcharge set forth in Section 3.4 is that wastewater which contains either more than 250 milligrams per liter of BOD₅ or more than 350 milligrams per liter of SS, or both.

3.2 Charges.

(a) Sewer charges shall consist of a service charge and a quantity charge.

(b) A service charge shall be billed monthly.

(c) As set forth in Section 3.3(a), the size of the meter shall determine the service charge.

(d) In addition, as set forth in Section 3.3(b), there shall be a quantity charge for sewer service in a monthly billing cycle, either as metered or as estimated.

(e) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be between the dates of scheduled metered readings, actual or estimated. Quantity charges imposed shall be based on the water usage of the Property served.

3.3 Regular Sewer Charges.

(a) Monthly service charges shall be determined and billed as follows:

(1) Effective September 1, 2021 and thereafter, the monthly service charge for the various sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$7.20
3/4	Z	9.16
1	Q	13.40
1 -1/2	P	23.50
2	X	36.22

3	O	65.25
4	W	110.93
6	N	218.57
8	V	345.77
10	E	499.09
12	T	906.63

Residential Fire Sprinkler System Meters

Size Code Charge

3/4	Z	7.20
1	Q	7.20
1 -1/2	P	7.20
2	X	7.20

(b) Quantity charge

In addition to the service charge, the quantity charge portion of each sewer bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons

(1) Effective September 1, 2021 and thereafter, the quantity charge shall be:

<u>Base Charge</u>	<u>TAP-R</u>	<u>Total Charge</u>
<u>Per Mcf</u>	<u>Per Mcf</u>	<u>Per Mcf</u>
\$32.61	\$1.07	\$33.68

3.4 Surcharge.

(a) Effective September 1, 2021 and thereafter, the surcharge for wastewater by definition in excess of Normal Wastewater shall be fixed at thirty-seven and five tenths cents (\$0.375) per pound of pollutants received into the wastewater system in excess of 250 milligrams per liter of BOD₅ and thirty-nine and three tenths cents (\$0.393) per pound of pollutants received into the wastewater system in excess of 350 milligrams per liter of SS.

(b) The BOD₅ and SS of wastewater shall be determined from samples taken on the Customer's Property at any period or time and of such duration and in such manner as the Department may prescribe or at any place mutually agreed upon between the Customer and the Department. With prior written approval of the Department, the results of routine

sampling and analyses by the Customer may be used in determining the amount of the surcharge.

(c) If, in the Department's judgment, sampling of wastewater is neither feasible nor practical, the Department, for billing purposes, may base BOD₅ and SS of the wastewater on sampling results for similar discharge and/or values obtained from technical literature.

(d) Customers discharging wastewater subject to the surcharge shall, as prescribed by the Department:

(1) Install and maintain such facilities for sampling and measuring the wastewater discharged from their properties; and

(2) Maintain such records and information deemed necessary for the determination of the surcharge.

(e) Customers, as required from time to time, shall file with the Department responses to a questionnaire establishing or revising pertinent information on the quantity of flow and the quality of wastewater and other data deemed necessary for the determination of the surcharge.

(f) Measurements, tests and analyses of the characteristics of wastewater subject to surcharge shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(g) The surcharge shall be applied to the total wastewater discharged less any portion excluded by the Department.

3.5 Sewer Credits.

Pursuant to Section 13-101(6) of the Philadelphia Code, the method of crediting water users' sewer bills for City water used but not discharged into the wastewater disposal system shall be as follows.

(a) Eligibility. Where commercial and industrial facilities that use City water do not discharge all of such water into the wastewater system, the quantity of such water may be excluded in determining the proper sewer charge, provided that:

(1) at least 5% of water used, or

(2) 225,000 cubic feet per year, whichever is less, is not discharged into the wastewater system.

(b) Determination of the Amount of Exclusion. To determine the amount of such exclusion the Customer shall install a meter or measuring device satisfactory to the Department provided that, if in the opinion of the Department, it is not feasible to install a meter or measuring device, some other satisfactory method of measuring (“credit factor”) may be designated by the Department on application of the Customer.

(c) Fee for Application. When the Customer applies to the Department for a determination on the quantity of water to be excluded by some method other than metering of the sewer, or re-applies for a revised method measuring a larger quantity of water to be excluded, there shall be charge of four hundred and fifteen dollars (\$415) for the review of such application.

(d) Effective Date of Credits and Approved Credit Factors. Credits on a water user’s sewer bills for quantities of water used but not discharged into the wastewater disposal system shall be effective from the submission date of an approved application. In order to be reviewed for approval, applications shall be complete, submitted on forms provided by the Department and shall be accompanied by a check payable to the City of Philadelphia in the amount required in Section 3.5(c). No credits shall be made retroactively.

(e) Review of Approved Credit Factors. The Department reserves the right to review approved credit factors. Customers may, from time to time, be required to submit current water use and sewer discharge information. Customers may also be required to submit new applications for the credit factor. Failure to comply with the Department’s requests for information or new applications may result in termination of the Customer’s credit factor.

(f) Failure to Inform the Department of Increased Sewer Use. Customers with credit factors who fail to inform the Department of increased discharges to the wastewater system shall be subject to the imposition of the full charges for sewer use based on total water usage from the most recent application date, with applicable interest. In addition, the Department may impose a fine of two hundred and seventy five dollars (\$275) for each billing period from the application date.

4.0 STORMWATER MANAGEMENT SERVICE CHARGES

Charges for Stormwater Management Services (SWMS) supplied by the City of Philadelphia shall be effective September 1, 2021 as follows:

4.1 Charges.

All properties within the City shall be billed a SWMS charge.

4.2 Residential Properties.

All Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Effective September 1, 2021 and thereafter all Residential Properties shall be charged the rates listed below:

<u>SWMS</u>	<u>Billing & Collection</u>
\$15.04	\$1.82

(b) Residential Properties which do not have sewer service and which also have previously been charged only for water service shall be charged the rates shown above at 4.2 (a).

4.3 Non-Residential Properties.

Non-Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Non-residential Properties shall be charged based on the Gross Area (GA) of the Property and the Impervious Area (IA) of the Property.

(1) GA includes all of the Property area within the legally described boundaries except streets, medians, and sidewalks in the public right-of-way and railroad tracks and station platforms in the railroad right-of-way.

(2) IA includes surfaces which are compacted or covered with material that restricts infiltration of water, including semi-pervious surfaces such as compacted clay, most conventionally hard-scaped surfaces such as streets, driveways, roofs, sidewalks, parking lots, attached and detached structures, and other similar surfaces.

(i) For Non-residential Properties with less than 5,000 square feet GA, the IA shall be estimated as a percentage of GA.

(A) For Undeveloped Property as defined in Section 1.0, the IA shall be 25% of the GA.

(B) For other Properties, the IA shall be 85% of the GA.

(3) In determining the GA Factor and IA Factor of a Property for the SWMS charge, the Department shall use increments of 500 square feet rounding up to the next highest increment.

(4) Calculating the Monthly SWMS charge. The monthly SWMS charge for each Non-residential Property is calculated by:

(i) dividing the GA in square feet by 500 and rounding up to the next whole unit to determine the GA Factor, then multiplying the GA Factor by the GA Rate to determine the GA charge;

(ii) dividing the IA in square feet by 500 and rounding up to the next whole unit to determine the IA Factor, then multiplying the IA Factor by the IA Rate to determine the IA charge;

(iii) the addition of the GA charge and the IA Charge equals the SWMS charge; and

(iv) the addition of the SWMS charge and the Billing and Collection charge together equals the total monthly stormwater charge.

(5) Rates for GA, IA and Billing and Collection.

(i) Effective September 1, 2021 and thereafter, the Rates shall be as follows:

<u>GA</u> (\$/500 s.f.)	<u>IA</u> (\$/500 s.f.)	<u>Billing & Collection</u>
0.724	5.117	\$2.36

(6) Minimum Monthly Charges. Non-residential Properties shall be subject to a minimum monthly charge. If the monthly charge calculated in Section 4.3(a)(4) is less than the monthly charges listed below then the monthly charges below shall be billed to the Property.

<u>SWMS</u>	<u>Billing & Collection</u>
\$15.04	\$2.36

(7) Adjustment Appeal Procedure.

(i) Customers may appeal the GA and/or IA calculations, property classification, or charge distribution of their property.

(ii) Adjustments shall be made using forms and procedures as defined by the Credits and Adjustment Appeals Manual and sent to:

Philadelphia Water Department

SWMS Charge Appeals
1101 Market Street
4th Floor
Philadelphia, PA 19107-2994

(iii) Adjustments to the GA and/or IA determination are separate and distinct from the billing review procedures established by Section 19-1702 of the Philadelphia Code.

(iv) The grounds supporting the adjustment shall be stated in writing, and include any exhibits, such as photographs, drawings or maps, site plans, and affidavits that support the claim. In addition, a land survey prepared by a registered surveyor shall be attached showing all Dwelling Units, total property area, type of surface material and impervious area, as appropriate, and any other information requested in writing by the Department. The Department may waive the submission of a land survey, if the Department determines that the survey is not necessary to make a determination on the appeal.

(v) The Customer filing the appeal is solely responsible to demonstrate, by clear and convincing evidence, that the GA and/or IA square footage information used by the Department, from which the adjustment appeal is being taken, is erroneous.

(vi) The filing of a notice of an adjustment appeal shall not stay the imposition, calculation or duty to pay the SWMS charge.

(vii) If the adjustment appeal results in a revised GA and/or IA calculation, correction of property classification, correction of parcel identification, or revisions to the default charge allocation, then the adjusted SWMS Charge will be effective from the date of receipt of the Adjustment Appeals Application; except that the Department may authorize WRB to credit accounts for adjustments to the GA and/or IA calculation for a period not to exceed three years prior to receipt of the Adjustment Appeals Application if the Customer filing the appeal demonstrates, by clear and convincing evidence, that it was eligible for and qualified to receive the adjustment during the three year period prior to the receipt of the Adjustment Appeals Application was incorrect.

(8) Multiple Accounts Serving One Property. Where there are multiple water accounts on a single Property, the entire SWMS charge of that Property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection charge. Property Owners shall have the opportunity to request an alternative allocation of the SWMS Charge.

4.4 Condominium Properties.

(a) Condominium Properties shall be charged SWMS and Billing and Collection charges on the same terms as Non-residential Properties under Section 4.3, but shall be billed as follows:

(1) Condominium Properties with a single water meter account shall be billed such that the entire SWMS charge of the condominium complex property plus a Billing and Collection Charge are billed to that single account.

(2) Condominium Properties with individual water meter accounts for each unit shall be billed such that the entire SWMS charge of the condominium complex property shall be divided and billed equally to each individual account. In addition, each account shall be billed a Billing and Collection Charge.

(3) Condominium Properties with more than one water meter, but without individual water meters for each unit, shall be billed such that the entire SWMS charge of the condominium complex property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection Charge. The Condominium Owner's Association shall have the opportunity to request an alternative allocation of the SWMS charge.

4.5 SWMS Credits

(a) Eligibility.

(1) Accounts on Non-residential and Condominium properties must be current to be eligible for credits.

(2) The Customer shall make the Property available for inspection by the Department and provide all necessary documentation for purposes of verifying the appropriateness of a SWMS credit(s).

(3) The Customer shall fulfill credit requirements, as described in Section 4.5(c) below, in accordance with the maintenance guidelines as prescribed by the Department, including any and all inspection and reporting obligations.

(b) Classes of Credits. There are three classes of credits: IA Credit, GA Credit, and NPDES Credit. The IA Credit provides a reduction to the IA Charge; the GA Credit provides a reduction to GA Charge; and the NPDES Credit provides reduction to the total SWMS Charge. A Property may be approved for credits from each of the three classes; however, if the resulting SWMS Charge after the application of any credits is less than the Non-residential minimum monthly charge, then the minimum monthly charge will apply.

(c) Credit Requirements.

(1) IA Credit. IA Credit is available for the portion of IA on a property where stormwater runoff is managed (IA Managed). IA Managed is achieved as follows:

(i) For areas of the property that meet the requirements of the following Impervious Area Reductions (IAR), as described in the Stormwater Credits and Adjustment Appeals Manual, a direct reduction in the billable IA may be applied:

- (A) Rooftop disconnection,
- (B) Pavement disconnection, or
- (C) Tree canopy coverage.

(ii) For Properties with PWD-approved Stormwater Management Practices constructed per Chapter 6 of the Department's regulations, the customer must demonstrate compliance with the regulations, including management of the first 1.5 inches of runoff and any and all required reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iii) For properties with PWD-approved Stormwater Management Practices, including those constructed with Department stormwater grant funds, the customer must demonstrate management of the first 1.5" of runoff and SMP compliance per the approved record drawing and any and all reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iv) The Department may approve a Property for IA credit for Non-Surface Water Discharges under the credit requirements in effect before September 1, 2021, if the Department receives a credit application for that Property on or before September 1, 2021. Such Properties property receiving credit under the credit requirements in effect before September 1, 2021 may continue to receive the credit under those requirements until the credit expires. Upon expiration of the credit, the current or future Property Owners of such Properties may renew the credit under the credit requirements in effect before September 1, 2021 by submitting a renewal application(s) in accordance with Subsection 4.5(f)(4) unless and until this section is modified.¹

(v) For Surface Discharges, the Customer must demonstrate that a portion or all of the impervious area discharges directly to a surface water body.

(2) GA Credit.

(i) Impervious area only. Impervious area shall receive a GA credit based on the criteria defined in Section 4.5(c)(1)(ii), (iii), (iv) and (v) herein.

(ii) Open Space area only. Open Space area is non-impervious area and is calculated as GA minus IA. The Customer must demonstrate a Natural Resource

¹ Prior to September 1, 2021, Customers of Properties with non-Surface Discharges were required to demonstrate management of the first inch of stormwater runoff in one of the three following ways: (1) infiltration, (2) detention and slow release, and/or (3) routing through an approved volume -reducing SMP.

Conservation Service Curve Number (NRCS-CN) below a certain value as described in the Credits and Adjustment Appeals Manual.

(3) National Pollutant Discharge Elimination System (NPDES) Credit. The Customer must demonstrate the property is subject to and in compliance with a NPDES Permit for industrial stormwater discharge activities.

(d) Credit Maximum.

(1) IA Credit Maximum. IA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% IA Credit for the IA Managed.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% IA credit for the IA Managed.

(2) GA Credit Maximum. GA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% GA Credit.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% GA credit.

(3) NPDES Credit Maximum. Eligible properties shall receive a maximum of 7% NPDES credit as described in the Credit and Adjustment Appeals Manual.

(e) Application of Credits

The application of the three classes of credits in calculating a property's monthly SWMS charge shall be described in the Credits and Adjustment Appeals Manual.

(f) Administration of Credits.

(1) A Customer shall apply for credits using application forms and submitting the required documentation as defined in the Credits and Adjustment Appeals Manual.

(2) Any engineering or other costs incurred in completing the application shall be borne by the Customer.

(3) Credits shall be effective upon receipt of a complete application.

(4) All credits shall expire four (4) years from the effective date of the credit. A Customer may renew credits by submitting a renewal application, documentation required by the Department as defined in the Credits and Adjustment Appeals Manual, and paying a renewal fee of one hundred and forty dollars (\$140).

(g) Termination of Credits.

(1) The Department may review any approved credit at any time to verify its continued applicability. Customers may from time to time be asked to submit documentation and/or grant access to the Property receiving the credit. Failure to comply with such requests may result in the termination of the credit(s).

(2) The Customer's failure to meet credit requirements or comply with inspection and reporting obligations, in accordance with Section 4.5(a)(3), shall result in a suspension or revocation of all affected credits pursuant to the procedures issued by the Department.

(h) The Department may, at its sole discretion, issue stormwater credits to individual parcels where stormwater management is being implemented on a shared, collective basis by an organization representing different parcel owners within a defined geographic area.

5.0 BILLING FOR WATER, SEWER AND STORMWATER SERVICE

5.1 Billing.

(a) Estimated Usage and Billing. When an accurate meter reading cannot be obtained at the time of a scheduled meter reading or when necessary for administrative purposes, the quantity of water used may be estimated for billing purposes. Estimated usage will be based upon actual meter readings from prior cycles or by such other fair and reasonable methods as shall be approved by the Water Commissioner. Where the water usage is estimated because of inability to read the meter, any necessary corrections shall be made at the time of the next actual meter reading, or when appropriate.

(b) Charges to be Combined. At the discretion of the Water Commissioner, each bill may combine in one amount the service charge and any quantity charges for water, sewer and stormwater, if applicable.

(c) Bills Due and Payable. All bills are due and payable when rendered.

(d) Penalties for Late Payments.

(1) If current water, sewer, and stormwater bills are not paid within thirty (30) days from the date indicated on the bill, a penalty of five percent (5%) shall be imposed.

(2) An additional penalty of one half of one percent (0.5%) shall be imposed and added to water, sewer, and stormwater bills, and their penalties, on the due date of the bill

of each succeeding cycle, except that a period of thirty (30) days shall elapse before the first additional penalty is imposed.

(3) If any water, sewer, and stormwater bill remains unpaid for two cycles after the bill has been rendered, the Revenue Department shall serve a notice of termination upon the delinquent Property Owner and, if the charge, with penalties thereon, is not paid within ten (10) days after such service of notice, the Department, in its discretion, may suspend water service to the Property until the charge with penalties is paid. Penalties for late payment are set by ordinance, not by regulation, and any amendments to the current ordinance shall apply as provided therein.

(e) Balance Due. Each bill shall include any balances due for bills issued from October 1, 2000, including penalties.

(f) Changes in Meter Size. When a change in meter size is made, the charge for the new meter size shall become effective on the date of such change.

(g) Unmetered Customers.

(1) Unmetered Customers shall be billed the same charges established for metered Customers. The water and sewer service charges will be determined by the size of the meter which would be installed for an equivalent service at a similar property. The SWMS charges will be determined based on Section 4.0. The Revenue Department shall estimate the quantity of water used and bill accordingly using the applicable water and sewer quantity charges.

(2) Where unmetered wastewater is discharged to the sewer system without adequate sewer metering, the Department reserves the right to bill the amount of flow based upon its engineering judgment of a reasonable estimate of unmetered usage.

(h) Unoccupied Property.

The billing of unoccupied Properties for water and sewer shall be discontinued only on issuance of a Discontinuance of Water permit. Nothing in this Section shall relieve a Property Owner of his responsibility for maintaining a service line unless a Discontinuance of Water permit has been secured. Under no circumstances will the stormwater service charge be terminated.

(i) Extraordinary Uses or Appliances.

In the event that extraordinary or peculiar uses or appliances, in the opinion of the Water Commissioner, warrant a special charge not provided herein, such charges shall be as fixed by the Water Commissioner in writing.

5.2 Special Customers.

The water, sewer and stormwater management service charges established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq. shall be applied to all general Customers, except the following groups of special Customers:

(a) GROUP I

(1) Public and private schools which provide instruction up to or below the twelfth grade but not beyond that grade, and excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(2) Institutions of “purely public charity”, as defined by Pennsylvania law, except universities and colleges and excluding service to any separate or adjoining facilities or structures not used exclusively for the principal purpose of the charity.

(3) Places used for actual religious worship.

(b) GROUP II

(1) Residences of eligible senior citizens provided that the senior citizen shall:

(i) Make application for such reduction to the Revenue Department within the first billing period for which reduction is sought; and

(ii) Submit satisfactory proof that the applicant is 65 years of age or older and that he or she makes payment directly to the City for water, sewer, and stormwater service to his or her residence which is located in the City of Philadelphia; and

(iii) Submit satisfactory proof to the Revenue Department that the applicant does not exceed the household income limitation of \$33,300 per year established by the Department. The above income limitation shall apply to those applying for this discount subsequent to June 30, 1982.

(iv) Effective with each subsequent general rate change in the water/sewer/stormwater charges, the Department shall adjust the Senior Citizen Income Limitation using the latest Consumer Price Index data available, as defined in the Philadelphia Code at Section 19-1901.

(c) GROUP III

(1) Universities and colleges, excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(d) GROUP IV

(1) Public housing properties of the Philadelphia Housing Authority.

(e) GROUP V

(1) Group V Customers are Customers enrolled in the Income-Based Water Revenue Assistance Program (IWRAP) described in Section 19-1605 of the Philadelphia Code after the Water Revenue Bureau begins to issue IWRAP bills. Monthly bills for a Customer enrolled in IWRAP will be determined based on the Customer's family size and household income and will be charged in lieu of the service, usage and stormwater charges established in Sections 2.0 et seq., 3.0 et seq. and 4.0 et seq. for general Customers. Group V Customers will pay a percentage of his/her household income depending on where that Customer falls within the Federal Poverty Guidelines (FPL), subject to a minimum bill amount of \$12 per month.

(2) For determining the amount of service, usage and stormwater charges on monthly bills, Group V Customers will be defined according to three income tiers as follows:

(i) Group V-A. Group V Customers whose gross household income has been verified as being from 0% of FPL and up to and including 50% of FPL

(ii) Group V-B. Group V Customers whose gross household income has been verified as being greater than 50% of FPL and up to and including 100% of FPL.

(iii) Group V-C. Group V Customers whose gross household income has been verified as being greater than 100% of FPL and up to and including 150% of FPL.

(f) GROUP VI

(1) Customers with parcels eligible for a discount from the stormwater management service charge as a qualified Community Garden pursuant to Section 19-1603 of the Philadelphia Code and regulations promulgated by the Water Department under that Section.

(g) GROUP VII

(1) All unoccupied properties of the Philadelphia Land Bank.

(h) Charges for Special Customers

(1) As of September 1, 2021, the charges to Groups I, II, and III of special Customers listed above shall be seventy-five percent (75%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges. The charges to Group IV Customers shall be ninety-five percent (95%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges.

(2) Group V Customers enrolled in IWRAP after the Water Revenue Bureau

begins to issue IWRAP bills will be responsible for paying the following charges for service, usage and stormwater charges, or \$12 per month, whichever is greater:

(i) Group V-A: 2.0% of household income.

(ii) Group V-B: 2.5% of household income.

(iii) Group V-C: 3% of household income.

(3) Group VI: Effective with bills issued on or after January 1, 2017, Group VI special Customers will receive a 100% discount on the stormwater management service charges for parcels classified by the Department as Community Gardens upon approval of an application for a discount consistent with Section 19-1603 of the Philadelphia Code and regulations promulgated by the Department under that Section.

(4) Group VII: Effective with bills issued on or after September 1, 2018, Group VII special Customers are fully exempt from all water, sewer and stormwater management rates and charges.

(i) All of these special Customers shall meter all water connections and they shall be subject to all provisions herein not inconsistent with Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq.

(j) All special Customers are subject at any time to review as to their special charges by the Department or the Water Revenue Bureau and may be required to furnish adequate evidence supporting the continuance of such charges to the Department or the Water Revenue Bureau upon written notice to do so. Failure to furnish such evidence shall be sufficient ground for denial or termination of such special charges.

(k) Special charges may be granted subject to the Department's review and approval of the size of the meter installed.

(l) When the special use for which the special charge is granted ceases, the special charge ceases and the charges for general Customers shall apply thereafter.

(m) When any vacant or unoccupied premises are acquired by the City, charges for water and sewer, including charges relating to storm water management and disposal, shall terminate on the date that such premises are acquired.

(n) When any property is acquired or held by the Philadelphia Housing Development Corporation or acquired or held by the City or the Redevelopment Authority pursuant to Chapters 16-400 or 16-500 of the Philadelphia Code, charges for water and sewer, including charges relating to storm water management and disposal, shall be abated.

5.3 Eligibility for Charity Rates and Charges.

(a) Organizations seeking the Charity Rates and Charges must submit an application to the Department. Applicants must use forms provided by the Department, and submitted applications must be completed to the satisfaction of the Department.

(b) Applications must be made in the name of the organization seeking the Charity Rates and Charges. All accounts for which an organization is requesting the Charity Rates and Charges must be in the identical name as that on the application.

(c) Any account for a Property for which the Charity Rates and Charges are sought must be current and remain in good standing with no service violations or violations of the requirements of § 17-107(12) (“Recipients of Financial Assistance”) applicable to properties that benefit from financial assistance in connection with the receipt of charity rates and charges to maintain eligibility for any discounts issued herein. Any breach of this condition shall result in the loss of eligibility for the discount.

(d) To be eligible for water and sewer Charity Rates and Charges, the Property must not have any outstanding Department or Plumbing Code violations; the Property must have an operating water meter that is in compliance with current Department specifications, and the property must have a current water meter reading. If the property is receiving stormwater service only, the above provision regarding metering shall not apply. To be eligible for SWMS Charity Rates and Charges, the Property must not have any outstanding Department violations. Applicant must be either an owner of the Property or a Tenant of the property for which the SWMS charge is assessed.

(e) Charity Rates and Charges shall be charged to the eligible organization from the application date of an approved application. No retroactive reductions from the General Customer rates and charges will be permitted.

5.4 Account Review.

The Department, from time to time, may review the status of organizations receiving Charity Rates and Charges.

During this review, eligible organizations may be required to submit new applications.

5.5 Suspension of Charity Rates and Charges (Groups I and III)

(a) Organizations that have been approved for Charity Rates and Charges must make timely payments on accounts in order to remain eligible for these discounted rates and charges.

(b) An organization that fails to make on-time payments for two (2) consecutive billing cycles shall be suspended from the Charity Rates and Charges, and shall be required to pay the same rate(s) as the General Customer rates and charges for all services. The suspension period shall remain in effect for a minimum of one (1) year.

(c) Reinstatement of the Charity Rates and Charges will not occur until a full year of on-time payments has been made. Suspended organizations must then submit an application as described in Section 5.3. Charity Rates and Charges will not be retroactive for the period of suspension.

(d) Customers shall be informed by first class mail of the suspension of the Charity Rates and Charges.

5.6 Hearing.

Organizations that have been denied eligibility or have been suspended from the Charity Rates and Charges may request an informal hearing.

5.7 No Waiver.

Nothing herein shall limit the Department on its own findings or at the request of another City agency from suspending Charity Rates and Charges from organizations which have violated City law or regulations and thereby under such City law or regulations have forfeited such privileges as the Charity Rates and Charges.

6.0 MISCELLANEOUS WATER CHARGES

Charges for miscellaneous water services supplied by the City of Philadelphia shall become effective September 1, 2021 as follows:

6.1 Meter Test Charges.

(a) A Customer may apply to the Department for a test of the accuracy of the registration of a water meter (Meter Test). At the Customer's request, the Department shall notify the Customer of the time and place of the test so that the Customer may be present.

(b) In testing, meters may be removed from the line and replaced by a tested meter. If removed, the meter shall be tested at the Department's Meter Shop. Meters may also be tested and recalibrated in place without removal and replacement.

(c) All meters shall be removed, replaced, tested or calibrated during the Department's regular business hours (9:00 a.m. to 4:45 p.m.).

(d) A Customer may request a Meter Test to be performed outside the regular business hours of the Department under the following conditions:

(1) the Department has staff available and agrees to a time outside the regular business hours of the Department; and,

(2) the Customer agrees to pay the overtime and added expenses, whether the meter passes or fails the test.

(e) If the register on the meter is found upon testing to be registering within two percent (2%) of the actual volume of water passing through the meter, or registering in favor of the Customer, the Customer will be assessed a Meter Test Charge as follows:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$210
1", 1-1/2", 2"	\$280
3", 4", 6", 8", 10", 12"	\$640

Field Tests, 3" and above	\$640

(plus any charges and/or expenses incurred for work performed outside the regular hours of business, if requested by the Customer).

(f) If the meter is found upon testing to be registering in excess of 102% of the actual volume of water passing through the meter, the Customer shall not be assessed a Meter Test charge as provided for in subsection (e); and, WRB shall review the billing history of the tested meter for a period not to exceed three years on the basis of the corrected registration and revise it as necessary.

(g) The Department will, at the request of a Customer, test his or her meter at no charge once every twenty years. Additional tests are subject to the charges listed in Section 6.1(e).

6.2 Charges for Furnishing and Installation of Water Meters.

The charges for furnishing and installing water meters are as follows.

(a) For work which involves the furnishing and setting of a water meter and meter interface unit (MIU), the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$255
3/4 RFSS	435
1"	430
1" RFSS	520
1 1/2"	805
1 1/2" RFSS	750
2"	905
2" RFSS	970
3" Compound	2,370

3" Turbine	1,485
3" Fire Series	3,370
4" Compound	2,785
4" Turbine	2,525
4" Fire Series	3,660
4" Fire Assembly	6,015
6" Compound	4,815
6" Turbine	4,065
6" Fire Series	5,310
6" Fire Assembly	7,915
8" Turbine	5,445
8" Fire Series	6,080
8" Fire Assembly	11,135
10" Turbine	7,785
10" Fire Series	8,515
10" Fire Assembly	15,300
12" Turbine	7,900
12" Fire Series	8,705
12" Fire Assembly	16,170

(b) For work which involves only the furnishing and setting of an MIU, the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 105
3/4" RFSS	105
1"	190
1 " RFSS	190
1 1/2"	190
1 1/2" RFSS	190
2"	190
2" RFSS	190
3" Compound	515
3" Turbine	515
4" Compound	515
4" Turbine	515
6" Compound	515
6" Turbine	515
8"	515
10"	515

(c) If extraordinary work is required in connection with the installation of a water meter or the replacement of a damaged meter, additional charges shall be computed using actual salaries and materials expended, plus applicable overhead costs.

(d) The Property Owner shall be responsible for safeguarding the meter and seals and shall pay for necessary repairs and replacements due to his/her failure to provide adequate protection to the meter and seals from theft, vandalism, freezing, tampering or other damage. The Property Owner shall also be responsible for the repair and maintenance of the plumbing accessory to the meter, such as inoperable valves, weakened service pipes and fittings, etc. and shall provide and pay for such plumbing, repair and maintenance as City metering needs may require.

6.3 Tampering of Meter.

(a) In the event that an investigation indicates that tampering of a meter has occurred, the following charges to the Customer shall be assessed:

<u>Meter Size</u>	<u>Charge</u>
5/8" or 3/4"	\$ 120
1", 1½", 2"	210
3" and larger	570

6.4 Shut-Off and Restoration of Water Service.

(a) If the Department is required to visit a Property to shut off service for non-payment; and, payment is tendered at the time of the shut-off, a charge of one hundred and five dollars (\$105) will be assessed, with the exception stated in Section 6.4(e).

(b) A one hundred and five dollar (\$105) charge will be assessed if shut-off of the water service is required as a result of non-compliance with a Notice of Defect and/or metering non-compliance.

(c) After termination of water service for non-payment or violation of service requirements, restoration of water service will not be made until the following charges have been paid in full or payment arrangements satisfactory to the Revenue Department have been made.

- (1) Where the only work required is operating the service valve:
 - (i) service lines 2" and smaller.....\$105
with the exception stated in Section 6.4(e)
 - (ii) service lines larger than 2".....\$280
- (2) Where the curb stop is obstructed, the access box missing or otherwise requires excavation\$830
- (3) Where the curb stop is inoperable and a new curb stop must be installed...\$950

(4) Where the curb stop is obstructed, the access box missing, or otherwise requires excavation, and replacement of footway paving is required.....\$905

(5) Where the curb stop is inoperable and a new curb box must be installed and replacement of footway paving is required.....\$950

(6) Where excavation and shut-off of the ferrule at the water main is required\$2,165

(d) If the Department is required to remove concrete footway paving in order to perform the shut-off and/or restoration, the footway will be replaced by the Department and the preceding charges applied unless proof has been provided to the Department that some other qualified person will replace the paving.

(e) A charge of \$12 will be assessed if a Customer is enrolled in IWRAP and the Department is required to visit the Property to:

(1) shut off service for non-payment; and, payment is tendered at the time of the shut-off; or

(2) restore water service after termination of water service for non-payment or violation of service requirements.

6.5 Pumping of Properties.

The following charges shall apply for the pumping of water from properties when the condition requiring such service is not caused by the Department.

(a) Occupied Properties

(1) Pumping of water from occupied Properties may be done at the Property Owner's request and expense.

(2) Pumping of other Properties due to the failure of a Property Owner's piping may be performed by the Department and be charged to the Property Owner of the Property at which the failure occurred.

(3) Charges for pumping shall be calculated at actual salaries and materials expended, plus applicable overhead costs.

(b) Unoccupied Properties

The Department may, at its sole and exclusive discretion, pump water from unoccupied properties if it is determined that a serious condition exists. The charges for pumping shall be as specified in Section 6.5(a).

6.6 Charges for Water Main Shutdown.

(a) The Department of Licenses and Inspections shall issue permits for the temporary shutdown of a water main to allow a registered plumber to make immediate repairs to a broken water service and to avoid the necessity of opening the street.

(b) Permits shall be issued after:

(1) Certification by the Department that the shutdown will not seriously inconvenience other Customers; and

(2) The applicant has paid a two hundred and twenty-five dollar (\$225) service charge.

(c) In an emergency or when responsibility for a leak is in doubt, the Department may make the shutdown before the permit is obtained. If the Department determines that the leak was not the Department's responsibility, the owner shall obtain a permit and pay the above stated service charge and any other costs incurred by the Department in conducting the emergency shut down.

6.7 Water Connection Charges.

(a) Permits. Permits for connections to the City's water supply system shall be issued by the Water Permit section of the Department of Licenses and Inspections.

(b) Ferrule Connections.

(1) Connections between 3/4 inch and two inches (2") in diameter shall be made by a ferrule installed by the Department. The owner, at his own expense, shall excavate for the connection, install all piping and appurtenances after the ferrule and fill the excavation. The owner thereafter shall be responsible for maintaining this piping and appurtenance.

(2) The charges for such ferrule connections, with the exception stated in Section 6.7(b)(3), shall be as follows:

<u>Size</u>	<u>Charge</u>
3/4"	\$235
1"	255
1 1/2"	285

2" 340

(3) The charges for such ferrule connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), shall be as follows:

<u>Size</u>	<u>Charge</u>
¾"	\$255
1"	275
1½"	310
2"	360

(c) Valve Connections. Connections three inches (3") and larger shall be made by a valve installed by the Department. This valve installation shall include, but shall not necessarily be limited to, the connection to the main, the valve, valve box, necessary piping after the valve from the main in the street to one foot inside the curb, backfill and repaving. The Department shall thereafter be responsible for maintaining this valve and piping, unless the associated meter has been reduced at the Property Owner's request to a two inch (2") or smaller meter, in which case the Property Owner shall be responsible for valve and piping maintenance.

(1) The charges for valve connections shall, with the exceptions stated in Section 6.7(c)(2), shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 15,670
6" & 8"	16,010
10" & 12"	18,970

(2) The charge for such valve connections, when the work is performed at the Customer's request is during other than normal work hours or the work is performed in an area designated by the Streets Department as a special work zone, shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 17,380
6" & 8"	17,720
10" & 12"	20,895

(d) Attachment to a Transmission Main

(1) There shall be no connection to a transmission main without Department approval. Such approval shall be requested by application forms and procedures issued by the Department.

(2) Where a connection is made to a water main larger than 12 inches in diameter, with the exceptions stated in Sections 6.7(d)(3)&(4), the charges will be as follows:

SLEEVE 3" & 4"

MAIN

16"	\$ 23,965
20"	25,465
24"	27,065
30"	36,740
36"	41,905

SLEEVE 6" & 8"

MAIN

16"	\$24,165
20"	25,365
24"	27,065
30"	38,225
36"	45,325

SLEEVE 10" & 12"

MAIN

16"	\$24,165
20"	25,665
24"	27,165
30"	38,700
36"	47,345

(3) The charges for such connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), or the work performed is in an area designated by the Streets Department as a special work zone, shall be as follows:

SLEEVE 3" & 4"

MAIN

16"	\$26,100
20"	27,600
24"	29,200

30"	38,880
36"	44,040

SLEEVE 6" & 8"

MAIN

16"	\$26,300
20"	27,500
24"	29,200
30"	40,360
36"	47,460

SLEEVE 10" & 12"

MAIN

16"	\$26,300
20"	27,800
24"	29,300
30"	40,835
36"	49,480

(4) Where a connection is made to a water main 48" or larger in diameter, the charge will be that for a connection to a 36" main, stated above in Sections 6.7(d)(2) or (3), plus an additional charge representing the difference between the current cost of a 36" sleeve and the cost of the larger sleeve. The additional charge shall be paid before any permit can be issued as prescribed below in Section 6.11.

(e) Should police assistance for traffic control be required for a ferrule or valve connection, the Customer shall pay the required fee to the Police Department.

6.8 Discontinuance of Water.

Except as otherwise provided, no Customer shall be relieved of the obligation to pay water and sewer charges unless a permit for the discontinuance of water and sewer has been obtained from the Department of Licenses and Inspections pursuant to the provisions of Philadelphia Code section 19-1601. When a permit is granted to discontinue water and sewer service, charges shall terminate on the date of removal of the meter by the Department. The charge for a permit for discontinuance of water is one hundred dollars (\$100), regardless of service size. A validly issued permit to discontinue water and sewer does not terminate the obligation to pay for stormwater management services.

6.9 Hydrant Permits.

(a) A permit shall be obtained from the Water Permit section of the Department of Licenses and Inspections before a hydrant can be used. The permit shall contain the terms and conditions that are required of the Customer in order for the Customer to use the hydrant.

(b) The costs for obtaining a permit shall be as follows.

(1) One Week Permit for use of standard pressure hydrant.....\$ 735

(2) Six Month Permit for use of standard pressure hydrant.....\$ 4,495

6.10 Flow Tests.

When a Customer requests the Department to conduct a flow test on a fire hydrant to determine the volume and residual pressure available on a domestic or fire connection, or at a specific location, the charge shall be nine hundred and thirty dollars (\$930) for each flow test.

6.11 Water Service Line Investigations and/or Inspections

When a Customer or a duly authorized representative of a Customer requests the Department to conduct an investigation to locate and/or to inspect the water service line at a specific location, the charge shall be ninety dollars (\$90) for each investigation or inspection. The charge shall be assessed regardless of the result of the investigation or inspection.

6.12 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

7.0 MISCELLANEOUS SEWER CHARGES

Charges for miscellaneous sewer services supplied by the City of Philadelphia shall be effective September 1, 2021, as follows.

7.1 Sewer Charges for Groundwater.

(a) Sewer charges for groundwater discharged to the City's sewer system shall be as follows:

(1) Effective September 1, 2021 and thereafter, the rate shall be \$11.91 per 1,000 cubic feet.

(b) To determine the quantity of such discharged groundwater, the Customer shall install a meter or measuring device satisfactory to the Department. If, in the opinion of the Department, it is not feasible to install a meter or measuring device, the Department may designate some other method of measuring or estimating the quantity of discharged groundwater.

7.2 Charges for Wastewater Service.

(a) The charge for sanitary type wastewater delivered to any of the City's Water Pollution Control Plants shall be as follows.

(1) Effective September 1, 2021 and thereafter, the rate shall be \$55.72 per 1,000 gallons.

(b) Where accurate quantities of wastewater delivered cannot be determined, such quantities shall be estimated for billing purposes by such fair and reasonable methods as shall be approved by the Water Commissioner.

(c) The locations, times, delivery procedures and exact nature of the pollution characteristics of the delivered wastewater shall be determined by the Department.

(d) From time to time, Customers shall be required to file with the Department a questionnaire establishing or revising information on the quantity and quality of wastewater delivered and other pertinent data deemed necessary by the Department. Failure to furnish such information shall be sufficient grounds for denial or termination of delivery privileges.

(e) Measurements, tests and analyses of the characteristics of delivered wastewater shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(f) If any bill for the above services shall remain unpaid for more than sixty (60) days from date rendered, the Department may refuse acceptance of additional wastewater until all unpaid balances, with late charges, are paid in full.

7.3 Wastewater Discharge Permit.

All Industrial Users contributing wastewater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.4 Groundwater Discharge Permit.

All Industrial Users contributing groundwater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations contained in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.5 Manhole Pump-out Permit

(a) Any non-domestic User discharging wastewater from underground structures to the City's sewer system must obtain a manhole pump-out permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is two thousand seven hundred and forty-five dollars (\$2,745).

(b) In the event a User requests discharge locations in the City's separate sewer areas under this permit, the City may assess additional fees for any work associated with the review of this request and the identification of the discharge locations.

7.6 Trucked or Hauled Wastewater Permit

Any person trucking or hauling wastewater to the POTW must first obtain a septage discharge permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit shall be two thousand three hundred and fifty-five dollars (\$2,355).

7.7 PHOTOGRAPHIC & VIDEO INSPECTION

When a Customer or a duly authorized representative of a Customer requests the Department to conduct a photographic or video inspection of a private sewer line at a specific location, the charge shall be two hundred and seventy five dollars (\$275) for each photographic or video inspection. The charge shall be assessed regardless of the result of the photographic or video inspection.

7.8 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

8.0 MISCELLANEOUS STORMWATER MANAGEMENT CHARGES

8.1 Stormwater Plan Review Fees.

All Development plans submitted to the Department under Chapter 6 of the Department's regulations for stormwater management approvals shall be subject to a plan review fee.

(a) Fees.

(1) A fee of one thousand one hundred and fifteen dollars (\$1,115) shall be due prior to issuance of Conceptual Stormwater Management Plan approval.

(2) A fee of sixty-five dollars (\$65) shall be due upon submission of a post construction stormwater management plan, including a technical site plan, for review. An additional fee of one hundred and twenty dollars (\$120) per hour of review time shall be due prior to issuance of PCSMP approval.

(i) Review time shall be based on the City's tabulation of actual hours expended by Department employees or consultants reviewing the plans associated with a particular development or redevelopment project for compliance with Chapter 6 of the Department's regulations.

(b) Refund of fees. The Department shall refund any fees specified above if a plan submittal is not approved or denied within 21 days for conceptual site plans and within 45 days for technical site plans.

8.2 Stormwater Management Fee in Lieu.

The fee in lieu shall be calculated as follows:

(1) For an exemption to only the Water Quality Requirement of Chapter 6 of the Department's regulations the fee in lieu shall be twenty-five dollars (\$25.00) per square foot based on the total Directly Connected Impervious Area within the limit of Earth Disturbance.

9.0 FIRE SERVICE CONNECTIONS

Fire service connection charges shall consist of a monthly service charge and a quantity charge and shall be effective September 1, 2021, as follows.

9.1 Charges.

(a) Monthly Service Charges.

(1) The monthly service charges for the furnishing of water for the purpose of fire protection effective September 1, 2021 and thereafter, shall be as follows:

<u>Connection Size</u>	<u>Service Charge</u>
------------------------	-----------------------

Up through 4-inch	\$ 22.37
6-inch	40.59
8-inch	59.96
10-inch	88.79
12-inch	132.60

(b) The City may permit fire service connections to its water system outside the City of Philadelphia only in properties contiguous to the City where in the opinion of the Water Commissioner water service for fire protection may be furnished without interference with water service to properties within the City.

(c) Pipe connections to the Philadelphia water system, meters and other service requirements shall be in accordance with the standard fire service requirements of the Department.

(d) Quantity Charges.

(1) In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

Effective September 1, 2021 and thereafter, the quantity charge shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons
--

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	\$45.99	\$0.70	\$46.69
Next 98 Mcf (2.1 to 100 Mcf)	42.33	0.70	43.03
Next 1,900 Mcf (100.1 to 2,000 Mcf)	32.84	0.70	33.54
Over 2,000 Mcf	31.94	0.70	32.64

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

(e) The provisions in this Section apply to all fire service connections.

9.2 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by

current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

10.0 PROVISIONS FOR RECOVERY OF THE TIERED ASSISTANCE PROGRAM (TAP) COSTS

The lost revenue related to TAP (the “TAP Costs”) will be recovered via a separate TAP Rate Rider Surcharge Rate (TAP-R), which would be added to the water, fire service and sewer quantity charge rate schedules. This TAP-R shall be increased or decreased for the next rate period to reflect changes in TAP costs, and will be calculated and reconciled on an annual basis in the manner set forth below.

10.1 Computation of the TAP-R

(a) The TAP-R Equation

The TAP-R shall be computed to the nearest one-hundredth of a dollar per MCF (\$0.01/MCF) in accordance with the formula set forth below:

$$\text{TAP-R} = \frac{(C) - (E + I) + AF}{S}$$

The TAP-R so computed, shall be applied as an adder to the water, fire service connection and sewer quantity charge base rate schedules set forth for water in Section 2.1 (c); sewer in Section 3.3 (b); and fire service in Section 9.1 (d), of these Rates and Charges. As a result, the TAP-R shall consist of two sub-components:

- (1) A “Water TAP-R” added to the water and fire service quantity “base rate” (\$/MCF); and
- (2) A “Sewer TAP-R” added to the sewer quantity “base rate” (\$/MCF).

During the rate periods that TAP-R is effective, to recover the TAP Costs through Water TAP-R and the Sewer TAP-R respectively, the total TAP Costs determined for a given rate period will be apportioned between water and wastewater utilities based on the proportion of water and wastewater net revenue requirement respectively to total net revenue requirement. The percent allocation of TAP Costs between water and wastewater utilities will be as follows:

- (i) Water TAP Cost Allocation: 40%
- (ii) Sewer TAP Cost Allocation: 60%

(b) Definitions

In computing the TAP-R pursuant to the formula above, the following definitions shall apply:

- (1) **TAP-R** - TAP Rate Rider Surcharge Rate (\$/MCF).
- (2) **C** – Cost in dollars of the estimated TAP Billing Loss for the projected period.
- (3) **E** - The net over or under collection of the TAP-R surcharge amount for the Most Recent Period. The net over or under collection will be calculated by comparing the actual TAP Revenue Loss (resulting from discounts provided to TAP Customers) with the actual TAP-R surcharge amounts billed to Non-TAP Customers. Both the TAP Revenue Loss and the TAP-R billings, that are determined for the rate periods, will be adjusted for collections by applying the Department's system-wide collection factor of 97.32%.
- (4) **I** - Interest on any over or under recovery of the TAP-R for the Most Recent Period. Interest will be computed on a monthly basis using a simple annual interest rate. The interest rate will be based upon the yield to maturity of a particular date of United States Treasury securities with a constant maturity for a 1-year Treasury as compiled and published in the Federal Reserve Statistical Release H.15 (519) for the United States Treasury¹, as it exists each year as of the first day of the month, preceding the month of the annual reconciliation submission to the Rate Board.
- (5) **AF** – Cost in dollars of the actual Arrearage Forgiveness, including penalties, provided during the most recent period. Arrearage Forgiveness will be based upon the total amount of arrears forgiven for TAP customers who have made 24 full payments on their TAP discounted bills in accordance with Section 206.7(c) and (d) of the Department's regulations. The total amount of arrearage will be adjusted by applying the Department's TAP Lost Revenue Adjustment factor of 9%. Recovery of AF will be tracked on an annual basis and any amount of over or under recovery included in the next reconciliation submission to the Rate Board. Arrearage Forgiveness will not be subject to interest earnings.
- (6) **S** - Projected sales in MCF for Non-TAP customers.

¹ Currently available at <https://www.federalreserve.gov/releases/h15/>.

- (7) **Most Recent Period** – The Current Fiscal Year and/or the period for which TAP-R reconciliation is performed.
- (8) **Next Rate Period** – The fiscal year and/or the period that immediately follows the Most Recent Period, and in which the TAP-R is effective.

10.2 Filing with the Philadelphia Water, Sewer and Storm Water Rate Board

The Water Department shall initiate the annual TAP Rate Rider Reconciliation by filing an advance notice with the Philadelphia Water, Sewer and Storm Water Rate Board (the “Rate Board”) and City Council in accordance with the procedures and standards established by the Rate Board through its regulations.

10.3 TAP-R Surcharge Rates

(a) Water TAP-R

The Water TAP-R portion of each water bill is determined by applying the Water TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons

- (1) Effective September 1, 2021 and thereafter, the Water TAP-R surcharge shall be \$0.70 per Mcf as determined by the annual reconciliation filing.

(b) Sewer TAP-R

The Sewer TAP-R portion of each sewer bill is determined by applying the Sewer TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons

- (1) Effective September 1, 2021 and thereafter, the Sewer TAP-R surcharge shall be \$1.07 per Mcf as determined by the annual reconciliation filing.

Effective: ~~September 1, 2021~~October 1, 2020

PHILADELPHIA WATER DEPARTMENT

RATES AND CHARGES

Effective: ~~September 1, 2021~~October 1, 2020.

1.0 DEFINITIONS.

(a) Condominium Properties: Real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(b) Customer: An owner, Tenant or occupant who by operation of law or agreement is responsible for payment of the charges for water/sewer/stormwater service at a Residential, Non-residential or Condominium Property.

(c) Department: The Philadelphia Water Department is the operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(d) Dwelling Unit: A single unit within a building providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

~~(e)~~ Home Rule Charter: The Philadelphia Home Rule Charter, as codified in Pennsylvania First Class City Home Rule Act, April 21, 1949 P.L. 665, 351 Pa. Code §1-100 et seq.

~~(f)~~ Mcf: Thousand cubic feet. The quantity charges in Sections 2, 3, 9 and 10 are expressed in Mcf.

1 Mcf = 1,000 cubic feet = 7,480 gallons

~~(g)~~ Municipal Stormwater System: -City owned and maintained real property, infrastructure or natural feature used and/or constructed for purposes of transporting, conveying, retaining, detaining, or discharging stormwater runoff.

~~(h)~~ Non-residential Property: Real estate which cannot be classified as either Residential or Condominium. Real estate used exclusively as a cemetery shall not be considered Non-residential property.

~~(i)~~ Philadelphia Code: The body of laws and regulations enacted by the Philadelphia City Council.

(j) Philadelphia Department of Records: An operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(k) Property: Any parcel of real estate identified in the records of the Philadelphia Department of Records.

(l) Property Owner: The owner of the particular parcel of real estate identified in the records of the Philadelphia Department of Records, or the grantee in a land transfer of record.

(m) Residential Property: Real estate used exclusively for residential purposes with at least one and no more than four Dwelling Units and which cannot be classified as Condominium Property. —Property adjacent to Residential Property owned and utilized exclusively by the Residential Property owner for residential uses. Upon proof submitted to the Department, said properties shall be deemed by the Department to form one Residential parcel comprised of the Property and the Residential Property.

(n) Stormwater Management Practice (SMP): Any man-made structure that is designed and constructed to detain, infiltrate, or otherwise control stormwater runoff quality, rate, or quantity.

(o) Surface Discharge: The discharge of stormwater runoff from a property to an adjacent surface water body, without the use of City infrastructure.

(p) Undeveloped Property: Property classified by the Board of Revision of Taxes as SB, SC, SI, SR, or SS; Undeveloped refers to the status of the property as having no structures and is not related to whether the property has ever been developed.

(q) Water Commissioner: The Water Commissioner of the City of Philadelphia who performs the duties and obligations as set forth in the Philadelphia Home Rule Charter and the Philadelphia Code.

1.1 Conformity with Existing Law.

Nothing contained herein shall be deemed to overrule or annul any existing provisions of the Home Rule Charter or the Philadelphia Code.

1.2 Severability.

If any provision, paragraph, word or sections herein is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words and sections shall not be affected and shall continue in full force and effect.

2.0 WATER CHARGES

Charges for water service supplied by the City of Philadelphia shall be effective on September 1, ~~2019~~2021, as follows:

2.1 General Customers.

Charges for the supplying of water shall be determined and billed as follows:

(a) Charges and billing in general.

(1) Water charges shall consist of a service charge and quantity charge.

(2) A service charge shall be billed monthly.

(3) As set forth in Section 2.1(b), the type and size of the meter shall determine the service charge.

(4) In addition, there shall be a quantity charge as provided herein for water used in a monthly billing cycle, either as metered or as estimated.

(5) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be the period between the dates of scheduled metered readings, actual or estimated.

(b) Monthly service charges.

(1) Effective September 1, ~~2019~~2021 and thereafter, the monthly service charge for the various types and sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$5.214. <u>90</u>
3/4	Z	5.555.2 <u>8</u>
1	Q	6.706.4 <u>6</u>
1 -1/2	P	8.888.7 <u>5</u>
2	X	12.321 <u>2.26</u>

3	O	<u>19.44</u> <u>1</u>
4	W	<u>9.61</u> <u>35.39</u> <u>3</u>
6	N	<u>5.46</u> <u>66.29</u> <u>6</u>
8	V	<u>6.76</u> <u>100.66</u> <u>101.84</u>
10	E	<u>147.50</u> <u>148.99</u>
12	T	<u>239.52</u> <u>245.14</u>

Residential Fire Sprinkler System Meters

<u>Size</u>	<u>Code</u>	<u>Charge</u>
3/4	Z	<u>8.51</u> <u>7.0</u> <u>0</u>
1	Q	<u>9.66</u> <u>8.1</u> <u>8</u>
1 -1/2	P	<u>11.84</u> <u>1</u> <u>0.47</u>
2	X	<u>15.28</u> <u>1</u> <u>3.98</u>

(c) Quantity charges

In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge set forth below to all water use. In addition, the quantity charge will also include a Tiered Assistance Program (TAP) Rate Rider Surcharge, as set forth in Section 10.

(1) Effective ~~October~~ September 1, 20210 and thereafter, the quantity charge portion of each bill shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons.

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	<u>\$44.80</u> <u>45.99</u>	<u>\$0.57</u> <u>0.70</u>	<u>\$45.37</u> <u>46.69</u>
Next 98 Mcf (2.1 to 100 Mcf)	<u>38.56</u> <u>42.33</u>	<u>0.57</u> <u>0.70</u>	<u>39.13</u> <u>43.03</u>
Next 1,900 Mcf (100.1 to 2,000 Mcf)	<u>29.88</u> <u>32.84</u>	<u>0.57</u> <u>0.70</u>	<u>30.45</u> <u>33.54</u>
Over 2,000 Mcf	<u>29.06</u> <u>31.94</u>	<u>0.57</u> <u>0.70</u>	<u>29.63</u> <u>32.64</u>

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

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(d) Temporary Transitional Provisions: Some special customers whose charges are now based on meter size may find that they are in fact 'over-metered' - their metered service is too large for their actual requirements and results in excessive bills. They may apply for a downward revision in the size of their meters. After the approval of the Department, the revision of plumbing arrangements and the installation of smaller meter, the lower charge by meter size shall apply.

3.0 SEWER CHARGES

Charges for sewer service supplied by the City of Philadelphia shall be effective on September 1, 201921, as follows:

3.1 General Customers.

(a) All customers discharging wastewater into the City's wastewater system shall pay sewer charges as set forth in Section 3.3. In addition to the charges set forth in Section 3.3, all customers discharging wastewater whose pollutant content is greater than the pollutant content of Normal Wastewater, as defined below in Section 3.1(b), shall pay an additional surcharge as set forth in Section 3.4.

(b) Normal Wastewater subject to the regular sewer charges set forth in Section 3.3 is that wastewater which contains 250 milligrams per liter or less of five day biochemical oxygen demand (BOD₅) and 350 milligrams or less per liter or less of suspended solids (SS).

(c) Wastewater subject to the surcharge set forth in Section 3.4 is that wastewater which contains either more than 250 milligrams per liter of BOD₅ or more than 350 milligrams per liter of SS, or both.

3.2 Charges.

(a) Sewer charges shall consist of a service charge and a quantity charge.

- (b) A service charge shall be billed monthly.
- (c) As set forth in Section 3.3(a), the size of the meter shall determine the service charge.
- (d) In addition, as set forth in Section 3.3(b), there shall be a quantity charge for sewer service in a monthly billing cycle, either as metered or as estimated.
- (e) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be between the dates of scheduled metered readings, actual or estimated. Quantity charges imposed shall be based on the water usage of the Property served.

3.3 Regular Sewer Charges.

(a) Monthly service charges shall be determined and billed as follows:

(1) Effective September 1, 2019-21 and thereafter, the monthly service charge for the various sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$7.01 7.20
3/4	Z	8.93 9.16
1	Q	13.07 13.40
1 -1/2	P	22.97 23.50
2	X	35.42 36.22
3	O	63.82 65.25
4	W	108.49 110.93
6	N	213.81 218.57
8	V	338.27 345.77
10	E	488.25 499.09
12	T	887.22 906.63

Residential Fire Sprinkler System Meters

<u>Size</u>	<u>Code</u>	<u>Charge</u>
3/4	Z	7.01 7.20
		0
1	Q	7.01 7.20
		0

1 -1/2	P	7.01 <u>7.2</u>
		<u>0</u>
2	X	7.01 <u>7.2</u>
		<u>0</u>

(b) Quantity charge

In addition to the service charge, the quantity charge portion of each sewer bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
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- (1) Effective ~~October 1, 2020~~ September 1, 2021 and thereafter, the quantity charge shall be:

<u>Base Charge</u>	<u>TAP-R</u>	<u>Total Charge</u>
<u>Per Mcf</u>	<u>Per Mcf</u>	<u>Per Mcf</u>
\$31.25 <u>\$32.61</u>	\$0.78 <u>\$1.07</u>	\$32.03 <u>\$33.68</u>

3.4 Surcharge.

(a) Effective September 1, 2019~~21~~ and thereafter, the surcharge for wastewater by definition in excess of Normal Wastewater shall be fixed at thirty ~~nine-seven~~ and ~~seven-five~~ tenths cents (~~\$0.39~~\$0.375) per pound of pollutants received into the wastewater system in excess of 250 milligrams per liter of BOD₅ and thirty ~~eight-nine~~ and ~~eight-three~~ tenths cents (~~\$0.38~~\$0.393) per pound of pollutants received into the wastewater system in excess of 350 milligrams per liter of SS.

(b) The BOD₅ and SS of wastewater shall be determined from samples taken on the Customer's Property at any period or time and of such duration and in such manner as the Department may prescribe or at any place mutually agreed upon between the Customer and the Department. With prior written approval of the Department, the results of routine sampling and analyses by the Customer may be used in determining the amount of the surcharge.

(c) If, in the Department's judgment, sampling of wastewater is neither feasible nor practical, the Department, for billing purposes, may base BOD₅ and SS of the wastewater on sampling results for similar discharge and/or values obtained from technical literature.

(d) Customers discharging wastewater subject to the surcharge shall, as prescribed by the Department:

(1) Install and maintain such facilities for sampling and measuring the wastewater discharged from their properties; and

(2) Maintain such records and information deemed necessary for the determination of the surcharge.

(e) Customers, as required from time to time, shall file with the Department responses to a questionnaire establishing or revising pertinent information on the quantity of flow and the quality of wastewater and other data deemed necessary for the determination of the surcharge.

(f) Measurements, tests and analyses of the characteristics of wastewater subject to surcharge shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(g) The surcharge shall be applied to the total wastewater discharged less any portion excluded by the Department.

3.5 Sewer Credits.

Pursuant to Section ~~13-101(6)~~~~13-201(4)~~ of the Philadelphia Code, the method of crediting water users' sewer bills for City water used but not discharged into the wastewater disposal system shall be as follows.

(a) Eligibility. Where commercial and industrial facilities that use City water do not discharge all of such water into the wastewater system, the quantity of such water may be excluded in determining the proper sewer charge, provided that:

(1) at least 5% of water used, or

(2) 225,000 cubic feet per year, whichever is less, is not discharged into the wastewater system.

(b) Determination of the Amount of Exclusion. To determine the amount of such exclusion the Customer shall install a meter or measuring device satisfactory to the Department provided that, if in the opinion of the Department, it is not feasible to install a meter or measuring device, some other satisfactory method of measuring ("credit factor") may be designated by the Department on application of the Customer.

(c) Fee for Application. When the Customer applies to the Department for a determination on the quantity of water to be excluded by some method other than

metering of the sewer, or re-applies for a revised method measuring a larger quantity of water to be excluded, there shall be charge of ~~two~~four hundred and ~~ninety five~~fifteen dollars (~~\$295~~415) for the review of such application.

(d) Effective Date of Credits and Approved Credit Factors. Credits on a water user's sewer bills for quantities of water used but not discharged into the wastewater disposal system shall be effective from the submission date of an approved application. In order to be reviewed for approval, applications shall be complete, submitted on forms provided by the Department and shall be accompanied by a check payable to the City of Philadelphia in the amount required in Section 3.5(c). No credits shall be made retroactively.

(e) Review of Approved Credit Factors. The Department reserves the right to review approved credit factors. Customers may, from time to time, be required to submit current water use and sewer discharge information. Customers may also be required to submit new applications for the credit factor. Failure to comply with the Department's requests for information or new applications may result in termination of the Customer's credit factor.

(f) Failure to Inform the Department of Increased Sewer Use. Customers with credit factors who fail to inform the Department of increased discharges to the wastewater system shall be subject to the imposition of the full charges for sewer use based on total water usage from the most recent application date, with applicable interest. In addition, the Department may impose a fine of two hundred and seventy five dollars (\$275) for each billing period from the application date.

4.0 STORMWATER MANAGEMENT SERVICE CHARGES

Charges for Stormwater Management Services (SWMS) supplied by the City of Philadelphia shall be effective September 1, 201~~9~~21 as follows:

4.1 Charges.

All properties within the City shall be billed a SWMS charge.

4.2 Residential Properties.

All Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Effective September 1, 201~~9~~21 and thereafter all Residential Properties shall be charged the rates listed below:

<u>SWMS</u>	<u>Billing & Collection</u>
\$14.03 <u>15.04</u>	\$1.77 <u>1.82</u>

(b) Residential Properties which do not have sewer service and which also have previously been charged only for water service shall be charged the rates shown above at 4.2 (a).

4.3 Non-Residential Properties.

~~4.3~~ Non-Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Non-residential Properties shall be charged based on the Gross Area (GA) of the Property and the Impervious Area (IA) of the Property.

(1) GA includes all of the Property area within the legally described boundaries except streets, medians, and sidewalks in the public right-of-way and railroad tracks and station platforms in the railroad right-of-way.

(2) IA includes surfaces which are compacted or covered with material that restricts infiltration of water, including semi-pervious surfaces such as compacted clay, most conventionally hard-scaped surfaces such as streets, driveways, roofs, sidewalks, parking lots, attached and detached structures, and other similar surfaces.

(i) For Non-residential Properties with less than 5,000 square feet GA, the IA shall be estimated as a percentage of GA.

(A) For Undeveloped Property as defined in Section 1.0, the IA shall be 25% of the GA.

(B) For other Properties, the IA shall be 85% of the GA.

(3) In determining the GA Factor and IA Factor of a Property for the SWMS charge, the Department shall use increments of 500 square feet rounding up- to the next highest increment.

(4) Calculating the Monthly SWMS charge. The monthly SWMS charge for each Non-residential Property is calculated by:

(i) dividing the GA in square feet by 500 and rounding up to the next whole unit to determine the GA Factor, then multiplying the GA Factor by the GA -Rate to determine the GA charge;

(ii) dividing the IA in square feet by 500 and rounding up to the next whole unit to determine the IA Factor, then multiplying the IA Factor by the IA -Rate to determine the IA charge;

(iii) the addition of the GA charge and the IA Charge equals the SWMS charge; and

(iv) the addition of the SWMS charge and the Billing and Collection charge together equals the total monthly stormwater charge.

(5) Rates for GA, IA and Billing and Collection.

(i) Effective September 1, 2019 and thereafter, the Rates shall be as follows:

<u>GA</u> (\$/500 s.f.)	<u>IA</u> (\$/500 s.f.)	<u>Billing & Collection</u>
0.71 <u>0.724</u>	5.41 <u>5.117</u>	\$2.30 <u>\$2.36</u>

(6) Minimum Monthly Charges. Non-residential Properties shall be subject to a minimum monthly charge. If the monthly charge calculated in Section 4.3(a)(4) is less than the monthly charges listed below then the monthly charges below shall be billed to the Property.

<u>SWMS</u>	<u>Billing & Collection</u>
\$14.03 <u>\$15.04</u>	\$2.30 <u>\$2.36</u>

(7) Adjustment Appeal Procedure.

(i) Customers may appeal the GA and/or IA calculations, property classification, or charge distribution of their property.

(ii) Adjustments shall be made using forms and procedures as defined by the Credits and Adjustment Appeals Manual and sent to:

Philadelphia Water Department
SWMS Charge Appeals
1101 Market Street
4th Floor
Philadelphia, PA 19107-2994

(iii) Adjustments to the GA and/or IA determination are separate and distinct from the billing review procedures established by Section 19-1702 of the Philadelphia Code.

(iv) The grounds supporting the adjustment shall be stated in writing, and include any exhibits, such as photographs, drawings or maps, site plans, and affidavits that support the claim. In addition, a land survey prepared by a registered surveyor shall be attached showing all Dwelling Units, total property area, type of surface material and impervious area, as appropriate, and any other information requested in writing by the Department. The Department may waive the submission of a land survey, if the Department determines that the survey is not necessary to make a determination on the appeal.

(v) The Customer filing the appeal is solely responsible to demonstrate, by clear and convincing evidence, that the GA and/or IA square footage information used by the Department, from which the adjustment appeal is being taken, is erroneous.

(vi) The filing of a notice of an adjustment appeal shall not stay the imposition, calculation or duty to pay the SWMS charge.

(vii) If the adjustment appeal results in a revised GA and/or IA calculation, correction of property classification, correction of parcel identification, or revisions to the default charge allocation, then the adjusted SWMS Charge will be effective from the date of receipt of the Adjustment Appeals Application; except that the Department may authorize WRB to credit accounts for adjustments to the GA and/or IA calculation for a period not to exceed three years prior to receipt of the Adjustment Appeals Application if the Customer filing the appeal demonstrates, by clear and convincing evidence, that it was eligible for and qualified to receive the adjustment during the three year period prior to the receipt of the Adjustment Appeals Application was incorrect.

(8) Multiple Accounts Serving One Property. Where there are multiple water accounts on a single Property, the entire SWMS charge of that Property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection charge. Property Owners shall have the opportunity to request an alternative allocation of the SWMS Charge.

4.4 Condominium Properties.

(a) Condominium Properties shall be charged SWMS and Billing and Collection charges on the same terms as Non-residential Properties under Section 4.3, but shall be billed as follows:

(1) Condominium Properties with a single water meter account shall be billed such that the entire SWMS charge of the condominium complex property plus a Billing and Collection Charge are billed to that single account.

(2) Condominium Properties with individual water meter accounts for each unit shall be billed such that the entire SWMS charge of the condominium complex property shall be divided and billed equally to each individual account. In addition, each account shall be billed a Billing and Collection Charge.

(3) Condominium Properties with more than one water meter, but without individual water meters for each unit, shall be billed such that the entire SWMS charge of the condominium complex property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection Charge. The Condominium Owner's Association shall have the opportunity to request an alternative allocation of the SWMS charge.

4.5 SWMS Credits

(a) Eligibility.

(1) Accounts on Non-residential and Condominium properties must be current to be eligible for credits.

(2) The Customer shall make the Property available for inspection by the Department and provide all necessary documentation for purposes of verifying the appropriateness of a SWMS credit(s).

(3) The Customer shall fulfill credit requirements, as described in Section 4.5(c) below, in accordance with the maintenance guidelines as prescribed by the Department, including any and all inspection and reporting obligations.

(b) Classes of Credits. There are three classes of credits: IA Credit, GA Credit, and NPDES Credit. The IA Credit provides a reduction to the IA Charge; the GA Credit provides a reduction to GA Charge; and the NPDES Credit provides reduction to the total SWMS Charge. A Property may be approved for credits from each of the three classes; however, if the resulting SWMS Charge after the application of any credits is less than the Non-residential minimum monthly charge, then the minimum monthly charge will apply.

(c) Credit Requirements.

(1) IA Credit. IA Credit is available for the portion of IA on a property where stormwater runoff is managed (IA Managed). IA Managed is achieved as follows:

(i) For areas of the property that meet the requirements of the following Impervious Area Reductions (IAR), as described in the Stormwater Credits and Adjustment Appeals Manual, a direct reduction in the billable IA may be applied:

(A) Rooftop disconnection,

(B) Pavement disconnection, [or](#)

(C) Tree canopy coverage;

~~(D) Green roof, or~~

~~(E) Porous pavement.~~

(ii) For Properties with PWD-approved Stormwater Management Practices constructed per Chapter 6 of the Department's regulations, the customer must demonstrate compliance with the regulations, including management of the first 1.5 inches of runoff and any and all required reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv). For non-Surface Discharges, the customer must demonstrate management of the first inch of stormwater run-off in one of the three following ways:

~~_____ (A) infiltration;~~

~~_____ (B) detention and slow release, and/or~~

~~_____ (C) routing through an approved volume-reducing SMP.~~

(iii) For properties with PWD-approved Stormwater Management Practices, including those constructed with Department stormwater grant funds, the customer must demonstrate management of the first 1.5" of runoff and SMP compliance per the approved record drawing and any and all reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iv) The Department may approve a Property for IA credit for Non-Surface Water Discharges under the credit requirements in effect before September 1, 2021, if the Department receives a credit application for that Property on or before September 1, 2021. Such Properties property receiving credit under the credit requirements in effect before September 1, 2021 may continue to receive the credit under those requirements until the credit expires. Upon expiration of the credit, the current or future Property Owners of such Properties may renew the credit under the credit requirements in effect before September 1, 2021 by submitting a renewal application(s) in accordance with Subsection 4.5(f)(4) unless and until this section is modified.¹

~~(viii)~~ (viii) For Surface Discharges, the Customer must demonstrate that a portion or all of the impervious area discharges directly to a surface water body.

(2) GA Credit.

¹ Prior to September 1, 2021, Customers of Properties with non-Surface Discharges were required to demonstrate management of the first inch of stormwater runoff in one of the three following ways: (1) infiltration, (2) detention and slow release, and/or (3) routing through an approved volume-reducing SMP.

(i) Impervious area only. Impervious area shall receive a GA credit based on the criteria defined in Section 4.5(c)(1)(ii), (iii), (iv) and (v) ~~and (iii)~~ herein.

(ii) Open Space area only. Open Space area is non-impervious area and is calculated as GA minus IA. The Customer must demonstrate a Natural Resource Conservation Service Curve Number (NRCS-CN) below a certain value as described in the Credits and Adjustment Appeals Manual.

(3) National Pollutant Discharge Elimination System (NPDES) Credit. The Customer must demonstrate the property is subject to and in compliance with a NPDES Permit for industrial stormwater discharge activities.

(d) Credit Maximum.

(1) IA Credit Maximum. IA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% IA Credit for the IA Managed.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% IA credit for the IA Managed.

(2) GA Credit Maximum. GA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% GA Credit.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% GA credit.

(3) NPDES Credit Maximum. Eligible properties shall receive a maximum of 7% NPDES credit as described in the Credit and Adjustment Appeals Manual.

(e) Application of Credits

The application of the three classes of credits in calculating a property's monthly SWMS charge shall be described in the Credits and Adjustment Appeals Manual.

(f) Administration of Credits.

(1) A Customer shall apply for credits using application forms and submitting the required documentation as defined in the Credits and Adjustment Appeals Manual.

(2) Any engineering or other costs incurred in completing the application shall be borne by the Customer.

(3) Credits shall be effective upon receipt of a complete application.

(4) All credits shall expire four (4) years from the effective date of the credit. A Customer may renew credits by submitting a renewal application, documentation required by the Department as defined in the Credits and Adjustment Appeals Manual, and paying a renewal fee of one hundred and forty dollars (\$~~100~~140).

(g) Termination of Credits.

(1) The Department may review any approved credit at any time to verify its continued applicability. Customers may from time to time be asked to submit documentation and/or grant access to the Property receiving the credit. Failure to comply with such requests may result in the termination of the credit(s).

(2) The Customer's failure to meet credit requirements or comply with inspection and reporting obligations, in accordance with Section 4.5(a)(3), shall result in a suspension or revocation of all affected credits pursuant to the procedures issued by the Department.

(h) The Department may, at its sole discretion, issue stormwater credits to individual parcels where stormwater management is being implemented on a shared, collective basis by an organization representing different parcel owners within a defined geographic area.

5.0 BILLING FOR WATER, SEWER AND STORMWATER SERVICE

5.1 Billing.

(a) Estimated Usage and Billing. When an accurate meter reading cannot be obtained at the time of a scheduled meter reading or when necessary for administrative purposes, the quantity of water used may be estimated for billing purposes. Estimated usage will be based upon actual meter readings from prior cycles or by such other fair and reasonable methods as shall be approved by the Water Commissioner. Where the water usage is estimated because of inability to read the meter, any necessary corrections shall be made at the time of the next actual meter reading, or when appropriate.

(b) Charges to be Combined. At the discretion of the Water Commissioner, each bill may combine in one amount the service charge and any quantity charges for water, sewer and stormwater, if applicable.

(c) Bills Due and Payable. All bills are due and payable when rendered.

(d) Penalties for Late Payments.

(1) If current water, sewer, and stormwater bills are not paid within thirty (30) days from the date indicated on the bill, a penalty of five percent (5%) shall be imposed.

(2) An additional penalty of one half of one percent (0.5%) shall be imposed and added to water, sewer, and stormwater bills, and their penalties, on the due date of the bill of each succeeding cycle, except that a period of thirty (30) days shall elapse before the first additional penalty is imposed.

(3) If any water, sewer, and stormwater bill remains unpaid for two cycles after the bill has been rendered, the Revenue Department shall serve a notice of termination upon the delinquent Property Owner and, if the charge, with penalties thereon, is not paid within ten (10) days after such service of notice, the Department, in its discretion, may suspend water service to the Property until the charge with penalties is paid. Penalties for late payment are set by ordinance, not by regulation, and any amendments to the current ordinance shall apply as provided therein.

(e) Balance Due. Each bill shall include any balances due for bills issued from October 1, 2000, including penalties.

(f) Changes in Meter Size. When a change in meter size is made, the charge for the new meter size shall become effective on the date of such change.

(g) Unmetered Customers.

(1) Unmetered Customers shall be billed the same charges established for metered Customers. The water and sewer service charges will be determined by the size of the meter which would be installed for an equivalent service at a similar property. The SWMS charges will be determined based on Section 4.0. The Revenue Department shall estimate the quantity of water used and bill accordingly using the applicable water and sewer quantity charges.

(2) Where unmetered wastewater is discharged to the sewer system without adequate sewer metering, the Department reserves the right to bill the amount of flow based upon its engineering judgment of a reasonable estimate of unmetered usage.

(h) Unoccupied Property.

The billing of unoccupied Properties for water and sewer shall be discontinued only on issuance of a Discontinuance of Water permit. Nothing in this Section shall relieve a Property Owner of his responsibility for maintaining a service line unless a Discontinuance of Water permit has been secured. Under no circumstances will the stormwater service charge be terminated.

(i) Extraordinary Uses or Appliances.

In the event that extraordinary or peculiar uses or appliances, in the opinion of the Water Commissioner, warrant a special charge not provided herein, such charges shall be as fixed by the Water Commissioner in writing.

5.2 Special Customers.

The water, sewer and stormwater management service charges established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq. shall be applied to all general Customers, except the following groups of special Customers:

(a) GROUP I

(1) Public and private schools which provide instruction up to or below the twelfth grade but not beyond that grade, and excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(2) Institutions of “purely public charity”, as defined by Pennsylvania law, except universities and colleges and excluding service to any separate or adjoining facilities or structures not used exclusively for the principal purpose of the charity.

(3) Places used for actual religious worship.

(b) GROUP II

(1) Residences of eligible senior citizens provided that the senior citizen shall:

(i) Make application for such reduction to the Revenue Department within the first billing period for which reduction is sought; and

(ii) Submit satisfactory proof that the applicant is 65 years of age or older and that he or she makes payment directly to the City for water, sewer, and stormwater service to his or her residence which is located in the City of Philadelphia; and

(iii) Submit satisfactory proof to the Revenue Department that the applicant does not exceed the household income limitation of ~~\$32,300~~\$33,300 per year established by the Department. The above income limitation shall apply to those applying for this discount subsequent to June 30, 1982.

(iv) Effective with each subsequent general rate change in the water/sewer/stormwater charges, the Department shall adjust the Senior Citizen Income Limitation using the latest Consumer Price Index data available, as defined in the Philadelphia Code at Section 19-1901.

(c) GROUP III

(1) Universities and colleges, excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(d) GROUP IV

(1) Public housing properties of the Philadelphia Housing Authority.

(e) GROUP V

(1) Group V Customers are Customers enrolled in the Income-Based Water Revenue Assistance Program (IWRAP) described in Section 19-1605 of the Philadelphia Code after the Water Revenue Bureau begins to issue IWRAP bills. Monthly bills for a Customer enrolled in IWRAP will be determined based on the Customer's family size and household income and will be charged in lieu of the service, usage and stormwater charges established in Sections 2.0 et seq., 3.0 et seq. and 4.0 et seq. for general Customers. Group V Customers will pay a percentage of his/her household income depending on where that Customer falls within the Federal Poverty Guidelines (FPL), subject to a minimum bill amount of \$12 per month.

(2) For determining the amount of service, usage and stormwater charges on monthly bills, Group V Customers will be defined according to three income tiers as follows:

(i) Group V-A. Group V Customers whose gross household income has been verified as being from 0% of FPL and up to and including 50% of FPL

(ii) Group V-B. Group V Customers whose gross household income has been verified as being greater than 50% of FPL and up to and including 100% of FPL.

(iii) Group V-C. Group V Customers whose gross household income has been verified as being greater than 100% of FPL and up to and including 150% of FPL.

(f) GROUP VI

(1) Customers with parcels eligible for a discount from the stormwater management service charge as a qualified Community Garden pursuant to Section 19-1603 of the Philadelphia Code and regulations promulgated by the Water Department under that Section.

(g) GROUP VII

(1) All unoccupied properties of the Philadelphia Land Bank.

(h) Charges for Special Customers

(1) As of September 1, 2019²¹, the charges to Groups I, II, and III of special Customers listed above shall be seventy-five percent (75%) of the charges as established

in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges. The charges to Group IV Customers shall be ninety-five percent (95%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges.

(2) Group V Customers enrolled in IWRAP after the Water Revenue Bureau begins to issue IWRAP bills will be responsible for paying the following charges for service, usage and stormwater charges, or \$12 per month, whichever is greater:

(i) Group V-A: 2.0% of household income.

(ii) Group V-B: 2.5% of household income.

(iii) Group V-C: 3% of household income.

(3) Group VI: Effective with bills issued on or after January 1, 2017, Group VI special Customers will receive a 100% discount on the stormwater management service charges for parcels classified by the Department as Community Gardens upon approval of an application for a discount consistent with Section 19-1603 of the Philadelphia Code and regulations promulgated by the Department under that Section.

(4) Group VII: Effective with bills issued on or after September 1, 2018, Group VII special Customers are fully exempt from all water, sewer and stormwater management rates and charges.

(i) All of these special Customers shall meter all water connections and they shall be subject to all provisions herein not inconsistent with Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq.

(j) All special Customers are subject at any time to review as to their special charges by the Department or the Water Revenue Bureau and may be required to furnish adequate evidence supporting the continuance of such charges to the Department or the Water Revenue Bureau upon written notice to do so. Failure to furnish such evidence shall be sufficient ground for denial or termination of such special charges.

(k) Special charges may be granted subject to the Department's review and approval of the size of the meter installed.

(l) When the special use for which the special charge is granted ceases, the special charge ceases and the charges for general Customers shall apply thereafter.

(m) When any vacant or unoccupied premises are acquired by the City, charges for water and sewer, including charges relating to storm water management and disposal, shall terminate on the date that such premises are acquired.

(n) When any property is acquired or held by the Philadelphia Housing Development Corporation or acquired or held by the City or the Redevelopment Authority pursuant to [Chapters 16-400 or Section 16-500](#) of the Philadelphia Code, charges for water and sewer, including charges relating to storm water management and disposal, shall be abated.

5.3 Eligibility for Charity Rates and Charges.

(a) Organizations seeking the Charity Rates and Charges must submit an application to the Department. Applicants must use forms provided by the Department, and submitted applications must be completed to the satisfaction of the Department.

(b) Applications must be made in the name of the organization seeking the Charity Rates and Charges. All accounts for which an organization is requesting the Charity Rates and Charges must be in the identical name as that on the application.

(c) Any account for a Property for which the Charity Rates and Charges are sought must be current and remain in good standing with no service violations [or violations of the requirements of § 17-107\(12\) \("Recipients of Financial Assistance"\) applicable to properties that benefit from financial assistance in connection with the receipt of charity rates and charges](#) to maintain eligibility for any discounts issued herein. Any breach of this condition shall result in the loss of eligibility for the discount.

(d) To be eligible for water and sewer Charity Rates and Charges, the Property must not have any outstanding Department or Plumbing Code violations; the Property must have an operating water meter that is in compliance with current Department specifications, and the property must have a current water meter reading. If the property is receiving stormwater service only, the above provision regarding metering shall not apply. To be eligible for SWMS Charity Rates and Charges, the Property must not have any outstanding Department violations. Applicant must be either an owner of the Property or a Tenant of the property for which the SWMS charge is assessed.

(e) Charity Rates and Charges shall be charged to the eligible organization from the application date of an approved application. No retroactive reductions from the General Customer rates and charges will be permitted.

5.4 Account Review.

The Department, from time to time, may review the status of organizations receiving Charity Rates and Charges. During this review, eligible organizations may be required to submit new applications.

5.5 Suspension of Charity Rates and Charges (Groups I and III)

- (a) Organizations that have been approved for Charity Rates and Charges must make timely payments on accounts in order to remain eligible for these discounted rates and charges.
- (b) An organization that fails to make on-time payments for two (2) consecutive billing cycles shall be suspended from the Charity Rates and Charges, and shall be required to pay the same rate(s) as the General Customer rates and charges for all services. The suspension period shall remain in effect for a minimum of one (1) year.
- (c) Reinstatement of the Charity Rates and Charges will not occur until a full year of on-time payments has been made. Suspended organizations must then submit an application as described in Section 5.3. Charity Rates and Charges will not be retroactive for the period of suspension.
- (d) Customers shall be informed by first class mail of the suspension of the Charity Rates and Charges.

5.6 Hearing.

Organizations that have been denied eligibility or have been suspended from the Charity Rates and Charges may request an informal hearing.

5.7 No Waiver.

Nothing herein shall limit the Department on its own findings or at the request of another City agency from suspending Charity Rates and Charges from organizations which have violated City law or regulations and thereby under such City law or regulations have forfeited such privileges as the Charity Rates and Charges.

6.0 MISCELLANEOUS WATER CHARGES

Charges for miscellaneous water services supplied by the City of Philadelphia shall become effective September 1, 2019~~20~~²¹ as follows:

6.1 Meter Test Charges.

- (a) A Customer may apply to the Department for a test of the accuracy of the registration of a water meter (Meter Test). At the Customer's request, the Department shall notify the Customer of the time and place of the test so that the Customer may be present.
- (b) In testing, meters may be removed from the line and replaced by a tested meter. If removed, the meter shall be tested at the Department's Meter Shop. Meters may also be tested and recalibrated in place without removal and replacement.

(c) All meters shall be removed, replaced, tested or calibrated during the Department's regular business hours (9:00 a.m. to 4:45 p.m.).

(d) A Customer may request a Meter Test to be performed outside the regular business hours of the Department under the following conditions:

(1) the Department has staff available and agrees to a time outside the regular business hours of the Department; and,

(2) the Customer agrees to pay the overtime and added expenses, whether the meter passes or fails the test.

(e) If the register on the meter is found upon testing to be registering within two percent (2%) of the actual volume of water passing through the meter, or registering in favor of the Customer, the Customer will be assessed a Meter Test Charge as follows:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$210
1", 1-1/2", 2"	\$280
3", 4", 6", 8", 10", 12"	\$660 640
Field Tests, 3" and above	\$660 640

(plus any charges and/or expenses incurred for work performed outside the regular hours of business, if requested by the Customer).

(f) If the meter is found upon testing to be registering in excess of 102% of the actual volume of water passing through the meter, the Customer shall not be assessed a Meter Test charge as provided for in subsection (e); and, WRB shall review the billing history of the tested meter for a period not to exceed three years on the basis of the corrected registration and revise it as necessary.

(g) The Department will, at the request of a Customer, test his or her meter at no charge once every twenty years. Additional tests are subject to the charges listed in Section 6.1(e).

6.2 Charges for Furnishing and Installation of Water Meters.

The charges for furnishing and installing water meters are as follows.

(a) For work which involves the furnishing and setting of a water meter and meter interface unit (MIU), the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$250 255
3/4" RFSS	430 435
1"	425 430
1" RFSS	520
1 1/2"	805
1 1/2" RFSS	750
2"	905
2" RFSS	965 970
3" Compound	2,380 2,370
3" Turbine	1,495 1,485
3" Fire Series	3,380 3,370
4" Compound	2,795 2,785
4" Turbine	2,535 2,525
4" Fire Series	3,670 3,660
4" Fire Assembly	6,025 6,015
6" Compound	4,825 4,815
6" Turbine	4,075 4,065
6" Fire Series	5,320 5,310
6" Fire Assembly	7,925 7,915
8" Turbine	5,455 5,445
8" Fire Series	6,090 6,080
8" Fire Assembly	11,145 11,135
10" Turbine	7,795 7,785
10" Fire Series	8,525 8,515
10" Fire Assembly	15,310 15,300
12" Turbine	7,910 7,900
12" Fire Series	8,715 8,705
12" Fire Assembly	16,180 16,170

(b) For work which involves only the furnishing and setting of an MIU, the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 105
3/4" RFSS	105
1"	185 190
1 " RFSS	185 190
1 1/2"	185 190
1 1/2" RFSS	185 190
2"	185 190
2" RFSS	185 190
3" Compound	525 515
3" Turbine	525 515

4" Compound	525 515
4" Turbine	525 515
6" Compound	525 515
6" Turbine	525 515
8"	525 515
10"	525 515

(c) If extraordinary work is required in connection with the installation of a water meter or the replacement of a damaged meter, additional charges shall be computed using actual salaries and materials expended, plus applicable overhead costs.

(d) The Property Owner shall be responsible for safeguarding the meter and seals and shall pay for necessary repairs and replacements due to his/her failure to provide adequate protection to the meter and seals from theft, vandalism, freezing, tampering or other damage. The Property Owner shall also be responsible for the repair and maintenance of the plumbing accessory to the meter, such as inoperable valves, weakened service pipes and fittings, etc. and shall provide and pay for such plumbing, repair and maintenance as City metering needs may require.

6.3 Tampering of Meter.

(a) In the event that an investigation indicates that tampering of a meter has occurred, the following charges to the Customer shall be assessed:

<u>Meter Size</u>	<u>Charge</u>
5/8" or 3/4"	\$ 120
1", 1½", 2"	210
3" and larger	580 570

6.4 Shut-Off and Restoration of Water Service.

(a) If the Department is required to visit a Property to shut off service for non-payment; and, payment is tendered at the time of the shut-off, a charge of one hundred ~~and five~~ dollars (~~\$100~~105) will be assessed, with the exception stated in Section 6.4(e).

(b) A one hundred and five dollar (\$105) charge will be assessed if shut-off of the water service is required as a result of non-compliance with a Notice of Defect and/or metering non-compliance.

(c) After termination of water service for non-payment or violation of service requirements, restoration of water service will not be made until the following charges have been paid in full or payment arrangements satisfactory to the Revenue Department have been made.

(1) Where the only work required is operating the service valve:

(i) service lines 2" and smaller	\$60 105
<u>with the exception stated in Section 6.4(e)</u>	
(ii) service lines larger than 2".....	\$200 280
(2) Where the curb stop is obstructed, the access box missing or otherwise requires excavation	\$590 830
(3) Where the curb stop is inoperable and a new curb stop must be installed	\$885 950
(4) Where the curb stop is obstructed, the access box missing, or otherwise requires excavation, and replacement of footway paving is required	\$820 905
(5) Where the curb stop is inoperable and a new curb box must be installed and replacement of footway paving is required.....	\$865 950
(6) Where excavation and shut-off of the ferrule at the water main is required	\$1,985 2,165
(d) If the Department is required to remove concrete footway paving in order to perform the shut-off and/or restoration, the footway will be replaced by the Department and the preceding charges applied unless proof has been provided to the Department that some other qualified person will replace the paving.	
<u>(e) A charge of \$12 will be assessed if a Customer is enrolled in IWRAP and the Department is required to visit the Property to:</u>	
<u>(1) shut off service for non-payment; and, payment is tendered at the time of the shut-off; or</u>	
<u>(2) restore water service after termination of water service for non-payment or violation of service requirements.</u>	

6.5 Pumping of Properties.

The following charges shall apply for the pumping of water from properties when the condition requiring such service is not caused by the Department.

(a) Occupied Properties

(1) Pumping of water from occupied Properties may be done at the Property Owner's request and expense.

(2) Pumping of other Properties due to the failure of a Property Owner's piping may be performed by the Department and be charged to the Property Owner of the Property at which the failure occurred.

(3) Charges for pumping shall be calculated at actual salaries and materials expended, plus applicable overhead costs.

(b) Unoccupied Properties

The Department may, at its sole and exclusive discretion, pump water from unoccupied properties if it is determined that a serious condition exists. The charges for pumping shall be as specified in Section 6.5(a).

6.6 Charges for Water Main Shutdown.

(a) The Department of Licenses and Inspections shall issue permits for the temporary shutdown of a water main to allow a registered plumber to make immediate repairs to a broken water service and to avoid the necessity of opening the street.

(b) Permits shall be issued after:

(1) Certification by the Department that the shutdown will not seriously inconvenience other Customers; and

(2) The applicant has paid a two hundred and ~~ten~~twenty-five dollar (\$~~210~~225) service charge.

(c) In an emergency or when responsibility for a leak is in doubt, the Department may make the shutdown before the permit is obtained. If the Department determines that the leak was not the Department's responsibility, the owner shall obtain a permit and pay the above stated service charge and any other costs incurred by the Department in conducting the emergency shut down.

6.7 Water Connection Charges.

(a) Permits. Permits for connections to the City's water supply system shall be issued by the Water Permit section of the Department of Licenses and Inspections.

(b) Ferrule Connections.

(1) Connections between 3/4 inch and two inches (2") in diameter shall be made by a ferrule installed by the Department. The owner, at his own expense, shall excavate for the connection, install all piping and appurtenances after the ferrule and fill the excavation. The owner thereafter shall be responsible for maintaining this piping and appurtenance.

(2) The charges for such ferrule connections ~~shall be as follows~~, with the exception stated in Section 6.7(b)(3), shall be as follows:

<u>Size</u>	<u>Charge</u>
¾"	\$ 240 <u>235</u>
1"	270 <u>255</u>
1½"	365 <u>285</u>
2"	430 <u>340</u>

(3) The charges for such ferrule connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), shall be as follows:

<u>Size</u>	<u>Charge</u>
¾"	\$ 250 <u>255</u>
1"	280 <u>275</u>
1½"	375 <u>310</u>
2"	440 <u>360</u>

(c) Valve Connections. Connections three inches (3") and larger shall be made by a valve installed by the Department. This valve installation shall include, but shall not necessarily be limited to, the connection to the main, the valve, valve box, necessary piping after the valve from the main in the street to one foot inside the curb, backfill and repaving. The Department shall thereafter be responsible for maintaining this valve and piping, unless the associated meter has been reduced at the Property Owner's request to a two inch (2") or smaller meter, in which case the Property Owner shall be responsible for valve and piping maintenance.

(1) The charges for valve connections shall, with the exceptions stated in Section 6.7(c)(2), shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 15,705 <u>15,670</u>
6" & 8"	15,945 <u>16,010</u>
10" & 12"	18,605 <u>18,970</u>

(2) The charge for such valve connections, when the work is performed at the Customer's request is during other than normal work hours or the work is performed in an area designated by the Streets Department as a special work zone, shall be as follows:

<u>Size</u>	<u>Charge</u>
-------------	---------------

3" & 4"	\$ 16,450 17,380
6" & 8"	16,690 17,720
10" & 12"	19,440 20,895

(d) Attachment to a Transmission Main

(1) There shall be no connection to a transmission main without Department approval. Such approval shall be requested by application forms and procedures issued by the Department.

(2) Where a connection is made to a water main larger than 12 inches in diameter, with the exceptions stated in Sections 6.7(d)(3)&(4), the charges will be as follows:

SLEEVE 3" & 4"

MAIN

16"	\$ 23,475 23,965
20"	24,860 25,465
24"	26,475 27,065
30"	36,845 36,740
36"	42,010 41,905

SLEEVE 6" & 8"

MAIN

16"	\$ 23,595 24,165
20"	24,630 25,365
24"	26,475 27,065
30"	37,450 38,225
36"	43,830 45,325

SLEEVE 10" & 12"

MAIN

16"	\$ 22,445 24,165
20"	23,295 25,665
24"	24,485 27,165
30"	38,805 38,700
36"	47,450 47,345

(3) The charges for such connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), or

the work performed is in an area designated by the Streets Department as a special work zone, shall be as follows:

SLEEVE 3" & 4"

MAIN

16"	\$24,410 26,100
20"	25,790 27,600
24"	27,405 29,200
30"	37,775 38,880
36"	42,940 44,040

SLEEVE 6" & 8"

MAIN

16"	\$24,525 26,300
20"	25,560 27,500
24"	27,405 29,200
30"	38,380 40,360
36"	44,760 47,460

SLEEVE 10" & 12"

MAIN

16"	\$23,375 26,300
20"	24,225 27,800
24"	25,415 29,300
30"	39,735 40,835
36"	48,380 49,480

(4) Where a connection is made to a water main 48" or larger in diameter, the charge will be that for a connection to a 36" main, stated above in Sections 6.7(d)(2) or (3), plus an additional charge representing the difference between the current cost of a 36" sleeve and the cost of the larger sleeve. The additional charge shall be paid before any permit can be issued as prescribed below in Section 6.11.

(e) Should police assistance for traffic control be required for a ferrule or valve connection, the Customer shall pay the required fee to the Police Department.

6.8 Discontinuance of Water.

Except as otherwise provided, no Customer shall be relieved of the obligation to pay water and sewer charges unless a permit for the discontinuance of water and sewer has been

obtained from the Department of Licenses and Inspections pursuant to the provisions of Philadelphia Code section 19-1601. When a permit is granted to discontinue water and sewer service, charges shall terminate on the date of removal of the meter by the Department. The charge for a permit for discontinuance of water is one hundred dollars (\$100), regardless of service size. A validly issued permit to discontinue water and sewer does not terminate the obligation to pay for stormwater management services.

6.9 Hydrant Permits.

(a) A permit shall be obtained from the Water Permit section of the Department of Licenses and Inspections before a hydrant can be used. The permit shall contain the terms and conditions that are required of the Customer in order for the Customer to use the hydrant.

(b) The costs for obtaining a permit shall be as follows.

(1) One Week Permit for use of standard pressure hydrant.....\$ ~~525~~735

(2) Six Month Permit for use of standard pressure hydrant.....\$ ~~3,370~~4,495

6.10 Flow Tests.

When a Customer requests the Department to conduct a flow test on a fire hydrant to determine the volume and residual pressure available on a domestic or fire connection, or at a specific location, the charge shall be ~~six~~nine hundred and ~~ninety~~thirty dollars (~~\$690~~930) for each flow test.

6.11 Water Service Line Investigations and/or Inspections

When a Customer or a duly authorized representative of a Customer requests the Department to conduct an investigation to locate and/or to inspect the water service line at a specific location, the charge shall be ninety dollars (\$90) for each investigation or inspection. The charge shall be assessed regardless of the result of the investigation or inspection.

6.12 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

7.0 MISCELLANEOUS SEWER CHARGES

Charges for miscellaneous sewer services supplied by the City of Philadelphia shall be effective September 1, 2019~~21~~, as follows.

7.1 Sewer Charges for Groundwater.

(a) Sewer charges for groundwater discharged to the City's sewer system shall be as follows:

(1) Effective September 1, 2019~~21~~ and thereafter, the rate shall be \$~~13.86~~11.91 per 1,000 cubic feet.

(b) To determine the quantity of such discharged groundwater, the Customer shall install a meter or measuring device satisfactory to the Department. If, in the opinion of the Department, it is not feasible to install a meter or measuring device, the Department may designate some other method of measuring or estimating the quantity of discharged groundwater.

7.2 Charges for Wastewater Service.

(a) The charge for sanitary type wastewater delivered to any of the City's Water Pollution Control Plants shall be as follows.

(1) Effective September 1, 2019~~21~~ and thereafter, the rate shall be \$~~56.96~~55.72 per 1,000 gallons.

(b) Where accurate quantities of wastewater delivered cannot be determined, such quantities shall be estimated for billing purposes by such fair and reasonable methods as shall be approved by the Water Commissioner.

(c) The locations, times, delivery procedures and exact nature of the pollution characteristics of the delivered wastewater shall be determined by the Department.

(d) From time to time, Customers shall be required to file with the Department a questionnaire establishing or revising information on the quantity and quality of wastewater delivered and other pertinent data deemed necessary by the Department. Failure to furnish such information shall be sufficient grounds for denial or termination of delivery privileges.

(e) Measurements, tests and analyses of the characteristics of delivered wastewater shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(f) If any bill for the above services shall remain unpaid for more than sixty (60) days from date rendered, the Department may refuse acceptance of additional wastewater until all unpaid balances, with late charges, are paid in full.

7.3 Wastewater Discharge Permit.

All Industrial Users contributing wastewater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.4 Groundwater Discharge Permit.

All Industrial Users contributing groundwater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations contained in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.5 Manhole Pump-out Permit

(a) Any non-domestic User discharging wastewater from underground structures to the City's sewer system must obtain a manhole pump-out permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is ~~one thousand nine hundred and sixty~~ two thousand seven hundred and forty-five dollars (\$~~1,960~~2,745).

(b) In the event a User requests discharge locations in the City's separate sewer areas under this permit, the City may assess additional fees for any work associated with the review of this request and the identification of the discharge locations.

7.6 Trucked or Hauled Wastewater Permit

Any person trucking or hauling wastewater to the POTW must first obtain a septage discharge permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit shall be ~~one thousand nine hundred and sixty~~ two thousand three hundred and fifty-five dollars (\$~~1,960~~2,355).

7.7 PHOTOGRAPHIC & VIDEO INSPECTION

When a Customer or a duly authorized representative of a Customer requests the Department to conduct a photographic or video inspection of a private sewer line at a specific location, the charge shall be two hundred and seventy five dollars (\$275) for each photographic or video inspection. The charge shall be assessed regardless of the result of the photographic or video inspection.

7.8 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

8.0 MISCELLANEOUS STORMWATER MANAGEMENT CHARGES

8.1 Stormwater Plan Review Fees.

All Development plans submitted to the Department under Chapter 6 of the Department's regulations for stormwater management approvals shall be subject to a plan review fee.

(a) Fees.

(1) A fee of one thousand one hundred and ~~sixty-five~~ dollars (~~\$1,160~~,115) shall be due prior to issuance of Conceptual Stormwater Management Plan approval.

(2) A fee of ~~two hundred and eighty-five~~ ~~sixty-five~~ dollars (~~\$285~~65) shall be due upon submission of a post construction stormwater management plan, including a technical site plan, for review. An additional fee of one hundred and ~~fifty~~ ~~twenty~~ dollars (~~\$150~~120) per hour of review time shall be due prior to issuance of PCSMP approval.

(i) Review time shall be based on the City's tabulation of actual hours expended by Department employees or consultants reviewing the plans associated with a particular development or redevelopment project for compliance with Chapter 6 of the Department's regulations.

(b) Refund of fees. The Department shall refund any fees specified above if a plan submittal is not approved or denied within 21 days for conceptual site plans and within 45 days for technical site plans.

8.2 Stormwater Management Fee in Lieu.

~~Where a Property Owner can demonstrate that it is not feasible to meet the requirements of the Department's regulations by managing stormwater on a proposed Development Site ("Development Site"), the Developer may request that it pay a fee in lieu of on-site stormwater management. This fee in lieu option shall be subject to the following requirements.~~

~~(a) The Property Owner must submit a document to the Department, prepared and signed, stamped and sealed by a Pennsylvania Certified Professional Engineer conclusively demonstrating the infeasibility of all SMPs set forth in the Manual to meet the requirements of the stormwater management regulation on the Development Site. Infeasibility may not be created by subdividing the Development Site, redrawing lot lines~~

within the Development Site or by placing so large a number of homes or structures on the Development Site that sufficient on-site stormwater management cannot be achieved. The Department shall review the document alleging infeasibility by considering the entire Development Site.

(b) Nothing herein shall require the Department to grant a Developer its request for a fee in lieu of onsite stormwater management. The Department, however, may grant the request for a fee in lieu under the following conditions:

(1) The Developer has conclusively demonstrated the infeasibility of onsite stormwater management; and

(2) The Department has determined that off-site stormwater management, pursuant to Section 600.3(d) of its regulations, is also infeasible; and

(3) The Department, in its sole discretion, has determined that granting the fee in lieu will not adversely affect flooding, stream protection, neighboring properties or be inconsistent with its requirements under its stormwater program, combined sewer overflow program, National Pollutant Discharge Elimination System permits, or any other federal or state law.

(c) The fee in lieu shall be calculated as follows:

(1) For an exemption to only the Water Quality Requirement of Chapter 6 of the Department's regulations the fee in lieu shall be ~~fifteen~~ twenty-five dollars (\$~~15~~25.00) per square foot based on the total Directly Connected Impervious Area within the limitsquare footage of Earth Disturbance.

9.0 FIRE SERVICE CONNECTIONS

Fire service connection charges shall consist of a monthly service charge and a quantity charge and shall be effective September 1, 20~~19~~21, as follows.

9.1 Charges.

(a) Monthly Service Charges.

(1) The monthly service charges for the furnishing of water for the purpose of fire protection effective September 1, 20~~19~~21 and thereafter, shall be as follows:

<u>Connection Size</u>	<u>Service Charge</u>
Up through 4-inch	\$ 27.63 <u>22.37</u>
6-inch	50.74 <u>40.59</u>

8-inch	<u>75.7759.96</u>
10-inch	<u>111.7488.79</u>
12-inch	<u>172.64132.60</u>

(b) The City may permit fire service connections to its water system outside the City of Philadelphia only in properties contiguous to the City where in the opinion of the Water Commissioner water service for fire protection may be furnished without interference with water service to properties within the City.

(c) Pipe connections to the Philadelphia water system, meters and other service requirements shall be in accordance with the standard fire service requirements of the Department.

(d) Quantity Charges.

(1) In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

Effective ~~October 1, 2020~~ September 1, 2021 and thereafter, the quantity charge shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf	<u>\$44.8045.99</u>	<u>\$0.570.70</u>	<u>\$45.3746.69</u>
(0 to 2 Mcf)			
Next 98 Mcf	<u>38.5642.33</u>	<u>0.570.70</u>	<u>39.1343.03</u>
(2.1 to 100 Mcf)			
Next 1,900 Mcf	<u>29.8832.84</u>	<u>0.570.70</u>	<u>30.4533.54</u>
(100.1 to 2,000 Mcf)			
Over 2,000 Mcf	<u>29.0631.94</u>	<u>0.570.70</u>	<u>29.6332.64</u>

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

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(e) The provisions in this Section apply to all fire service connections.

9.2 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by

current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

10.0 PROVISIONS FOR RECOVERY OF THE TIERED ASSISTANCE PROGRAM (TAP) COSTS

The lost revenue related to TAP (the “TAP Costs”) will be recovered via a separate TAP Rate Rider Surcharge Rate (TAP-R), which would be added to the water, fire service and sewer quantity charge rate schedules. This TAP-R shall be increased or decreased for the next rate period to reflect changes in TAP costs, and will be calculated and reconciled on an annual basis in the manner set forth below.

10.1 Computation of the TAP-R

(a) The TAP-R Equation

The TAP-R shall be computed to the nearest one-hundredth of a dollar per MCF (\$0.01/MCF) in accordance with the formula set forth below:

$$TAP-R = \frac{(C) - (E + I)}{S} \quad TAP-R = \frac{(C) - (E + I) + AF}{S}$$

The TAP-R so computed, shall be applied as an adder to the water, fire service connection and sewer quantity charge base rate schedules set forth for water in Section 2.1 (c); sewer in Section 3.3 (b); and fire service in Section 9.1 (d), of these [Rates and Charges regulations](#). As a result, the TAP-R shall consist of two sub-components:

- (1) A “Water TAP-R” added to the water and fire service quantity “base rate” (\$/MCF); and
- (2) A “Sewer TAP-R” added to the sewer quantity “base rate” (\$/MCF).

During the rate periods that TAP-R is effective, to recover the TAP Costs through Water TAP-R and the Sewer TAP-R respectively, the total TAP Costs determined for a given rate period will be apportioned between water and wastewater utilities based on the proportion of water and wastewater net revenue requirement respectively to total net revenue requirement. The percent allocation of TAP Costs between water and wastewater utilities will be as follows:

- (i) Water TAP Cost Allocation: ~~44~~40%
- (ii) Sewer TAP Cost Allocation: ~~59~~60%

(b) Definitions

In computing the TAP-R pursuant to the formula above, the following definitions shall apply:

- (1) **TAP-R** - TAP Rate Rider Surcharge Rate (\$/MCF).
- (2) **C** – Cost in dollars of the estimated TAP Billing Loss for the projected period.
- (3) **E** - The net over or under collection of the TAP-R surcharge amount for the Most Recent Period. The net over or under collection will be calculated by comparing the actual TAP Revenue Loss (resulting from discounts provided to TAP Customers) with the actual TAP-R surcharge amounts billed to Non-TAP Customers. Both the TAP Revenue Loss and the TAP-R billings, that are determined for the rate periods, will be adjusted for collections by applying the Department's system-wide collection factor of 96.5497.32%.
- (4) **I** - Interest on any over or under recovery of the TAP-R for the ~~the~~ Most Recent ~~Period~~ Period. Interest will be computed on a monthly basis using a simple annual interest rate~~annual basis~~. The interest rate will be based upon the yield to maturity of a particular date of United States Treasury securities with a constant maturity for a 1-year Treasury as compiled and published in the Federal Reserve Statistical Release H.15 (519) for the United States Treasury¹, as it exists each year as of the first day of the month, preceding the month of the annual reconciliation submission to the Rate Board.
- (5) **AF** – Cost in dollars of the actual Arrearage Forgiveness, including penalties, provided during the most recent period. Arrearage Forgiveness will be based upon the total amount of arrears forgiven for TAP customers who have made 24 full payments on their TAP discounted bills in accordance with Section 206.7(c) and (d) of the Department's regulations. The total amount of arrearage will be adjusted by applying the Department's TAP Lost Revenue Adjustment factor of 9%. Recovery of AF will be tracked on an annual basis and any amount of over or under recovery included in the next reconciliation submission to the Rate Board. Arrearage Forgiveness will not be subject to interest earnings.

~~(5)(6)~~ **S** - Projected sales in MCF for Non-TAP customers.

¹ Currently available at <https://www.federalreserve.gov/releases/h15/>.

~~(6)~~(7) **Most Recent Period** – The Current Fiscal Year and/or the period for which TAP-R reconciliation is performed.

~~(7)~~(8) **Next Rate Period** – The fiscal year and/or the period that immediately follows the Most Recent Period, and in which the TAP-R is effective.

10.2 Filing with the Philadelphia Water, Sewer and Storm Water Rate Board

Annual Reconciliation

The Water Department shall initiate the annual TAP Rate Rider Reconciliation by filing an advance notice a TAP-R reconciliation request statement ("Statement") with the Philadelphia Water, Sewer and Storm Water Rate Board (the "Rate Board") and City Council. ~~The Statement filed by the Water Department shall be a matter of public record. The reconciliation submission will be contemporaneously served upon participants in the Water Department's most recently concluded General Rate Increase Proceeding (as defined in the Rate Board's Regulations) and publicly advertised pursuant to such standards as shall be adopted and/or promulgated by the Rate Board. The Water Department shall file the annual Statement with the Rate Board at least 60 days prior to the effective date of the new surcharge rate, or at such other time as the Rate Board may prescribe, and in accordance with the~~any procedures and standards ~~for the contents of such reconciliation submissions~~ established by the Rate Board through its regulations.

10.3 TAP-R Surcharge Rates

(a) Water TAP-R

The Water TAP-R portion of each water bill is determined by applying the Water TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
--

- (1) Effective ~~October 1, 2020~~September 1, 2021 and thereafter, the Water TAP-R surcharge shall be ~~\$0.570.70~~ per Mcf as determined by the annual reconciliation filing.

(b) Sewer TAP-R

The Sewer TAP-R portion of each sewer bill is determined by applying the Sewer TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
--

- (1) Effective ~~October 1, 2020~~ September 1, 2021 and thereafter, the Sewer TAP-R surcharge shall be ~~\$0.78~~ \$1.07 per Mcf as determined by the annual reconciliation filing.

Effective: September 1, 2022

PHILADELPHIA WATER DEPARTMENT**RATES AND CHARGES**

Effective: September 1, 2022.

**PRELIMINARY – RATES AND CHARGES ARE SUBJECT TO
RECONCILIATION AND FINAL RATE BOARD APPROVAL IN ACCORDANCE
WITH THE 2021 RATE DETERMINATION****1.0 DEFINITIONS.**

(a) Condominium Properties: Real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(b) Customer: An owner, Tenant or occupant who by operation of law or agreement is responsible for payment of the charges for water/sewer/stormwater service at a Residential, Non-residential or Condominium Property.

(c) Department: The Philadelphia Water Department is the operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(d) Dwelling Unit: A single unit within a building providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

(e) Home Rule Charter: The Philadelphia Home Rule Charter, as codified in Pennsylvania First Class City Home Rule Act, April 21, 1949 P.L. 665, 351 Pa. Code §1-100 et seq.

(f) Mcf: Thousand cubic feet. The quantity charges in Sections 2, 3, 9 and 10 are expressed in Mcf.

1 Mcf = 1,000 cubic feet = 7,480 gallons

(g) Municipal Stormwater System: City owned and maintained real property, infrastructure or natural feature used and/or constructed for purposes of transporting, conveying, retaining, detaining, or discharging stormwater runoff.

(h) Non-residential Property: Real estate which cannot be classified as either Residential or Condominium. Real estate used exclusively as a cemetery shall not be considered Non-residential property.

(i) Philadelphia Code: The body of laws and regulations enacted by the Philadelphia City Council.

(j) Philadelphia Department of Records: An operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(k) Property: Any parcel of real estate identified in the records of the Philadelphia Department of Records.

(l) Property Owner: The owner of the particular parcel of real estate identified in the records of the Philadelphia Department of Records, or the grantee in a land transfer of record.

(m) Residential Property: Real estate used exclusively for residential purposes with at least one and no more than four Dwelling Units and which cannot be classified as Condominium Property. Property adjacent to Residential Property owned and utilized exclusively by the Residential Property owner for residential uses. Upon proof submitted to the Department, said properties shall be deemed by the Department to form one Residential parcel comprised of the Property and the Residential Property.

(n) Stormwater Management Practice (SMP): Any man-made structure that is designed and constructed to detain, infiltrate, or otherwise control stormwater runoff quality, rate, or quantity.

(o) Surface Discharge: The discharge of stormwater runoff from a property to an adjacent surface water body, without the use of City infrastructure.

(p) Undeveloped Property: Property classified by the Board of Revision of Taxes as SB, SC, SI, SR, or SS; Undeveloped refers to the status of the property as having no structures and is not related to whether the property has ever been developed.

(q) Water Commissioner: The Water Commissioner of the City of Philadelphia who performs the duties and obligations as set forth in the Philadelphia Home Rule Charter and the Philadelphia Code.

1.1 Conformity with Existing Law.

Nothing contained herein shall be deemed to overrule or annul any existing provisions of the Home Rule Charter or the Philadelphia Code.

1.2 Severability.

If any provision, paragraph, word or sections herein is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words and sections shall not be affected and shall continue in full force and effect.

2.0 WATER CHARGES

Charges for water service supplied by the City of Philadelphia shall be effective on September 1, 2022, as follows:

2.1 General Customers.

Charges for the supplying of water shall be determined and billed as follows:

(a) Charges and billing in general.

(1) Water charges shall consist of a service charge and quantity charge.

(2) A service charge shall be billed monthly.

(3) As set forth in Section 2.1(b), the type and size of the meter shall determine the service charge.

(4) In addition, there shall be a quantity charge as provided herein for water used in a monthly billing cycle, either as metered or as estimated.

(5) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be the period between the dates of scheduled metered readings, actual or estimated.

(b) Monthly service charges.

(1) Effective September 1, 2022 and thereafter, the monthly service charge for the various types and sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$5.00
3/4	Z	5.39
1	Q	6.61
1 -1/2	P	9.01
2	X	12.64
3	O	20.28
4	W	36.62
6	N	69.02
8	V	105.39
10	E	154.13
12	T	254.33

Residential Fire Sprinkler System Meters

<u>Size</u>	<u>Code</u>	<u>Charge</u>
3/4	Z	7.25
1	Q	8.47
1 -1/2	P	10.87
2	X	14.50

(c) Quantity charges

In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge set forth below to all water use. In addition, the quantity charge will also include a Tiered Assistance Program (TAP) Rate Rider Surcharge, as set forth in Section 10.

(1) Effective September 1, 2022 and thereafter, the quantity charge portion of each bill shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons.

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	\$49.22	\$0.70	\$49.92
Next 98 Mcf (2.1 to 100 Mcf)	45.23	0.70	45.93
Next 1,900 Mcf (100.1 to 2,000 Mcf)	35.05	0.70	35.75
Over 2,000 Mcf	34.09	0.70	34.79

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

(d) Temporary Transitional Provisions: Some special customers whose charges are now based on meter size may find that they are in fact 'over-metered' - their metered service is too large for their actual requirements and results in excessive bills. They may apply for a downward revision in the size of their meters. After the approval of the Department, the revision of plumbing arrangements and the installation of smaller meter, the lower charge by meter size shall apply.

3.0 SEWER CHARGES

Charges for sewer service supplied by the City of Philadelphia shall be effective on September 1, 2022, as follows:

3.1 General Customers.

(a) All customers discharging wastewater into the City's wastewater system shall pay sewer charges as set forth in Section 3.3. In addition to the charges set forth in Section 3.3, all customers discharging wastewater whose pollutant content is greater than the pollutant content of Normal Wastewater, as defined below in Section 3.1(b), shall pay an additional surcharge as set forth in Section 3.4.

(b) Normal Wastewater subject to the regular sewer charges set forth in Section 3.3 is that wastewater which contains 250 milligrams per liter or less of five day biochemical oxygen demand (BOD₅) and 350 milligrams or less per liter or less of suspended solids (SS).

(c) Wastewater subject to the surcharge set forth in Section 3.4 is that wastewater which contains either more than 250 milligrams per liter of BOD₅ or more than 350 milligrams per liter of SS, or both.

3.2 Charges.

(a) Sewer charges shall consist of a service charge and a quantity charge.

(b) A service charge shall be billed monthly.

(c) As set forth in Section 3.3(a), the size of the meter shall determine the service charge.

(d) In addition, as set forth in Section 3.3(b), there shall be a quantity charge for sewer service in a monthly billing cycle, either as metered or as estimated.

(e) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be between the dates of scheduled metered readings, actual or estimated. Quantity charges imposed shall be based on the water usage of the Property served.

3.3 Regular Sewer Charges.

(a) Monthly service charges shall be determined and billed as follows:

(1) Effective September 1, 2022 and thereafter, the monthly service charge for the various sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$7.54
3/4	Z	9.63
1	Q	14.14
1 -1/2	P	24.91
2	X	38.43

3	O	69.32
4	W	117.78
6	N	232.18
8	V	367.45
10	E	530.31
12	T	964.36

Residential Fire Sprinkler System Meters

Size Code Charge

3/4	Z	7.54
1	Q	7.54
1 -1/2	P	7.54
2	X	7.54

(b) Quantity charge

In addition to the service charge, the quantity charge portion of each sewer bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons

- (1) Effective September 1, 2022 and thereafter, the quantity charge shall be:

<u>Base Charge</u>	<u>TAP-R</u>	<u>Total Charge</u>
<u>Per Mcf</u>	<u>Per Mcf</u>	<u>Per Mcf</u>
\$34.77	\$1.07	\$35.84

3.4 Surcharge.

(a) Effective September 1, 2022 and thereafter, the surcharge for wastewater by definition in excess of Normal Wastewater shall be fixed at thirty-nine and three tenths cents (\$0.393) per pound of pollutants received into the wastewater system in excess of 250 milligrams per liter of BOD₅ and forty and eight tenths cents (\$0.408) per pound of pollutants received into the wastewater system in excess of 350 milligrams per liter of SS.

(b) The BOD₅ and SS of wastewater shall be determined from samples taken on the Customer's Property at any period or time and of such duration and in such manner as the Department may prescribe or at any place mutually agreed upon between the Customer and the Department. With prior written approval of the Department, the results of routine

sampling and analyses by the Customer may be used in determining the amount of the surcharge.

(c) If, in the Department's judgment, sampling of wastewater is neither feasible nor practical, the Department, for billing purposes, may base BOD₅ and SS of the wastewater on sampling results for similar discharge and/or values obtained from technical literature.

(d) Customers discharging wastewater subject to the surcharge shall, as prescribed by the Department:

(1) Install and maintain such facilities for sampling and measuring the wastewater discharged from their properties; and

(2) Maintain such records and information deemed necessary for the determination of the surcharge.

(e) Customers, as required from time to time, shall file with the Department responses to a questionnaire establishing or revising pertinent information on the quantity of flow and the quality of wastewater and other data deemed necessary for the determination of the surcharge.

(f) Measurements, tests and analyses of the characteristics of wastewater subject to surcharge shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(g) The surcharge shall be applied to the total wastewater discharged less any portion excluded by the Department.

3.5 Sewer Credits.

Pursuant to Section 13-101(6) of the Philadelphia Code, the method of crediting water users' sewer bills for City water used but not discharged into the wastewater disposal system shall be as follows.

(a) Eligibility. Where commercial and industrial facilities that use City water do not discharge all of such water into the wastewater system, the quantity of such water may be excluded in determining the proper sewer charge, provided that:

(1) at least 5% of water used, or

(2) 225,000 cubic feet per year, whichever is less, is not discharged into the wastewater system.

(b) Determination of the Amount of Exclusion. To determine the amount of such exclusion the Customer shall install a meter or measuring device satisfactory to the Department provided that, if in the opinion of the Department, it is not feasible to install a meter or measuring device, some other satisfactory method of measuring (“credit factor”) may be designated by the Department on application of the Customer.

(c) Fee for Application. When the Customer applies to the Department for a determination on the quantity of water to be excluded by some method other than metering of the sewer, or re-applies for a revised method measuring a larger quantity of water to be excluded, there shall be charge of five hundred and eighty-five dollars (\$585) for the review of such application.

(d) Effective Date of Credits and Approved Credit Factors. Credits on a water user’s sewer bills for quantities of water used but not discharged into the wastewater disposal system shall be effective from the submission date of an approved application. In order to be reviewed for approval, applications shall be complete, submitted on forms provided by the Department and shall be accompanied by a check payable to the City of Philadelphia in the amount required in Section 3.5(c). No credits shall be made retroactively.

(e) Review of Approved Credit Factors. The Department reserves the right to review approved credit factors. Customers may, from time to time, be required to submit current water use and sewer discharge information. Customers may also be required to submit new applications for the credit factor. Failure to comply with the Department’s requests for information or new applications may result in termination of the Customer’s credit factor.

(f) Failure to Inform the Department of Increased Sewer Use. Customers with credit factors who fail to inform the Department of increased discharges to the wastewater system shall be subject to the imposition of the full charges for sewer use based on total water usage from the most recent application date, with applicable interest. In addition, the Department may impose a fine of two hundred and seventy five dollars (\$275) for each billing period from the application date.

4.0 STORMWATER MANAGEMENT SERVICE CHARGES

Charges for Stormwater Management Services (SWMS) supplied by the City of Philadelphia shall be effective September 1, 2022 as follows:

4.1 Charges.

All properties within the City shall be billed a SWMS charge.

4.2 Residential Properties.

All Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Effective September 1, 2022 and thereafter all Residential Properties shall be charged the rates listed below:

<u>SWMS</u>	<u>Billing & Collection</u>
\$16.27	\$1.89

(b) Residential Properties which do not have sewer service and which also have previously been charged only for water service shall be charged the rates shown above at 4.2 (a).

4.3 Non-Residential Properties.

Non-Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Non-residential Properties shall be charged based on the Gross Area (GA) of the Property and the Impervious Area (IA) of the Property.

(1) GA includes all of the Property area within the legally described boundaries except streets, medians, and sidewalks in the public right-of-way and railroad tracks and station platforms in the railroad right-of-way.

(2) IA includes surfaces which are compacted or covered with material that restricts infiltration of water, including semi-pervious surfaces such as compacted clay, most conventionally hard-scaped surfaces such as streets, driveways, roofs, sidewalks, parking lots, attached and detached structures, and other similar surfaces.

(i) For Non-residential Properties with less than 5,000 square feet GA, the IA shall be estimated as a percentage of GA.

(A) For Undeveloped Property as defined in Section 1.0, the IA shall be 25% of the GA.

(B) For other Properties, the IA shall be 85% of the GA.

(3) In determining the GA Factor and IA Factor of a Property for the SWMS charge, the Department shall use increments of 500 square feet rounding up to the next highest increment.

(4) Calculating the Monthly SWMS charge. The monthly SWMS charge for each Non-residential Property is calculated by:

(i) dividing the GA in square feet by 500 and rounding up to the next whole unit to determine the GA Factor, then multiplying the GA Factor by the GA Rate to determine the GA charge;

(ii) dividing the IA in square feet by 500 and rounding up to the next whole unit to determine the IA Factor, then multiplying the IA Factor by the IA Rate to determine the IA charge;

(iii) the addition of the GA charge and the IA Charge equals the SWMS charge; and

(iv) the addition of the SWMS charge and the Billing and Collection charge together equals the total monthly stormwater charge.

(5) Rates for GA, IA and Billing and Collection.

(i) Effective September 1, 2022 and thereafter, the Rates shall be as follows:

<u>GA</u> (\$/500 s.f.)	<u>IA</u> (\$/500 s.f.)	<u>Billing & Collection</u>
0.784	5.526	\$2.45

(6) Minimum Monthly Charges. Non-residential Properties shall be subject to a minimum monthly charge. If the monthly charge calculated in Section 4.3(a)(4) is less than the monthly charges listed below then the monthly charges below shall be billed to the Property.

<u>SWMS</u>	<u>Billing & Collection</u>
\$16.27	\$2.45

(7) Adjustment Appeal Procedure.

(i) Customers may appeal the GA and/or IA calculations, property classification, or charge distribution of their property.

(ii) Adjustments shall be made using forms and procedures as defined by the Credits and Adjustment Appeals Manual and sent to:

Philadelphia Water Department
SWMS Charge Appeals

1101 Market Street
4th Floor
Philadelphia, PA 19107-2994

(iii) Adjustments to the GA and/or IA determination are separate and distinct from the billing review procedures established by Section 19-1702 of the Philadelphia Code.

(iv) The grounds supporting the adjustment shall be stated in writing, and include any exhibits, such as photographs, drawings or maps, site plans, and affidavits that support the claim. In addition, a land survey prepared by a registered surveyor shall be attached showing all Dwelling Units, total property area, type of surface material and impervious area, as appropriate, and any other information requested in writing by the Department. The Department may waive the submission of a land survey, if the Department determines that the survey is not necessary to make a determination on the appeal.

(v) The Customer filing the appeal is solely responsible to demonstrate, by clear and convincing evidence, that the GA and/or IA square footage information used by the Department, from which the adjustment appeal is being taken, is erroneous.

(vi) The filing of a notice of an adjustment appeal shall not stay the imposition, calculation or duty to pay the SWMS charge.

(vii) If the adjustment appeal results in a revised GA and/or IA calculation, correction of property classification, correction of parcel identification, or revisions to the default charge allocation, then the adjusted SWMS Charge will be effective from the date of receipt of the Adjustment Appeals Application; except that the Department may authorize WRB to credit accounts for adjustments to the GA and/or IA calculation for a period not to exceed three years prior to receipt of the Adjustment Appeals Application if the Customer filing the appeal demonstrates, by clear and convincing evidence, that it was eligible for and qualified to receive the adjustment during the three year period prior to the receipt of the Adjustment Appeals Application was incorrect.

(8) Multiple Accounts Serving One Property. Where there are multiple water accounts on a single Property, the entire SWMS charge of that Property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection charge. Property Owners shall have the opportunity to request an alternative allocation of the SWMS Charge.

4.4 Condominium Properties.

(a) Condominium Properties shall be charged SWMS and Billing and Collection charges on the same terms as Non-residential Properties under Section 4.3, but shall be billed as follows:

(1) Condominium Properties with a single water meter account shall be billed such that the entire SWMS charge of the condominium complex property plus a Billing and Collection Charge are billed to that single account.

(2) Condominium Properties with individual water meter accounts for each unit shall be billed such that the entire SWMS charge of the condominium complex property shall be divided and billed equally to each individual account. In addition, each account shall be billed a Billing and Collection Charge.

(3) Condominium Properties with more than one water meter, but without individual water meters for each unit, shall be billed such that the entire SWMS charge of the condominium complex property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection Charge. The Condominium Owner's Association shall have the opportunity to request an alternative allocation of the SWMS charge.

4.5 SWMS Credits

(a) Eligibility.

(1) Accounts on Non-residential and Condominium properties must be current to be eligible for credits.

(2) The Customer shall make the Property available for inspection by the Department and provide all necessary documentation for purposes of verifying the appropriateness of a SWMS credit(s).

(3) The Customer shall fulfill credit requirements, as described in Section 4.5(c) below, in accordance with the maintenance guidelines as prescribed by the Department, including any and all inspection and reporting obligations.

(b) Classes of Credits. There are three classes of credits: IA Credit, GA Credit, and NPDES Credit. The IA Credit provides a reduction to the IA Charge; the GA Credit provides a reduction to GA Charge; and the NPDES Credit provides reduction to the total SWMS Charge. A Property may be approved for credits from each of the three classes; however, if the resulting SWMS Charge after the application of any credits is less than the Non-residential minimum monthly charge, then the minimum monthly charge will apply.

(c) Credit Requirements.

(1) IA Credit. IA Credit is available for the portion of IA on a property where stormwater runoff is managed (IA Managed). IA Managed is achieved as follows:

(i) For areas of the property that meet the requirements of the following Impervious Area Reductions (IAR), as described in the Stormwater Credits and Adjustment Appeals Manual, a direct reduction in the billable IA may be applied:

- (A) Rooftop disconnection,
- (B) Pavement disconnection, or
- (C) Tree canopy coverage.

(ii) For Properties with PWD-approved Stormwater Management Practices constructed per Chapter 6 of the Department's regulations, the customer must demonstrate compliance with the regulations, including management of the first 1.5 inches of runoff and any and all required reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iii) For properties with PWD-approved Stormwater Management Practices, including those constructed with Department stormwater grant funds, the customer must demonstrate management of the first 1.5" of runoff and SMP compliance per the approved record drawing and any and all reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iv) The Department may approve a Property for IA credit for Non-Surface Water Discharges under the credit requirements in effect before September 1, 2021, if the Department receives a credit application for that Property on or before September 1, 2021. Such Properties property receiving credit under the credit requirements in effect before September 1, 2021 may continue to receive the credit under those requirements until the credit expires. Upon expiration of the credit, the current or future Property Owners of such Properties may renew the credit under the credit requirements in effect before September 1, 2021 by submitting a renewal application(s) in accordance with Subsection 4.5(f)(4) unless and until this section is modified.¹

(v) For Surface Discharges, the Customer must demonstrate that a portion or all of the impervious area discharges directly to a surface water body.

(2) GA Credit.

(i) Impervious area only. Impervious area shall receive a GA credit based on the criteria defined in Section 4.5(c)(1)(ii), (iii), (iv) and (v) herein.

(ii) Open Space area only. Open Space area is non-impervious area and is calculated as GA minus IA. The Customer must demonstrate a Natural Resource Conservation Service Curve Number (NRCS-CN) below a certain value as described in the Credits and Adjustment Appeals Manual.

¹ Prior to September 1, 2021, Customers of Properties with non-Surface Discharges were required to demonstrate management of the first inch of stormwater runoff in one of the three following ways: (1) infiltration, (2) detention and slow release, and/or (3) routing through an approved volume -reducing SMP.

(3) National Pollutant Discharge Elimination System (NPDES) Credit. The Customer must demonstrate the property is subject to and in compliance with a NPDES Permit for industrial stormwater discharge activities.

(d) Credit Maximum.

(1) IA Credit Maximum. IA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% IA Credit for the IA Managed.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% IA credit for the IA Managed.

(2) GA Credit Maximum. GA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% GA Credit.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% GA credit.

(3) NPDES Credit Maximum. Eligible properties shall receive a maximum of 7% NPDES credit as described in the Credit and Adjustment Appeals Manual.

(e) Application of Credits

The application of the three classes of credits in calculating a property's monthly SWMS charge shall be described in the Credits and Adjustment Appeals Manual.

(f) Administration of Credits.

(1) A Customer shall apply for credits using application forms and submitting the required documentation as defined in the Credits and Adjustment Appeals Manual.

(2) Any engineering or other costs incurred in completing the application shall be borne by the Customer.

(3) Credits shall be effective upon receipt of a complete application.

(4) All credits shall expire four (4) years from the effective date of the credit. A Customer may renew credits by submitting a renewal application, documentation required by the Department as defined in the Credits and Adjustment Appeals Manual, and paying a renewal fee of two hundred dollars (\$200).

(g) Termination of Credits.

(1) The Department may review any approved credit at any time to verify its continued applicability. Customers may from time to time be asked to submit documentation and/or grant access to the Property receiving the credit. Failure to comply with such requests may result in the termination of the credit(s).

(2) The Customer's failure to meet credit requirements or comply with inspection and reporting obligations, in accordance with Section 4.5(a)(3), shall result in a suspension or revocation of all affected credits pursuant to the procedures issued by the Department.

(h) The Department may, at its sole discretion, issue stormwater credits to individual parcels where stormwater management is being implemented on a shared, collective basis by an organization representing different parcel owners within a defined geographic area.

5.0 BILLING FOR WATER, SEWER AND STORMWATER SERVICE

5.1 Billing.

(a) Estimated Usage and Billing. When an accurate meter reading cannot be obtained at the time of a scheduled meter reading or when necessary for administrative purposes, the quantity of water used may be estimated for billing purposes. Estimated usage will be based upon actual meter readings from prior cycles or by such other fair and reasonable methods as shall be approved by the Water Commissioner. Where the water usage is estimated because of inability to read the meter, any necessary corrections shall be made at the time of the next actual meter reading, or when appropriate.

(b) Charges to be Combined. At the discretion of the Water Commissioner, each bill may combine in one amount the service charge and any quantity charges for water, sewer and stormwater, if applicable.

(c) Bills Due and Payable. All bills are due and payable when rendered.

(d) Penalties for Late Payments.

(1) If current water, sewer, and stormwater bills are not paid within thirty (30) days from the date indicated on the bill, a penalty of five percent (5%) shall be imposed.

(2) An additional penalty of one half of one percent (0.5%) shall be imposed and added to water, sewer, and stormwater bills, and their penalties, on the due date of the bill of each succeeding cycle, except that a period of thirty (30) days shall elapse before the first additional penalty is imposed.

(3) If any water, sewer, and stormwater bill remains unpaid for two cycles after the bill has been rendered, the Revenue Department shall serve a notice of termination upon

the delinquent Property Owner and, if the charge, with penalties thereon, is not paid within ten (10) days after such service of notice, the Department, in its discretion, may suspend water service to the Property until the charge with penalties is paid. Penalties for late payment are set by ordinance, not by regulation, and any amendments to the current ordinance shall apply as provided therein.

(e) Balance Due. Each bill shall include any balances due for bills issued from October 1, 2000, including penalties.

(f) Changes in Meter Size. When a change in meter size is made, the charge for the new meter size shall become effective on the date of such change.

(g) Unmetered Customers.

(1) Unmetered Customers shall be billed the same charges established for metered Customers. The water and sewer service charges will be determined by the size of the meter which would be installed for an equivalent service at a similar property. The SWMS charges will be determined based on Section 4.0. The Revenue Department shall estimate the quantity of water used and bill accordingly using the applicable water and sewer quantity charges.

(2) Where unmetered wastewater is discharged to the sewer system without adequate sewer metering, the Department reserves the right to bill the amount of flow based upon its engineering judgment of a reasonable estimate of unmetered usage.

(h) Unoccupied Property.

The billing of unoccupied Properties for water and sewer shall be discontinued only on issuance of a Discontinuance of Water permit. Nothing in this Section shall relieve a Property Owner of his responsibility for maintaining a service line unless a Discontinuance of Water permit has been secured. Under no circumstances will the stormwater service charge be terminated.

(i) Extraordinary Uses or Appliances.

In the event that extraordinary or peculiar uses or appliances, in the opinion of the Water Commissioner, warrant a special charge not provided herein, such charges shall be as fixed by the Water Commissioner in writing.

5.2 Special Customers.

The water, sewer and stormwater management service charges established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq. shall be applied to all general Customers, except the following groups of special Customers:

(a) GROUP I

(1) Public and private schools which provide instruction up to or below the twelfth grade but not beyond that grade, and excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(2) Institutions of “purely public charity”, as defined by Pennsylvania law, except universities and colleges and excluding service to any separate or adjoining facilities or structures not used exclusively for the principal purpose of the charity.

(3) Places used for actual religious worship.

(b) GROUP II

(1) Residences of eligible senior citizens provided that the senior citizen shall:

(i) Make application for such reduction to the Revenue Department within the first billing period for which reduction is sought; and

(ii) Submit satisfactory proof that the applicant is 65 years of age or older and that he or she makes payment directly to the City for water, sewer, and stormwater service to his or her residence which is located in the City of Philadelphia; and

(iii) Submit satisfactory proof to the Revenue Department that the applicant does not exceed the household income limitation of \$33,300 per year established by the Department. The above income limitation shall apply to those applying for this discount subsequent to June 30, 1982.

(iv) Effective with each subsequent general rate change in the water/sewer/stormwater charges, the Department shall adjust the Senior Citizen Income Limitation using the latest Consumer Price Index data available, as defined in the Philadelphia Code at Section 19-1901.

(c) GROUP III

(1) Universities and colleges, excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(d) GROUP IV

(1) Public housing properties of the Philadelphia Housing Authority.

(e) GROUP V

(1) Group V Customers are Customers enrolled in the Income-Based Water Revenue Assistance Program (IWRAP) described in Section 19-1605 of the Philadelphia Code after the Water Revenue Bureau begins to issue IWRAP bills. Monthly bills for a Customer

enrolled in IWRAP will be determined based on the Customer's family size and household income and will be charged in lieu of the service, usage and stormwater charges established in Sections 2.0 et seq., 3.0 et seq. and 4.0 et seq. for general Customers. Group V Customers will pay a percentage of his/her household income depending on where that Customer falls within the Federal Poverty Guidelines (FPL), subject to a minimum bill amount of \$12 per month.

(2) For determining the amount of service, usage and stormwater charges on monthly bills, Group V Customers will be defined according to three income tiers as follows:

(i) Group V-A. Group V Customers whose gross household income has been verified as being from 0% of FPL and up to and including 50% of FPL

(ii) Group V-B. Group V Customers whose gross household income has been verified as being greater than 50% of FPL and up to and including 100% of FPL.

(iii) Group V-C. Group V Customers whose gross household income has been verified as being greater than 100% of FPL and up to and including 150% of FPL.

(f) GROUP VI

(1) Customers with parcels eligible for a discount from the stormwater management service charge as a qualified Community Garden pursuant to Section 19-1603 of the Philadelphia Code and regulations promulgated by the Water Department under that Section.

(g) GROUP VII

(1) All unoccupied properties of the Philadelphia Land Bank.

(h) Charges for Special Customers

(1) As of September 1, 2021, the charges to Groups I, II, and III of special Customers listed above shall be seventy-five percent (75%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges. The charges to Group IV Customers shall be ninety-five percent (95%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges.

(2) Group V Customers enrolled in IWRAP after the Water Revenue Bureau begins to issue IWRAP bills will be responsible for paying the following charges for service, usage and stormwater charges, or \$12 per month, whichever is greater:

(i) Group V-A: 2.0% of household income.

(ii) Group V-B: 2.5% of household income.

(iii) Group V-C: 3% of household income.

(3) Group VI: Effective with bills issued on or after January 1, 2017, Group VI special Customers will receive a 100% discount on the stormwater management service charges for parcels classified by the Department as Community Gardens upon approval of an application for a discount consistent with Section 19-1603 of the Philadelphia Code and regulations promulgated by the Department under that Section.

(4) Group VII: Effective with bills issued on or after September 1, 2018, Group VII special Customers are fully exempt from all water, sewer and stormwater management rates and charges.

(i) All of these special Customers shall meter all water connections and they shall be subject to all provisions herein not inconsistent with Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq.

(j) All special Customers are subject at any time to review as to their special charges by the Department or the Water Revenue Bureau and may be required to furnish adequate evidence supporting the continuance of such charges to the Department or the Water Revenue Bureau upon written notice to do so. Failure to furnish such evidence shall be sufficient ground for denial or termination of such special charges.

(k) Special charges may be granted subject to the Department's review and approval of the size of the meter installed.

(l) When the special use for which the special charge is granted ceases, the special charge ceases and the charges for general Customers shall apply thereafter.

(m) When any vacant or unoccupied premises are acquired by the City, charges for water and sewer, including charges relating to storm water management and disposal, shall terminate on the date that such premises are acquired.

(n) When any property is acquired or held by the Philadelphia Housing Development Corporation or acquired or held by the City or the Redevelopment Authority pursuant to Chapters 16-400 or 16-500 of the Philadelphia Code, charges for water and sewer, including charges relating to storm water management and disposal, shall be abated.

5.3 Eligibility for Charity Rates and Charges.

(a) Organizations seeking the Charity Rates and Charges must submit an application to the Department. Applicants must use forms provided by the Department, and submitted applications must be completed to the satisfaction of the Department.

(b) Applications must be made in the name of the organization seeking the Charity Rates and Charges. All accounts for which an organization is requesting the Charity Rates and Charges must be in the identical name as that on the application.

(c) Any account for a Property for which the Charity Rates and Charges are sought must be current and remain in good standing with no service violations or violations of the requirements of § 17-107(12) (“Recipients of Financial Assistance”) applicable to properties that benefit from financial assistance in connection with the receipt of charity rates and charges to maintain eligibility for any discounts issued herein. Any breach of this condition shall result in the loss of eligibility for the discount.

(d) To be eligible for water and sewer Charity Rates and Charges, the Property must not have any outstanding Department or Plumbing Code violations; the Property must have an operating water meter that is in compliance with current Department specifications, and the property must have a current water meter reading. If the property is receiving stormwater service only, the above provision regarding metering shall not apply. To be eligible for SWMS Charity Rates and Charges, the Property must not have any outstanding Department violations. Applicant must be either an owner of the Property or a Tenant of the property for which the SWMS charge is assessed.

(e) Charity Rates and Charges shall be charged to the eligible organization from the application date of an approved application. No retroactive reductions from the General Customer rates and charges will be permitted.

5.4 Account Review.

The Department, from time to time, may review the status of organizations receiving Charity Rates and Charges.

During this review, eligible organizations may be required to submit new applications.

5.5 Suspension of Charity Rates and Charges (Groups I and III)

(a) Organizations that have been approved for Charity Rates and Charges must make timely payments on accounts in order to remain eligible for these discounted rates and charges.

(b) An organization that fails to make on-time payments for two (2) consecutive billing cycles shall be suspended from the Charity Rates and Charges, and shall be required to pay the same rate(s) as the General Customer rates and charges for all services. The suspension period shall remain in effect for a minimum of one (1) year.

(c) Reinstatement of the Charity Rates and Charges will not occur until a full year of on-time payments has been made. Suspended organizations must then submit an application as described in Section 5.3. Charity Rates and Charges will not be retroactive for the period of suspension.

(d) Customers shall be informed by first class mail of the suspension of the Charity Rates and Charges.

5.6 Hearing.

Organizations that have been denied eligibility or have been suspended from the Charity Rates and Charges may request an informal hearing.

5.7 No Waiver.

Nothing herein shall limit the Department on its own findings or at the request of another City agency from suspending Charity Rates and Charges from organizations which have violated City law or regulations and thereby under such City law or regulations have forfeited such privileges as the Charity Rates and Charges.

6.0 MISCELLANEOUS WATER CHARGES

Charges for miscellaneous water services supplied by the City of Philadelphia shall become effective September 1, 2022 as follows:

6.1 Meter Test Charges.

(a) A Customer may apply to the Department for a test of the accuracy of the registration of a water meter (Meter Test). At the Customer's request, the Department shall notify the Customer of the time and place of the test so that the Customer may be present.

(b) In testing, meters may be removed from the line and replaced by a tested meter. If removed, the meter shall be tested at the Department's Meter Shop. Meters may also be tested and recalibrated in place without removal and replacement.

(c) All meters shall be removed, replaced, tested or calibrated during the Department's regular business hours (9:00 a.m. to 4:45 p.m.).

(d) A Customer may request a Meter Test to be performed outside the regular business hours of the Department under the following conditions:

(1) the Department has staff available and agrees to a time outside the regular business hours of the Department; and,

(2) the Customer agrees to pay the overtime and added expenses, whether the meter passes or fails the test.

(e) If the register on the meter is found upon testing to be registering within two percent (2%) of the actual volume of water passing through the meter, or registering in favor of the Customer, the Customer will be assessed a Meter Test Charge as follows:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$210
1", 1-1/2", 2"	\$280
3", 4", 6", 8", 10", 12"	\$640

Field Tests, 3" and above	\$640

(plus any charges and/or expenses incurred for work performed outside the regular hours of business, if requested by the Customer).

(f) If the meter is found upon testing to be registering in excess of 102% of the actual volume of water passing through the meter, the Customer shall not be assessed a Meter Test charge as provided for in subsection (e); and, WRB shall review the billing history of the tested meter for a period not to exceed three years on the basis of the corrected registration and revise it as necessary.

(g) The Department will, at the request of a Customer, test his or her meter at no charge once every twenty years. Additional tests are subject to the charges listed in Section 6.1(e).

6.2 Charges for Furnishing and Installation of Water Meters.

The charges for furnishing and installing water meters are as follows.

(a) For work which involves the furnishing and setting of a water meter and meter interface unit (MIU), the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$255
3/4 RFSS	435
1"	430
1" RFSS	520
1 1/2"	805
1 1/2" RFSS	750
2"	905
2" RFSS	970
3" Compound	2,370
3" Turbine	1,485
3" Fire Series	3,370
4" Compound	2,785
4" Turbine	2,525
4" Fire Series	3,660

4" Fire Assembly	6,015
6" Compound	4,815
6" Turbine	4,065
6" Fire Series	5,310
6" Fire Assembly	7,915
8" Turbine	5,445
8" Fire Series	6,080
8" Fire Assembly	11,135
10" Turbine	7,785
10" Fire Series	8,515
10" Fire Assembly	15,300
12" Turbine	7,900
12" Fire Series	8,705
12" Fire Assembly	16,170

(b) For work which involves only the furnishing and setting of an MIU, the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 105
3/4" RFSS	105
1"	190
1 " RFSS	190
1 1/2"	190
1 1/2" RFSS	190
2"	190
2" RFSS	190
3" Compound	515
3" Turbine	515
4" Compound	515
4" Turbine	515
6" Compound	515
6" Turbine	515
8"	515
10"	515

(c) If extraordinary work is required in connection with the installation of a water meter or the replacement of a damaged meter, additional charges shall be computed using actual salaries and materials expended, plus applicable overhead costs.

(d) The Property Owner shall be responsible for safeguarding the meter and seals and shall pay for necessary repairs and replacements due to his/her failure to provide adequate protection to the meter and seals from theft, vandalism, freezing, tampering or other damage. The Property Owner shall also be responsible for the repair and maintenance of the plumbing accessory to the meter, such as inoperable valves, weakened service pipes

and fittings, etc. and shall provide and pay for such plumbing, repair and maintenance as City metering needs may require.

6.3 Tampering of Meter.

(a) In the event that an investigation indicates that tampering of a meter has occurred, the following charges to the Customer shall be assessed:

<u>Meter Size</u>	<u>Charge</u>
5/8" or 3/4"	\$ 120
1", 1½", 2"	210
3" and larger	570

6.4 Shut-Off and Restoration of Water Service.

(a) If the Department is required to visit a Property to shut off service for non-payment; and, payment is tendered at the time of the shut-off, a charge of one hundred and five dollars (\$105) will be assessed, with the exception stated in Section 6.4(e).

(b) A one hundred and five dollar (\$105) charge will be assessed if shut-off of the water service is required as a result of non-compliance with a Notice of Defect and/or metering non-compliance.

(c) After termination of water service for non-payment or violation of service requirements, restoration of water service will not be made until the following charges have been paid in full or payment arrangements satisfactory to the Revenue Department have been made.

- (1) Where the only work required is operating the service valve:
 - (i) service lines 2" and smaller.....\$105
with the exception stated in Section 6.4(e)
 - (ii) service lines larger than 2"\$395
- (2) Where the curb stop is obstructed, the access box missing or otherwise requires excavation\$905
- (3) Where the curb stop is inoperable and a new curb stop must be installed...\$950
- (4) Where the curb stop is obstructed, the access box missing, or otherwise requires excavation, and replacement of footway paving is required.....\$905

(5) Where the curb stop is inoperable and a new curb box must be installed and replacement of footway paving is required.....\$950

(6) Where excavation and shut-off of the ferrule at the water main is required\$2,165

(d) If the Department is required to remove concrete footway paving in order to perform the shut-off and/or restoration, the footway will be replaced by the Department and the preceding charges applied unless proof has been provided to the Department that some other qualified person will replace the paving.

(e) A charge of \$12 will be assessed if a Customer is enrolled in IWRAP and the Department is required to visit the Property to:

(1) shut off service for non-payment; and, payment is tendered at the time of the shut-off; or

(2) restore water service after termination of water service for non-payment or violation of service requirements.

6.5 Pumping of Properties.

The following charges shall apply for the pumping of water from properties when the condition requiring such service is not caused by the Department.

(a) Occupied Properties

(1) Pumping of water from occupied Properties may be done at the Property Owner's request and expense.

(2) Pumping of other Properties due to the failure of a Property Owner's piping may be performed by the Department and be charged to the Property Owner of the Property at which the failure occurred.

(3) Charges for pumping shall be calculated at actual salaries and materials expended, plus applicable overhead costs.

(b) Unoccupied Properties

The Department may, at its sole and exclusive discretion, pump water from unoccupied properties if it is determined that a serious condition exists. The charges for pumping shall be as specified in Section 6.5(a).

6.6 Charges for Water Main Shutdown.

(a) The Department of Licenses and Inspections shall issue permits for the temporary shutdown of a water main to allow a registered plumber to make immediate repairs to a broken water service and to avoid the necessity of opening the street.

(b) Permits shall be issued after:

(1) Certification by the Department that the shutdown will not seriously inconvenience other Customers; and

(2) The applicant has paid a two hundred and twenty-five dollar (\$225) service charge.

(c) In an emergency or when responsibility for a leak is in doubt, the Department may make the shutdown before the permit is obtained. If the Department determines that the leak was not the Department's responsibility, the owner shall obtain a permit and pay the above stated service charge and any other costs incurred by the Department in conducting the emergency shut down.

6.7 Water Connection Charges.

(a) Permits. Permits for connections to the City's water supply system shall be issued by the Water Permit section of the Department of Licenses and Inspections.

(b) Ferrule Connections.

(1) Connections between 3/4 inch and two inches (2") in diameter shall be made by a ferrule installed by the Department. The owner, at his own expense, shall excavate for the connection, install all piping and appurtenances after the ferrule and fill the excavation. The owner thereafter shall be responsible for maintaining this piping and appurtenance.

(2) The charges for such ferrule connections, with the exception stated in Section 6.7(b)(3), shall be as follows:

<u>Size</u>	<u>Charge</u>
3/4"	\$235
1"	255
1 1/2"	285
2"	340

(3) The charges for such ferrule connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), shall be as follows:

<u>Size</u>	<u>Charge</u>
¾"	\$255
1"	275
1½"	310
2"	360

(c) Valve Connections. Connections three inches (3") and larger shall be made by a valve installed by the Department. This valve installation shall include, but shall not necessarily be limited to, the connection to the main, the valve, valve box, necessary piping after the valve from the main in the street to one foot inside the curb, backfill and repaving. The Department shall thereafter be responsible for maintaining this valve and piping, unless the associated meter has been reduced at the Property Owner's request to a two inch (2") or smaller meter, in which case the Property Owner shall be responsible for valve and piping maintenance.

(1) The charges for valve connections shall, with the exceptions stated in Section 6.7(c)(2), shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 15,670
6" & 8"	16,010
10" & 12"	18,970

(2) The charge for such valve connections, when the work is performed at the Customer's request is during other than normal work hours or the work is performed in an area designated by the Streets Department as a special work zone, shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 17,380
6" & 8"	17,720
10" & 12"	20,895

(d) Attachment to a Transmission Main

(1) There shall be no connection to a transmission main without Department approval. Such approval shall be requested by application forms and procedures issued by the Department.

(2) Where a connection is made to a water main larger than 12 inches in diameter, with the exceptions stated in Sections 6.7(d)(3)&(4), the charges will be as follows:

SLEEVE	3" & 4"
--------	---------

MAIN

16"	\$ 23,965
20"	25,465
24"	27,065
30"	36,740
36"	41,905

SLEEVE 6" & 8"

MAIN

16"	\$24,165
20"	25,365
24"	27,065
30"	38,225
36"	45,325

SLEEVE 10" & 12"

MAIN

16"	\$24,165
20"	25,665
24"	27,165
30"	38,700
36"	47,345

(3) The charges for such connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), or the work performed is in an area designated by the Streets Department as a special work zone, shall be as follows:

SLEEVE 3" & 4"

MAIN

16"	\$26,100
20"	27,600
24"	29,200
30"	38,880
36"	44,040

SLEEVE 6" & 8"

MAIN

16"	\$26,300
20"	27,500
24"	29,200
30"	40,360
36"	47,460
SLEEVE	10" & 12"

MAIN

16"	\$26,300
20"	27,800
24"	29,300
30"	40,835
36"	49,480

(4) Where a connection is made to a water main 48" or larger in diameter, the charge will be that for a connection to a 36" main, stated above in Sections 6.7(d)(2) or (3), plus an additional charge representing the difference between the current cost of a 36" sleeve and the cost of the larger sleeve. The additional charge shall be paid before any permit can be issued as prescribed below in Section 6.11.

(e) Should police assistance for traffic control be required for a ferrule or valve connection, the Customer shall pay the required fee to the Police Department.

6.8 Discontinuance of Water.

Except as otherwise provided, no Customer shall be relieved of the obligation to pay water and sewer charges unless a permit for the discontinuance of water and sewer has been obtained from the Department of Licenses and Inspections pursuant to the provisions of Philadelphia Code section 19-1601. When a permit is granted to discontinue water and sewer service, charges shall terminate on the date of removal of the meter by the Department. The charge for a permit for discontinuance of water is one hundred dollars (\$100), regardless of service size. A validly issued permit to discontinue water and sewer does not terminate the obligation to pay for stormwater management services.

6.9 Hydrant Permits.

(a) A permit shall be obtained from the Water Permit section of the Department of Licenses and Inspections before a hydrant can be used. The permit shall contain the terms and conditions that are required of the Customer in order for the Customer to use the hydrant.

(b) The costs for obtaining a permit shall be as follows.

(1) One Week Permit for use of standard pressure hydrant.....\$ 860

(2) Six Month Permit for use of standard pressure hydrant.....\$ 4,495

6.10 Flow Tests.

When a Customer requests the Department to conduct a flow test on a fire hydrant to determine the volume and residual pressure available on a domestic or fire connection, or at a specific location, the charge shall be nine hundred and thirty dollars (\$930) for each flow test.

6.11 Water Service Line Investigations and/or Inspections

When a Customer or a duly authorized representative of a Customer requests the Department to conduct an investigation to locate and/or to inspect the water service line at a specific location, the charge shall be ninety dollars (\$90) for each investigation or inspection. The charge shall be assessed regardless of the result of the investigation or inspection.

6.12 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

7.0 MISCELLANEOUS SEWER CHARGES

Charges for miscellaneous sewer services supplied by the City of Philadelphia shall be effective September 1, 2022, as follows.

7.1 Sewer Charges for Groundwater.

(a) Sewer charges for groundwater discharged to the City's sewer system shall be as follows:

(1) Effective September 1, 2022 and thereafter, the rate shall be \$12.66 per 1,000 cubic feet.

(b) To determine the quantity of such discharged groundwater, the Customer shall install a meter or measuring device satisfactory to the Department. If, in the opinion of the Department, it is not feasible to install a meter or measuring device, the Department may designate some other method of measuring or estimating the quantity of discharged groundwater.

7.2 Charges for Wastewater Service.

(a) The charge for sanitary type wastewater delivered to any of the City's Water Pollution Control Plants shall be as follows.

(1) Effective September 1, 2022 and thereafter, the rate shall be \$58.11 per 1,000 gallons.

(b) Where accurate quantities of wastewater delivered cannot be determined, such quantities shall be estimated for billing purposes by such fair and reasonable methods as shall be approved by the Water Commissioner.

(c) The locations, times, delivery procedures and exact nature of the pollution characteristics of the delivered wastewater shall be determined by the Department.

(d) From time to time, Customers shall be required to file with the Department a questionnaire establishing or revising information on the quantity and quality of wastewater delivered and other pertinent data deemed necessary by the Department. Failure to furnish such information shall be sufficient grounds for denial or termination of delivery privileges.

(e) Measurements, tests and analyses of the characteristics of delivered wastewater shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(f) If any bill for the above services shall remain unpaid for more than sixty (60) days from date rendered, the Department may refuse acceptance of additional wastewater until all unpaid balances, with late charges, are paid in full.

7.3 Wastewater Discharge Permit.

All Industrial Users contributing wastewater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.4 Groundwater Discharge Permit.

All Industrial Users contributing groundwater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations contained in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.5 Manhole Pump-out Permit

(a) Any non-domestic User discharging wastewater from underground structures to the City's sewer system must obtain a manhole pump-out permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is three thousand eight hundred and forty-five dollars (\$3,845).

(b) In the event a User requests discharge locations in the City's separate sewer areas under this permit, the City may assess additional fees for any work associated with the review of this request and the identification of the discharge locations.

7.6 Trucked or Hauled Wastewater Permit

Any person trucking or hauling wastewater to the POTW must first obtain a septage discharge permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit shall be two thousand three hundred and fifty-five dollars (\$2,355).

7.7 PHOTOGRAPHIC & VIDEO INSPECTION

When a Customer or a duly authorized representative of a Customer requests the Department to conduct a photographic or video inspection of a private sewer line at a specific location, the charge shall be two hundred and seventy five dollars (\$275) for each photographic or video inspection. The charge shall be assessed regardless of the result of the photographic or video inspection.

7.8 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

8.0 MISCELLANEOUS STORMWATER MANAGEMENT CHARGES

8.1 Stormwater Plan Review Fees.

All Development plans submitted to the Department under Chapter 6 of the Department's regulations for stormwater management approvals shall be subject to a plan review fee.

(a) Fees.

(1) A fee of one thousand one hundred and fifteen dollars (\$1,115) shall be due prior to issuance of Conceptual Stormwater Management Plan approval.

(2) A fee of sixty-five dollars (\$65) shall be due upon submission of a post construction stormwater management plan, including a technical site plan, for review. An additional fee of one hundred and twenty dollars (\$120) per hour of review time shall be due prior to issuance of PCSMP approval.

(i) Review time shall be based on the City's tabulation of actual hours expended by Department employees or consultants reviewing the plans associated with a particular development or redevelopment project for compliance with Chapter 6 of the Department's regulations.

(b) Refund of fees. The Department shall refund any fees specified above if a plan submittal is not approved or denied within 21 days for conceptual site plans and within 45 days for technical site plans.

8.2 Stormwater Management Fee in Lieu.

The fee in lieu shall be calculated as follows:

(1) For an exemption to only the Water Quality Requirement of Chapter 6 of the Department's regulations the fee in lieu shall be thirty-one dollars (\$31.00) per square foot based on the total Directly Connected Impervious Area within the limit of Earth Disturbance.

9.0 FIRE SERVICE CONNECTIONS

Fire service connection charges shall consist of a monthly service charge and a quantity charge and shall be effective September 1, 2022, as follows.

9.1 Charges.

(a) Monthly Service Charges.

(1) The monthly service charges for the furnishing of water for the purpose of fire protection effective September 1, 2022 and thereafter, shall be as follows:

<u>Connection Size</u>	<u>Service Charge</u>
Up through 4-inch	\$ 23.03
6-inch	41.85
8-inch	61.93
10-inch	91.64
12-inch	137.50

(b) The City may permit fire service connections to its water system outside the City of Philadelphia only in properties contiguous to the City where in the opinion of the Water

Commissioner water service for fire protection may be furnished without interference with water service to properties within the City.

(c) Pipe connections to the Philadelphia water system, meters and other service requirements shall be in accordance with the standard fire service requirements of the Department.

(d) Quantity Charges.

(1) In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

Effective September 1, 2022 and thereafter, the quantity charge shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons

<u>Monthly Water Usage</u>	<u>Base Charge</u> <u>Per Mcf</u>	<u>TAP-R</u> <u>Per Mcf</u>	<u>Total Charge</u> <u>Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	\$49.22	\$0.70	\$49.92
Next 98 Mcf (2.1 to 100 Mcf)	45.23	0.70	45.93
Next 1,900 Mcf (100.1 to 2,000 Mcf)	35.05	0.70	35.75
Over 2,000 Mcf	34.09	0.70	34.79

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

(e) The provisions in this Section apply to all fire service connections.

9.2 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

10.0 PROVISIONS FOR RECOVERY OF THE TIERED ASSISTANCE PROGRAM (TAP) COSTS

The lost revenue related to TAP (the “TAP Costs”) will be recovered via a separate TAP Rate Rider Surcharge Rate (TAP-R), which would be added to the water, fire service and

sewer quantity charge rate schedules. This TAP-R shall be increased or decreased for the next rate period to reflect changes in TAP costs, and will be calculated and reconciled on an annual basis in the manner set forth below.

10.1 Computation of the TAP-R

(a) The TAP-R Equation

The TAP-R shall be computed to the nearest one-hundredth of a dollar per MCF (\$0.01/MCF) in accordance with the formula set forth below:

$$\text{TAP-R} = \frac{(C) - (E + I) + AF}{S}$$

The TAP-R so computed, shall be applied as an adder to the water, fire service connection and sewer quantity charge base rate schedules set forth for water in Section 2.1 (c); sewer in Section 3.3 (b); and fire service in Section 9.1 (d), of these Rates and Charges. As a result, the TAP-R shall consist of two sub-components:

- (1) A “Water TAP-R” added to the water and fire service quantity “base rate” (\$/MCF); and
- (2) A “Sewer TAP-R” added to the sewer quantity “base rate” (\$/MCF).

During the rate periods that TAP-R is effective, to recover the TAP Costs through Water TAP-R and the Sewer TAP-R respectively, the total TAP Costs determined for a given rate period will be apportioned between water and wastewater utilities based on the proportion of water and wastewater net revenue requirement respectively to total net revenue requirement. The percent allocation of TAP Costs between water and wastewater utilities will be as follows:

- (i) Water TAP Cost Allocation: 40%
- (ii) Sewer TAP Cost Allocation: 60%

(b) Definitions

In computing the TAP-R pursuant to the formula above, the following definitions shall apply:

- (1) **TAP-R** - TAP Rate Rider Surcharge Rate (\$/MCF).
- (2) **C** – Cost in dollars of the estimated TAP Billing Loss for the projected period.

- (3) **E** - The net over or under collection of the TAP-R surcharge amount for the Most Recent Period. The net over or under collection will be calculated by comparing the actual TAP Revenue Loss (resulting from discounts provided to TAP Customers) with the actual TAP-R surcharge amounts billed to Non-TAP Customers. Both the TAP Revenue Loss and the TAP-R billings, that are determined for the rate periods, will be adjusted for collections by applying the Department's system-wide collection factor of 97.32%.
- (4) **I** - Interest on any over or under recovery of the TAP-R for the Most Recent Period. Interest will be computed on a monthly basis using a simple annual interest rate. The interest rate will be based upon the yield to maturity of a particular date of United States Treasury securities with a constant maturity for a 1-year Treasury as compiled and published in the Federal Reserve Statistical Release H.15 (519) for the United States Treasury¹, as it exists each year as of the first day of the month, preceding the month of the annual reconciliation submission to the Rate Board.
- (5) **AF** – Cost in dollars of the actual Arrearage Forgiveness, including penalties, provided during the most recent period. Arrearage Forgiveness will be based upon the total amount of arrears forgiven for TAP customers who have made 24 full payments on their TAP discounted bills in accordance with Section 206.7(c) and (d) of the Department's regulations. The total amount of arrearage will be adjusted by applying the Department's TAP Lost Revenue Adjustment factor of 9%. Recovery of AF will be tracked on an annual basis and any amount of over or under recovery included in the next reconciliation submission to the Rate Board. Arrearage Forgiveness will not be subject to interest earnings.
- (6) **S** - Projected sales in MCF for Non-TAP customers.
- (7) **Most Recent Period** – The Current Fiscal Year and/or the period for which TAP-R reconciliation is performed.
- (8) **Next Rate Period** – The fiscal year and/or the period that immediately follows the Most Recent Period, and in which the TAP-R is effective.

10.2 Filing with the Philadelphia Water, Sewer and Storm Water Rate Board

¹ Currently available at <https://www.federalreserve.gov/releases/h15/>.

The Water Department shall initiate the annual TAP Rate Rider Reconciliation by filing an advance notice with the Philadelphia Water, Sewer and Storm Water Rate Board (the “Rate Board”) and City Council in accordance with the procedures and standards established by the Rate Board through its regulations.

10.3 TAP-R Surcharge Rates

(a) Water TAP-R

The Water TAP-R portion of each water bill is determined by applying the Water TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
--

- (1) Effective September 1, 2021 and thereafter, the Water TAP-R surcharge shall be \$0.70 per Mcf as determined by the annual reconciliation filing.

(b) Sewer TAP-R

The Sewer TAP-R portion of each sewer bill is determined by applying the Sewer TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
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- (1) Effective September 1, 2021 and thereafter, the Sewer TAP-R surcharge shall be \$1.07 per Mcf as determined by the annual reconciliation filing.

Effective: September 1, ~~2021~~2022**PHILADELPHIA WATER DEPARTMENT****RATES AND CHARGES**Effective: September 1, ~~2021~~2022.**PRELIMINARY – RATES AND CHARGES ARE SUBJECT TO
RECONCILIATION AND FINAL RATE BOARD APPROVAL IN ACCORDANCE
WITH THE 2021 RATE DETERMINATION****1.0 DEFINITIONS.**

(a) Condominium Properties: Real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(b) Customer: An owner, Tenant or occupant who by operation of law or agreement is responsible for payment of the charges for water/sewer/stormwater service at a Residential, Non-residential or Condominium Property.

(c) Department: The Philadelphia Water Department is the operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(d) Dwelling Unit: A single unit within a building providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

(e) Home Rule Charter: The Philadelphia Home Rule Charter, as codified in Pennsylvania First Class City Home Rule Act, April 21, 1949 P.L. 665, 351 Pa. Code §1-100 et seq.

(f) Mcf: Thousand cubic feet. The quantity charges in Sections 2, 3, 9 and 10 are expressed in Mcf.

1 Mcf = 1,000 cubic feet = 7,480 gallons

(g) Municipal Stormwater System: City owned and maintained real property, infrastructure or natural feature used and/or constructed for purposes of transporting, conveying, retaining, detaining, or discharging stormwater runoff.

(h) Non-residential Property: Real estate which cannot be classified as either Residential or Condominium. Real estate used exclusively as a cemetery shall not be considered Non-residential property.

(i) Philadelphia Code: The body of laws and regulations enacted by the Philadelphia City Council.

(j) Philadelphia Department of Records: An operating department of the City of Philadelphia with the duties, powers and obligations set forth in the Home Rule Charter and the Philadelphia Code.

(k) Property: Any parcel of real estate identified in the records of the Philadelphia Department of Records.

(l) Property Owner: The owner of the particular parcel of real estate identified in the records of the Philadelphia Department of Records, or the grantee in a land transfer of record.

(m) Residential Property: Real estate used exclusively for residential purposes with at least one and no more than four Dwelling Units and which cannot be classified as Condominium Property. Property adjacent to Residential Property owned and utilized exclusively by the Residential Property owner for residential uses. Upon proof submitted to the Department, said properties shall be deemed by the Department to form one Residential parcel comprised of the Property and the Residential Property.

(n) Stormwater Management Practice (SMP): Any man-made structure that is designed and constructed to detain, infiltrate, or otherwise control stormwater runoff quality, rate, or quantity.

(o) Surface Discharge: The discharge of stormwater runoff from a property to an adjacent surface water body, without the use of City infrastructure.

(p) Undeveloped Property: Property classified by the Board of Revision of Taxes as SB, SC, SI, SR, or SS; Undeveloped refers to the status of the property as having no structures and is not related to whether the property has ever been developed.

(q) Water Commissioner: The Water Commissioner of the City of Philadelphia who performs the duties and obligations as set forth in the Philadelphia Home Rule Charter and the Philadelphia Code.

1.1 Conformity with Existing Law.

Nothing contained herein shall be deemed to overrule or annul any existing provisions of the Home Rule Charter or the Philadelphia Code.

1.2 Severability.

If any provision, paragraph, word or sections herein is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words and sections shall not be affected and shall continue in full force and effect.

2.0 WATER CHARGES

Charges for water service supplied by the City of Philadelphia shall be effective on September 1, ~~2021~~2022, as follows:

2.1 General Customers.

Charges for the supplying of water shall be determined and billed as follows:

(a) Charges and billing in general.

(1) Water charges shall consist of a service charge and quantity charge.

(2) A service charge shall be billed monthly.

(3) As set forth in Section 2.1(b), the type and size of the meter shall determine the service charge.

(4) In addition, there shall be a quantity charge as provided herein for water used in a monthly billing cycle, either as metered or as estimated.

(5) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be the period between the dates of scheduled metered readings, actual or estimated.

(b) Monthly service charges.

(1) Effective September 1, ~~2021~~2022 and thereafter, the monthly service charge for the various types and sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$4.90 <u>5.00</u>
3/4	Z	5.28 <u>5.39</u>
1	Q	6.46 <u>6.61</u>
1 -1/2	P	8.75 <u>9.01</u>
2	X	12.26 <u>12.64</u>

3	O	19.61 <u>2</u>
4	W	35.46 <u>3</u>
6	N	66.76 <u>6</u>
8	V	101.84 <u>105.39</u>
10	E	148.99 <u>154.13</u>
12	T	245.14 <u>254.33</u>

Residential Fire Sprinkler System Meters

<u>Size</u>	<u>Code</u>	<u>Charge</u>
3/4	Z	7.00 <u>7.2</u>
1	Q	8.18 <u>8.4</u>
1 -1/2	P	10.47 <u>1</u>
2	X	13.98 <u>1</u>
		<u>4.50</u>

(c) Quantity charges

In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge set forth below to all water use. In addition, the quantity charge will also include a Tiered Assistance Program (TAP) Rate Rider Surcharge, as set forth in Section 10.

(1) Effective September 1, ~~2021~~2022 and thereafter, the quantity charge portion of each bill shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons.

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	\$45.99 <u>49.22</u>	\$0.70	\$46.69 <u>49.92</u>
Next 98 Mcf (2.1 to 100 Mcf)	42.33 <u>45.23</u>	0.70	43.03 <u>45.93</u>
Next 1,900 Mcf (100.1 to 2,000 Mcf)	32.84 <u>35.05</u>	0.70	33.54 <u>35.75</u>
Over 2,000 Mcf	31.94 <u>34.09</u>	0.70	32.64 <u>34.79</u>

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

(d) Temporary Transitional Provisions: Some special customers whose charges are now based on meter size may find that they are in fact 'over-metered' - their metered service is too large for their actual requirements and results in excessive bills. They may apply for a downward revision in the size of their meters. After the approval of the Department, the revision of plumbing arrangements and the installation of smaller meter, the lower charge by meter size shall apply.

3.0 SEWER CHARGES

Charges for sewer service supplied by the City of Philadelphia shall be effective on September 1, ~~2021~~2022, as follows:

3.1 General Customers.

(a) All customers discharging wastewater into the City's wastewater system shall pay sewer charges as set forth in Section 3.3. In addition to the charges set forth in Section 3.3, all customers discharging wastewater whose pollutant content is greater than the pollutant content of Normal Wastewater, as defined below in Section 3.1(b), shall pay an additional surcharge as set forth in Section 3.4.

(b) Normal Wastewater subject to the regular sewer charges set forth in Section 3.3 is that wastewater which contains 250 milligrams per liter or less of five day biochemical oxygen demand (BOD₅) and 350 milligrams or less per liter or less of suspended solids (SS).

(c) Wastewater subject to the surcharge set forth in Section 3.4 is that wastewater which contains either more than 250 milligrams per liter of BOD₅ or more than 350 milligrams per liter of SS, or both.

3.2 Charges.

(a) Sewer charges shall consist of a service charge and a quantity charge.

- (b) A service charge shall be billed monthly.
- (c) As set forth in Section 3.3(a), the size of the meter shall determine the service charge.
- (d) In addition, as set forth in Section 3.3(b), there shall be a quantity charge for sewer service in a monthly billing cycle, either as metered or as estimated.
- (e) Quantity charges shall be billed for monthly cycles as provided herein. The cycle shall be between the dates of scheduled metered readings, actual or estimated. Quantity charges imposed shall be based on the water usage of the Property served.

3.3 Regular Sewer Charges.

- (a) Monthly service charges shall be determined and billed as follows:

(1) Effective September 1, ~~2021~~2022 and thereafter, the monthly service charge for the various sizes of meters shall be as follows:

<u>Size</u>	<u>Code</u>	<u>Charge</u>
5/8	R	\$7.20 7.54
3/4	Z	9.16 9.63
1	Q	13.40 14.14
1 -1/2	P	23.50 24.91
2	X	36.22 38.43
3	O	65.25 69.32
4	W	110.93 117. 78
6	N	218.57 232. 18
8	V	345.77 367. 45
10	E	499.09 530. 31
12	T	906.63 964. 36

Residential Fire Sprinkler System Meters

<u>Size</u>	<u>Code</u>	<u>Charge</u>
3/4	Z	7.20 7.5 4
1	Q	7.20 7.5 4

1 -1/2	P	<u>7.20</u> <u>7.5</u>
2	X	<u>7.20</u> <u>7.5</u>
		<u>4</u>

(b) Quantity charge

In addition to the service charge, the quantity charge portion of each sewer bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
--

(1) Effective September 1, 20212022 and thereafter, the quantity charge shall be:

<u>Base Charge</u>	<u>TAP-R</u>	<u>Total Charge</u>
<u>Per Mcf</u>	<u>Per Mcf</u>	<u>Per Mcf</u>
<u>\$32.61</u> <u>34.77</u>	<u>\$1.07</u>	<u>\$33.68</u> <u>35.84</u>

3.4 Surcharge.

(a) Effective September 1, 20212022 and thereafter, the surcharge for wastewater by definition in excess of Normal Wastewater shall be fixed at thirty-~~seventy~~three tenths cents (~~\$0.37~~\$0.393) per pound of pollutants received into the wastewater system in excess of 250 milligrams per liter of BOD₅ and ~~thirty-nine~~forty and ~~three~~eight tenths cents (~~\$0.393~~\$0.408) per pound of pollutants received into the wastewater system in excess of 350 milligrams per liter of SS.

(b) The BOD₅ and SS of wastewater shall be determined from samples taken on the Customer's Property at any period or time and of such duration and in such manner as the Department may prescribe or at any place mutually agreed upon between the Customer and the Department. With prior written approval of the Department, the results of routine sampling and analyses by the Customer may be used in determining the amount of the surcharge.

(c) If, in the Department's judgment, sampling of wastewater is neither feasible nor practical, the Department, for billing purposes, may base BOD₅ and SS of the wastewater on sampling results for similar discharge and/or values obtained from technical literature.

(d) Customers discharging wastewater subject to the surcharge shall, as prescribed by the Department:

(1) Install and maintain such facilities for sampling and measuring the wastewater discharged from their properties; and

(2) Maintain such records and information deemed necessary for the determination of the surcharge.

(e) Customers, as required from time to time, shall file with the Department responses to a questionnaire establishing or revising pertinent information on the quantity of flow and the quality of wastewater and other data deemed necessary for the determination of the surcharge.

(f) Measurements, tests and analyses of the characteristics of wastewater subject to surcharge shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(g) The surcharge shall be applied to the total wastewater discharged less any portion excluded by the Department.

3.5 Sewer Credits.

Pursuant to Section 13-101(6) of the Philadelphia Code, the method of crediting water users' sewer bills for City water used but not discharged into the wastewater disposal system shall be as follows.

(a) Eligibility. Where commercial and industrial facilities that use City water do not discharge all of such water into the wastewater system, the quantity of such water may be excluded in determining the proper sewer charge, provided that:

(1) at least 5% of water used, or

(2) 225,000 cubic feet per year, whichever is less, is not discharged into the wastewater system.

(b) Determination of the Amount of Exclusion. To determine the amount of such exclusion the Customer shall install a meter or measuring device satisfactory to the Department provided that, if in the opinion of the Department, it is not feasible to install a meter or measuring device, some other satisfactory method of measuring ("credit factor") may be designated by the Department on application of the Customer.

(c) Fee for Application. When the Customer applies to the Department for a determination on the quantity of water to be excluded by some method other than metering of the sewer, or re-applies for a revised method measuring a larger quantity of

water to be excluded, there shall be charge of ~~four~~five hundred and ~~fifteen~~eighty-five dollars (\$~~415~~585) for the review of such application.

(d) Effective Date of Credits and Approved Credit Factors. Credits on a water user's sewer bills for quantities of water used but not discharged into the wastewater disposal system shall be effective from the submission date of an approved application. In order to be reviewed for approval, applications shall be complete, submitted on forms provided by the Department and shall be accompanied by a check payable to the City of Philadelphia in the amount required in Section 3.5(c). No credits shall be made retroactively.

(e) Review of Approved Credit Factors. The Department reserves the right to review approved credit factors. Customers may, from time to time, be required to submit current water use and sewer discharge information. Customers may also be required to submit new applications for the credit factor. Failure to comply with the Department's requests for information or new applications may result in termination of the Customer's credit factor.

(f) Failure to Inform the Department of Increased Sewer Use. Customers with credit factors who fail to inform the Department of increased discharges to the wastewater system shall be subject to the imposition of the full charges for sewer use based on total water usage from the most recent application date, with applicable interest. In addition, the Department may impose a fine of two hundred and seventy five dollars (\$275) for each billing period from the application date.

4.0 STORMWATER MANAGEMENT SERVICE CHARGES

Charges for Stormwater Management Services (SWMS) supplied by the City of Philadelphia shall be effective September 1, ~~2021~~2022 as follows:

4.1 Charges.

All properties within the City shall be billed a SWMS charge.

4.2 Residential Properties.

All Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Effective September 1, ~~2021~~2022 and thereafter all Residential Properties shall be charged the rates listed below:

<u>SWMS</u>	<u>Billing & Collection</u>
\$15.04 <u>16.27</u>	\$1.82 <u>1.89</u>

(b) Residential Properties which do not have sewer service and which also have previously been charged only for water service shall be charged the rates shown above at 4.2 (a).

4.3 Non-Residential Properties.

Non-Residential Properties shall be charged a monthly SWMS charge and a monthly Billing and Collection charge as follows:

(a) Non-residential Properties shall be charged based on the Gross Area (GA) of the Property and the Impervious Area (IA) of the Property.

(1) GA includes all of the Property area within the legally described boundaries except streets, medians, and sidewalks in the public right-of-way and railroad tracks and station platforms in the railroad right-of-way.

(2) IA includes surfaces which are compacted or covered with material that restricts infiltration of water, including semi-pervious surfaces such as compacted clay, most conventionally hard-scaped surfaces such as streets, driveways, roofs, sidewalks, parking lots, attached and detached structures, and other similar surfaces.

(i) For Non-residential Properties with less than 5,000 square feet GA, the IA shall be estimated as a percentage of GA.

(A) For Undeveloped Property as defined in Section 1.0, the IA shall be 25% of the GA.

(B) For other Properties, the IA shall be 85% of the GA.

(3) In determining the GA Factor and IA Factor of a Property for the SWMS charge, the Department shall use increments of 500 square feet rounding up to the next highest increment.

(4) Calculating the Monthly SWMS charge. The monthly SWMS charge for each Non-residential Property is calculated by:

(i) dividing the GA in square feet by 500 and rounding up to the next whole unit to determine the GA Factor, then multiplying the GA Factor by the GA Rate to determine the GA charge;

(ii) dividing the IA in square feet by 500 and rounding up to the next whole unit to determine the IA Factor, then multiplying the IA Factor by the IA Rate to determine the IA charge;

(iii) the addition of the GA charge and the IA Charge equals the SWMS charge; and

(iv) the addition of the SWMS charge and the Billing and Collection charge together equals the total monthly stormwater charge.

(5) Rates for GA, IA and Billing and Collection.

(i) Effective September 1, ~~2021~~2022 and thereafter, the Rates shall be as follows:

<u>GA</u> (\$/500 s.f.)	<u>IA</u> (\$/500 s.f.)	<u>Billing & Collection</u>
0.72 <u>40.784</u>	5.11 <u>75.526</u>	\$2.36 <u>2.45</u>

(6) Minimum Monthly Charges. Non-residential Properties shall be subject to a minimum monthly charge. If the monthly charge calculated in Section 4.3(a)(4) is less than the monthly charges listed below then the monthly charges below shall be billed to the Property.

<u>SWMS</u>	<u>Billing & Collection</u>
\$15.04 <u>16.27</u>	\$2.36 <u>2.45</u>

(7) Adjustment Appeal Procedure.

(i) Customers may appeal the GA and/or IA calculations, property classification, or charge distribution of their property.

(ii) Adjustments shall be made using forms and procedures as defined by the Credits and Adjustment Appeals Manual and sent to:

Philadelphia Water Department
SWMS Charge Appeals
1101 Market Street
4th Floor
Philadelphia, PA 19107-2994

(iii) Adjustments to the GA and/or IA determination are separate and distinct from the billing review procedures established by Section 19-1702 of the Philadelphia Code.

(iv) The grounds supporting the adjustment shall be stated in writing, and include any exhibits, such as photographs, drawings or maps, site plans, and affidavits that support the claim. In addition, a land survey prepared by a registered surveyor shall be attached showing all Dwelling Units, total property area, type of surface material and impervious area, as appropriate, and any other information requested in writing by the Department. The Department may waive the submission of a land survey, if the Department determines that the survey is not necessary to make a determination on the appeal.

(v) The Customer filing the appeal is solely responsible to demonstrate, by clear and convincing evidence, that the GA and/or IA square footage information used by the Department, from which the adjustment appeal is being taken, is erroneous.

(vi) The filing of a notice of an adjustment appeal shall not stay the imposition, calculation or duty to pay the SWMS charge.

(vii) If the adjustment appeal results in a revised GA and/or IA calculation, correction of property classification, correction of parcel identification, or revisions to the default charge allocation, then the adjusted SWMS Charge will be effective from the date of receipt of the Adjustment Appeals Application; except that the Department may authorize WRB to credit accounts for adjustments to the GA and/or IA calculation for a period not to exceed three years prior to receipt of the Adjustment Appeals Application if the Customer filing the appeal demonstrates, by clear and convincing evidence, that it was eligible for and qualified to receive the adjustment during the three year period prior to the receipt of the Adjustment Appeals Application was incorrect.

(8) Multiple Accounts Serving One Property. Where there are multiple water accounts on a single Property, the entire SWMS charge of that Property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection charge. Property Owners shall have the opportunity to request an alternative allocation of the SWMS Charge.

4.4 Condominium Properties.

(a) Condominium Properties shall be charged SWMS and Billing and Collection charges on the same terms as Non-residential Properties under Section 4.3, but shall be billed as follows:

(1) Condominium Properties with a single water meter account shall be billed such that the entire SWMS charge of the condominium complex property plus a Billing and Collection Charge are billed to that single account.

(2) Condominium Properties with individual water meter accounts for each unit shall be billed such that the entire SWMS charge of the condominium complex property shall be divided and billed equally to each individual account. In addition, each account shall be billed a Billing and Collection Charge.

(3) Condominium Properties with more than one water meter, but without individual water meters for each unit, shall be billed such that the entire SWMS charge of the condominium complex property shall be divided equally among the accounts. Each account shall also be billed a Billing and Collection Charge. The Condominium Owner's Association shall have the opportunity to request an alternative allocation of the SWMS charge.

4.5 SWMS Credits

(a) Eligibility.

(1) Accounts on Non-residential and Condominium properties must be current to be eligible for credits.

(2) The Customer shall make the Property available for inspection by the Department and provide all necessary documentation for purposes of verifying the appropriateness of a SWMS credit(s).

(3) The Customer shall fulfill credit requirements, as described in Section 4.5(c) below, in accordance with the maintenance guidelines as prescribed by the Department, including any and all inspection and reporting obligations.

(b) Classes of Credits. There are three classes of credits: IA Credit, GA Credit, and NPDES Credit. The IA Credit provides a reduction to the IA Charge; the GA Credit provides a reduction to GA Charge; and the NPDES Credit provides reduction to the total SWMS Charge. A Property may be approved for credits from each of the three classes; however, if the resulting SWMS Charge after the application of any credits is less than the Non-residential minimum monthly charge, then the minimum monthly charge will apply.

(c) Credit Requirements.

(1) IA Credit. IA Credit is available for the portion of IA on a property where stormwater runoff is managed (IA Managed). IA Managed is achieved as follows:

(i) For areas of the property that meet the requirements of the following Impervious Area Reductions (IAR), as described in the Stormwater Credits and Adjustment Appeals Manual, a direct reduction in the billable IA may be applied:

- (A) Rooftop disconnection,
- (B) Pavement disconnection, or
- (C) Tree canopy coverage.

(ii) For Properties with PWD-approved Stormwater Management Practices constructed per Chapter 6 of the Department's regulations, the customer must demonstrate compliance with the regulations, including management of the first 1.5 inches of runoff and any and all required reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iii) For properties with PWD-approved Stormwater Management Practices, including those constructed with Department stormwater grant funds, the customer must demonstrate management of the first 1.5" of runoff and SMP compliance per the approved record drawing and any and all reporting, inspection and maintenance activities, except as otherwise provided in 4.5(c)(1)(iv).

(iv) The Department may approve a Property for IA credit for Non-Surface Water Discharges under the credit requirements in effect before September 1, 2021, if the Department receives a credit application for that Property on or before September 1, 2021. Such Properties property receiving credit under the credit requirements in effect before September 1, 2021 may continue to receive the credit under those requirements until the credit expires. Upon expiration of the credit, the current or future Property Owners of such Properties may renew the credit under the credit requirements in effect before September 1, 2021 by submitting a renewal application(s) in accordance with Subsection 4.5(f)(4) unless and until this section is modified.¹

(v) For Surface Discharges, the Customer must demonstrate that a portion or all of the impervious area discharges directly to a surface water body.

(2) GA Credit.

(i) Impervious area only. Impervious area shall receive a GA credit based on the criteria defined in Section 4.5(c)(1)(ii), (iii), (iv) and (v) herein.

(ii) Open Space area only. Open Space area is non-impervious area and is calculated as GA minus IA. The Customer must demonstrate a Natural Resource Conservation Service Curve Number (NRCS-CN) below a certain value as described in the Credits and Adjustment Appeals Manual.

(3) National Pollutant Discharge Elimination System (NPDES) Credit. The Customer must demonstrate the property is subject to and in compliance with a NPDES Permit for industrial stormwater discharge activities.

(d) Credit Maximum.

(1) IA Credit Maximum. IA Credit maximums shall apply as follows:

¹ Prior to September 1, 2021, Customers of Properties with non-Surface Discharges were required to demonstrate management of the first inch of stormwater runoff in one of the three following ways: (1) infiltration, (2) detention and slow release, and/or (3) routing through an approved volume -reducing SMP.

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% IA Credit for the IA Managed.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% IA credit for the IA Managed.

(2) GA Credit Maximum. GA Credit maximums shall apply as follows:

(i) All Non-residential and Condominium properties are eligible for a maximum of 80% GA Credit.

(ii) A Non-residential or Condominium property with Surface Discharge is eligible for a maximum of 90% GA credit.

(3) NPDES Credit Maximum. Eligible properties shall receive a maximum of 7% NPDES credit as described in the Credit and Adjustment Appeals Manual.

(e) Application of Credits

The application of the three classes of credits in calculating a property's monthly SWMS charge shall be described in the Credits and Adjustment Appeals Manual.

(f) Administration of Credits.

(1) A Customer shall apply for credits using application forms and submitting the required documentation as defined in the Credits and Adjustment Appeals Manual.

(2) Any engineering or other costs incurred in completing the application shall be borne by the Customer.

(3) Credits shall be effective upon receipt of a complete application.

(4) All credits shall expire four (4) years from the effective date of the credit. A Customer may renew credits by submitting a renewal application, documentation required by the Department as defined in the Credits and Adjustment Appeals Manual, and paying a renewal fee of ~~one-two~~ hundred ~~and forty~~ dollars (\$~~140~~200).

(g) Termination of Credits.

(1) The Department may review any approved credit at any time to verify its continued applicability. Customers may from time to time be asked to submit documentation and/or grant access to the Property receiving the credit. Failure to comply with such requests may result in the termination of the credit(s).

(2) The Customer's failure to meet credit requirements or comply with inspection and reporting obligations, in accordance with Section 4.5(a)(3), shall result in a suspension or revocation of all affected credits pursuant to the procedures issued by the Department.

(h) The Department may, at its sole discretion, issue stormwater credits to individual parcels where stormwater management is being implemented on a shared, collective basis by an organization representing different parcel owners within a defined geographic area.

5.0 BILLING FOR WATER, SEWER AND STORMWATER SERVICE

5.1 Billing.

(a) Estimated Usage and Billing. When an accurate meter reading cannot be obtained at the time of a scheduled meter reading or when necessary for administrative purposes, the quantity of water used may be estimated for billing purposes. Estimated usage will be based upon actual meter readings from prior cycles or by such other fair and reasonable methods as shall be approved by the Water Commissioner. Where the water usage is estimated because of inability to read the meter, any necessary corrections shall be made at the time of the next actual meter reading, or when appropriate.

(b) Charges to be Combined. At the discretion of the Water Commissioner, each bill may combine in one amount the service charge and any quantity charges for water, sewer and stormwater, if applicable.

(c) Bills Due and Payable. All bills are due and payable when rendered.

(d) Penalties for Late Payments.

(1) If current water, sewer, and stormwater bills are not paid within thirty (30) days from the date indicated on the bill, a penalty of five percent (5%) shall be imposed.

(2) An additional penalty of one half of one percent (0.5%) shall be imposed and added to water, sewer, and stormwater bills, and their penalties, on the due date of the bill of each succeeding cycle, except that a period of thirty (30) days shall elapse before the first additional penalty is imposed.

(3) If any water, sewer, and stormwater bill remains unpaid for two cycles after the bill has been rendered, the Revenue Department shall serve a notice of termination upon the delinquent Property Owner and, if the charge, with penalties thereon, is not paid within ten (10) days after such service of notice, the Department, in its discretion, may suspend water service to the Property until the charge with penalties is paid. Penalties for late payment are set by ordinance, not by regulation, and any amendments to the current ordinance shall apply as provided therein.

(e) Balance Due. Each bill shall include any balances due for bills issued from October 1, 2000, including penalties.

(f) Changes in Meter Size. When a change in meter size is made, the charge for the new meter size shall become effective on the date of such change.

(g) Unmetered Customers.

(1) Unmetered Customers shall be billed the same charges established for metered Customers. The water and sewer service charges will be determined by the size of the meter which would be installed for an equivalent service at a similar property. The SWMS charges will be determined based on Section 4.0. The Revenue Department shall estimate the quantity of water used and bill accordingly using the applicable water and sewer quantity charges.

(2) Where unmetered wastewater is discharged to the sewer system without adequate sewer metering, the Department reserves the right to bill the amount of flow based upon its engineering judgment of a reasonable estimate of unmetered usage.

(h) Unoccupied Property.

The billing of unoccupied Properties for water and sewer shall be discontinued only on issuance of a Discontinuance of Water permit. Nothing in this Section shall relieve a Property Owner of his responsibility for maintaining a service line unless a Discontinuance of Water permit has been secured. Under no circumstances will the stormwater service charge be terminated.

(i) Extraordinary Uses or Appliances.

In the event that extraordinary or peculiar uses or appliances, in the opinion of the Water Commissioner, warrant a special charge not provided herein, such charges shall be as fixed by the Water Commissioner in writing.

5.2 Special Customers.

The water, sewer and stormwater management service charges established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq. shall be applied to all general Customers, except the following groups of special Customers:

(a) GROUP I

(1) Public and private schools which provide instruction up to or below the twelfth grade but not beyond that grade, and excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(2) Institutions of “purely public charity”, as defined by Pennsylvania law, except universities and colleges and excluding service to any separate or adjoining facilities or structures not used exclusively for the principal purpose of the charity.

(3) Places used for actual religious worship.

(b) GROUP II

(1) Residences of eligible senior citizens provided that the senior citizen shall:

(i) Make application for such reduction to the Revenue Department within the first billing period for which reduction is sought; and

(ii) Submit satisfactory proof that the applicant is 65 years of age or older and that he or she makes payment directly to the City for water, sewer, and stormwater service to his or her residence which is located in the City of Philadelphia; and

(iii) Submit satisfactory proof to the Revenue Department that the applicant does not exceed the household income limitation of \$33,300 per year established by the Department. The above income limitation shall apply to those applying for this discount subsequent to June 30, 1982.

(iv) Effective with each subsequent general rate change in the water/sewer/stormwater charges, the Department shall adjust the Senior Citizen Income Limitation using the latest Consumer Price Index data available, as defined in the Philadelphia Code at Section 19-1901.

(c) GROUP III

(1) Universities and colleges, excluding service to any separate or adjoining facilities or structures not used exclusively for educational or instructional purposes.

(d) GROUP IV

(1) Public housing properties of the Philadelphia Housing Authority.

(e) GROUP V

(1) Group V Customers are Customers enrolled in the Income-Based Water Revenue Assistance Program (IWRAP) described in Section 19-1605 of the Philadelphia Code after the Water Revenue Bureau begins to issue IWRAP bills. Monthly bills for a Customer enrolled in IWRAP will be determined based on the Customer's family size and household income and will be charged in lieu of the service, usage and stormwater charges established in Sections 2.0 et seq., 3.0 et seq. and 4.0 et seq. for general Customers. Group V Customers will pay a percentage of his/her household income depending on where that Customer falls within the Federal Poverty Guidelines (FPL), subject to a minimum bill amount of \$12 per month.

(2) For determining the amount of service, usage and stormwater charges on monthly bills, Group V Customers will be defined according to three income tiers as follows:

(i) Group V-A. Group V Customers whose gross household income has been verified as being from 0% of FPL and up to and including 50% of FPL

(ii) Group V-B. Group V Customers whose gross household income has been verified as being greater than 50% of FPL and up to and including 100% of FPL.

(iii) Group V-C. Group V Customers whose gross household income has been verified as being greater than 100% of FPL and up to and including 150% of FPL.

(f) GROUP VI

(1) Customers with parcels eligible for a discount from the stormwater management service charge as a qualified Community Garden pursuant to Section 19-1603 of the Philadelphia Code and regulations promulgated by the Water Department under that Section.

(g) GROUP VII

(1) All unoccupied properties of the Philadelphia Land Bank.

(h) Charges for Special Customers

(1) As of September 1, 2021, the charges to Groups I, II, and III of special Customers listed above shall be seventy-five percent (75%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges. The charges to Group IV Customers shall be ninety-five percent (95%) of the charges as established in Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq., including both the water and sewer service and quantity charges, and the SWMS charges.

(2) Group V Customers enrolled in IWRAP after the Water Revenue Bureau begins to issue IWRAP bills will be responsible for paying the following charges for service, usage and stormwater charges, or \$12 per month, whichever is greater:

(i) Group V-A: 2.0% of household income.

(ii) Group V-B: 2.5% of household income.

(iii) Group V-C: 3% of household income.

(3) Group VI: Effective with bills issued on or after January 1, 2017, Group VI special Customers will receive a 100% discount on the stormwater management service charges for parcels classified by the Department as Community Gardens upon approval of

an application for a discount consistent with Section 19-1603 of the Philadelphia Code and regulations promulgated by the Department under that Section.

(4) Group VII: Effective with bills issued on or after September 1, 2018, Group VII special Customers are fully exempt from all water, sewer and stormwater management rates and charges.

(i) All of these special Customers shall meter all water connections and they shall be subject to all provisions herein not inconsistent with Sections 2.0 et seq., 3.0 et seq., and 4.0 et seq.

(j) All special Customers are subject at any time to review as to their special charges by the Department or the Water Revenue Bureau and may be required to furnish adequate evidence supporting the continuance of such charges to the Department or the Water Revenue Bureau upon written notice to do so. Failure to furnish such evidence shall be sufficient ground for denial or termination of such special charges.

(k) Special charges may be granted subject to the Department's review and approval of the size of the meter installed.

(l) When the special use for which the special charge is granted ceases, the special charge ceases and the charges for general Customers shall apply thereafter.

(m) When any vacant or unoccupied premises are acquired by the City, charges for water and sewer, including charges relating to storm water management and disposal, shall terminate on the date that such premises are acquired.

(n) When any property is acquired or held by the Philadelphia Housing Development Corporation or acquired or held by the City or the Redevelopment Authority pursuant to Chapters 16-400 or 16-500 of the Philadelphia Code, charges for water and sewer, including charges relating to storm water management and disposal, shall be abated.

5.3 Eligibility for Charity Rates and Charges.

(a) Organizations seeking the Charity Rates and Charges must submit an application to the Department. Applicants must use forms provided by the Department, and submitted applications must be completed to the satisfaction of the Department.

(b) Applications must be made in the name of the organization seeking the Charity Rates and Charges. All accounts for which an organization is requesting the Charity Rates and Charges must be in the identical name as that on the application.

(c) Any account for a Property for which the Charity Rates and Charges are sought must be current and remain in good standing with no service violations or violations of the requirements of § 17-107(12) ("Recipients of Financial Assistance") applicable to

properties that benefit from financial assistance in connection with the receipt of charity rates and charges to maintain eligibility for any discounts issued herein. Any breach of this condition shall result in the loss of eligibility for the discount.

(d) To be eligible for water and sewer Charity Rates and Charges, the Property must not have any outstanding Department or Plumbing Code violations; the Property must have an operating water meter that is in compliance with current Department specifications, and the property must have a current water meter reading. If the property is receiving stormwater service only, the above provision regarding metering shall not apply. To be eligible for SWMS Charity Rates and Charges, the Property must not have any outstanding Department violations. Applicant must be either an owner of the Property or a Tenant of the property for which the SWMS charge is assessed.

(e) Charity Rates and Charges shall be charged to the eligible organization from the application date of an approved application. No retroactive reductions from the General Customer rates and charges will be permitted.

5.4 Account Review.

The Department, from time to time, may review the status of organizations receiving Charity Rates and Charges.

During this review, eligible organizations may be required to submit new applications.

5.5 Suspension of Charity Rates and Charges (Groups I and III)

(a) Organizations that have been approved for Charity Rates and Charges must make timely payments on accounts in order to remain eligible for these discounted rates and charges.

(b) An organization that fails to make on-time payments for two (2) consecutive billing cycles shall be suspended from the Charity Rates and Charges, and shall be required to pay the same rate(s) as the General Customer rates and charges for all services. The suspension period shall remain in effect for a minimum of one (1) year.

(c) Reinstatement of the Charity Rates and Charges will not occur until a full year of on-time payments has been made. Suspended organizations must then submit an application as described in Section 5.3. Charity Rates and Charges will not be retroactive for the period of suspension.

(d) Customers shall be informed by first class mail of the suspension of the Charity Rates and Charges.

5.6 Hearing.

Organizations that have been denied eligibility or have been suspended from the Charity Rates and Charges may request an informal hearing.

5.7 No Waiver.

Nothing herein shall limit the Department on its own findings or at the request of another City agency from suspending Charity Rates and Charges from organizations which have violated City law or regulations and thereby under such City law or regulations have forfeited such privileges as the Charity Rates and Charges.

6.0 MISCELLANEOUS WATER CHARGES

Charges for miscellaneous water services supplied by the City of Philadelphia shall become effective September 1, ~~2021~~2022 as follows:

6.1 Meter Test Charges.

(a) A Customer may apply to the Department for a test of the accuracy of the registration of a water meter (Meter Test). At the Customer's request, the Department shall notify the Customer of the time and place of the test so that the Customer may be present.

(b) In testing, meters may be removed from the line and replaced by a tested meter. If removed, the meter shall be tested at the Department's Meter Shop. Meters may also be tested and recalibrated in place without removal and replacement.

(c) All meters shall be removed, replaced, tested or calibrated during the Department's regular business hours (9:00 a.m. to 4:45 p.m.).

(d) A Customer may request a Meter Test to be performed outside the regular business hours of the Department under the following conditions:

(1) the Department has staff available and agrees to a time outside the regular business hours of the Department; and,

(2) the Customer agrees to pay the overtime and added expenses, whether the meter passes or fails the test.

(e) If the register on the meter is found upon testing to be registering within two percent (2%) of the actual volume of water passing through the meter, or registering in favor of the Customer, the Customer will be assessed a Meter Test Charge as follows:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$210
1", 1-1/2", 2"	\$280
3", 4", 6", 8", 10", 12"	\$640

 Field Tests, 3" and above \$640

(plus any charges and/or expenses incurred for work performed outside the regular hours of business, if requested by the Customer).

(f) If the meter is found upon testing to be registering in excess of 102% of the actual volume of water passing through the meter, the Customer shall not be assessed a Meter Test charge as provided for in subsection (e); and, WRB shall review the billing history of the tested meter for a period not to exceed three years on the basis of the corrected registration and revise it as necessary.

(g) The Department will, at the request of a Customer, test his or her meter at no charge once every twenty years. Additional tests are subject to the charges listed in Section 6.1(e).

6.2 Charges for Furnishing and Installation of Water Meters.

The charges for furnishing and installing water meters are as follows.

(a) For work which involves the furnishing and setting of a water meter and meter interface unit (MIU), the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$255
3/4 RFSS	435
1"	430
1" RFSS	520
1 1/2"	805
1 1/2" RFSS	750
2"	905
2" RFSS	970
3" Compound	2,370
3" Turbine	1,485
3" Fire Series	3,370
4" Compound	2,785
4" Turbine	2,525
4" Fire Series	3,660
4" Fire Assembly	6,015
6" Compound	4,815
6" Turbine	4,065
6" Fire Series	5,310
6" Fire Assembly	7,915
8" Turbine	5,445
8" Fire Series	6,080

8" Fire Assembly	11,135
10" Turbine	7,785
10" Fire Series	8,515
10" Fire Assembly	15,300
12" Turbine	7,900
12" Fire Series	8,705
12" Fire Assembly	16,170

(b) For work which involves only the furnishing and setting of an MIU, the following charges are hereby established:

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 105
3/4" RFSS	105
1"	190
1 " RFSS	190
1 1/2"	190
1 1/2" RFSS	190
2"	190
2" RFSS	190
3" Compound	515
3" Turbine	515
4" Compound	515
4" Turbine	515
6" Compound	515
6" Turbine	515
8"	515
10"	515

(c) If extraordinary work is required in connection with the installation of a water meter or the replacement of a damaged meter, additional charges shall be computed using actual salaries and materials expended, plus applicable overhead costs.

(d) The Property Owner shall be responsible for safeguarding the meter and seals and shall pay for necessary repairs and replacements due to his/her failure to provide adequate protection to the meter and seals from theft, vandalism, freezing, tampering or other damage. The Property Owner shall also be responsible for the repair and maintenance of the plumbing accessory to the meter, such as inoperable valves, weakened service pipes and fittings, etc. and shall provide and pay for such plumbing, repair and maintenance as City metering needs may require.

6.3 Tampering of Meter.

(a) In the event that an investigation indicates that tampering of a meter has occurred, the following charges to the Customer shall be assessed:

<u>Meter Size</u>	<u>Charge</u>
5/8" or 3/4"	\$ 120
1", 1½", 2"	210
3" and larger	570

6.4 Shut-Off and Restoration of Water Service.

(a) If the Department is required to visit a Property to shut off service for non-payment; and, payment is tendered at the time of the shut-off, a charge of one hundred and five dollars (\$105) will be assessed, with the exception stated in Section 6.4(e).

(b) A one hundred and five dollar (\$105) charge will be assessed if shut-off of the water service is required as a result of non-compliance with a Notice of Defect and/or metering non-compliance.

(c) After termination of water service for non-payment or violation of service requirements, restoration of water service will not be made until the following charges have been paid in full or payment arrangements satisfactory to the Revenue Department have been made.

(1) Where the only work required is operating the service valve:

(i) service lines 2" and smaller.....\$105
with the exception stated in Section 6.4(e)

(ii) service lines larger than 2".....~~\$280~~\$395

(2) Where the curb stop is obstructed, the access box missing or otherwise requires excavation~~\$830~~\$905

(3) Where the curb stop is inoperable and a new curb stop must be installed...\$950

(4) Where the curb stop is obstructed, the access box missing, or otherwise requires excavation, and replacement of footway paving is required.....\$905

(5) Where the curb stop is inoperable and a new curb box must be installed and replacement of footway paving is required.....\$950

(6) Where excavation and shut-off of the ferrule at the water main is required
.....\$2,165

(d) If the Department is required to remove concrete footway paving in order to perform the shut-off and/or restoration, the footway will be replaced by the Department and the

preceding charges applied unless proof has been provided to the Department that some other qualified person will replace the paving.

(e) A charge of \$12 will be assessed if a Customer is enrolled in IWRAP and the Department is required to visit the Property to:

(1) shut off service for non-payment; and, payment is tendered at the time of the shut-off; or

(2) restore water service after termination of water service for non-payment or violation of service requirements.

6.5 Pumping of Properties.

The following charges shall apply for the pumping of water from properties when the condition requiring such service is not caused by the Department.

(a) Occupied Properties

(1) Pumping of water from occupied Properties may be done at the Property Owner's request and expense.

(2) Pumping of other Properties due to the failure of a Property Owner's piping may be performed by the Department and be charged to the Property Owner of the Property at which the failure occurred.

(3) Charges for pumping shall be calculated at actual salaries and materials expended, plus applicable overhead costs.

(b) Unoccupied Properties

The Department may, at its sole and exclusive discretion, pump water from unoccupied properties if it is determined that a serious condition exists. The charges for pumping shall be as specified in Section 6.5(a).

6.6 Charges for Water Main Shutdown.

(a) The Department of Licenses and Inspections shall issue permits for the temporary shutdown of a water main to allow a registered plumber to make immediate repairs to a broken water service and to avoid the necessity of opening the street.

(b) Permits shall be issued after:

(1) Certification by the Department that the shutdown will not seriously inconvenience other Customers; and

(2) The applicant has paid a two hundred and twenty-five dollar (\$225) service charge.

(c) In an emergency or when responsibility for a leak is in doubt, the Department may make the shutdown before the permit is obtained. If the Department determines that the leak was not the Department's responsibility, the owner shall obtain a permit and pay the above stated service charge and any other costs incurred by the Department in conducting the emergency shut down.

6.7 Water Connection Charges.

(a) Permits. Permits for connections to the City's water supply system shall be issued by the Water Permit section of the Department of Licenses and Inspections.

(b) Ferrule Connections.

(1) Connections between 3/4 inch and two inches (2") in diameter shall be made by a ferrule installed by the Department. The owner, at his own expense, shall excavate for the connection, install all piping and appurtenances after the ferrule and fill the excavation. The owner thereafter shall be responsible for maintaining this piping and appurtenance.

(2) The charges for such ferrule connections, with the exception stated in Section 6.7(b)(3), shall be as follows:

<u>Size</u>	<u>Charge</u>
3/4"	\$235
1"	255
1½"	285
2"	340

(3) The charges for such ferrule connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), shall be as follows:

<u>Size</u>	<u>Charge</u>
3/4"	\$255
1"	275
1½"	310
2"	360

(c) Valve Connections. Connections three inches (3") and larger shall be made by a valve installed by the Department. This valve installation shall include, but shall not necessarily be limited to, the connection to the main, the valve, valve box, necessary piping after the valve from the main in the street to one foot inside the curb, backfill and repaving. The Department shall thereafter be responsible for maintaining this valve and piping, unless the associated meter has been reduced at the Property Owner's request to a two inch (2") or smaller meter, in which case the Property Owner shall be responsible for valve and piping maintenance.

(1) The charges for valve connections shall, with the exceptions stated in Section 6.7(c)(2), shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 15,670
6" & 8"	16,010
10" & 12"	18,970

(2) The charge for such valve connections, when the work is performed at the Customer's request is during other than normal work hours or the work is performed in an area designated by the Streets Department as a special work zone, shall be as follows:

<u>Size</u>	<u>Charge</u>
3" & 4"	\$ 17,380
6" & 8"	17,720
10" & 12"	20,895

(d) Attachment to a Transmission Main

(1) There shall be no connection to a transmission main without Department approval. Such approval shall be requested by application forms and procedures issued by the Department.

(2) Where a connection is made to a water main larger than 12 inches in diameter, with the exceptions stated in Sections 6.7(d)(3)&(4), the charges will be a follows:

SLEEVE 3" & 4"

MAIN

16"	\$ 23,965
20"	25,465
24"	27,065
30"	36,740
36"	41,905

SLEEVE 6" & 8"

MAIN

16"	\$24,165
20"	25,365
24"	27,065
30"	38,225
36"	45,325

SLEEVE 10" & 12"

MAIN

16"	\$24,165
20"	25,665
24"	27,165
30"	38,700
36"	47,345

(3) The charges for such connections, when the work performed at the Customer's request is not during the Department's regular business hours (9:00 a.m. to 4:45 p.m.), or the work performed is in an area designated by the Streets Department as a special work zone, shall be as follows:

SLEEVE 3" & 4"

MAIN

16"	\$26,100
20"	27,600
24"	29,200
30"	38,880
36"	44,040

SLEEVE 6" & 8"

MAIN

16"	\$26,300
20"	27,500
24"	29,200
30"	40,360
36"	47,460

SLEEVE 10" & 12"

MAIN

16"	\$26,300
20"	27,800
24"	29,300
30"	40,835
36"	49,480

(4) Where a connection is made to a water main 48" or larger in diameter, the charge will be that for a connection to a 36" main, stated above in Sections 6.7(d)(2) or (3), plus an additional charge representing the difference between the current cost of a 36" sleeve and the cost of the larger sleeve. The additional charge shall be paid before any permit can be issued as prescribed below in Section 6.11.

(e) Should police assistance for traffic control be required for a ferrule or valve connection, the Customer shall pay the required fee to the Police Department.

6.8 Discontinuance of Water.

Except as otherwise provided, no Customer shall be relieved of the obligation to pay water and sewer charges unless a permit for the discontinuance of water and sewer has been obtained from the Department of Licenses and Inspections pursuant to the provisions of Philadelphia Code section 19-1601. When a permit is granted to discontinue water and sewer service, charges shall terminate on the date of removal of the meter by the Department. The charge for a permit for discontinuance of water is one hundred dollars (\$100), regardless of service size. A validly issued permit to discontinue water and sewer does not terminate the obligation to pay for stormwater management services.

6.9 Hydrant Permits.

(a) A permit shall be obtained from the Water Permit section of the Department of Licenses and Inspections before a hydrant can be used. The permit shall contain the terms and conditions that are required of the Customer in order for the Customer to use the hydrant.

(b) The costs for obtaining a permit shall be as follows.

(1) One Week Permit for use of standard pressure hydrant.....\$ ~~735~~860

(2) Six Month Permit for use of standard pressure hydrant.....\$ 4,495

6.10 Flow Tests.

When a Customer requests the Department to conduct a flow test on a fire hydrant to determine the volume and residual pressure available on a domestic or fire connection, or at a specific location, the charge shall be nine hundred and thirty dollars (\$930) for each flow test.

6.11 Water Service Line Investigations and/or Inspections

When a Customer or a duly authorized representative of a Customer requests the Department to conduct an investigation to locate and/or to inspect the water service line at a specific location, the charge shall be ninety dollars (\$90) for each investigation or inspection. The charge shall be assessed regardless of the result of the investigation or inspection.

6.12 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

7.0 MISCELLANEOUS SEWER CHARGES

Charges for miscellaneous sewer services supplied by the City of Philadelphia shall be effective September 1, ~~2021~~2022, as follows.

7.1 Sewer Charges for Groundwater.

(a) Sewer charges for groundwater discharged to the City's sewer system shall be as follows:

(1) Effective September 1, ~~2021~~2022 and thereafter, the rate shall be ~~\$11.94~~\$12.66 per 1,000 cubic feet.

(b) To determine the quantity of such discharged groundwater, the Customer shall install a meter or measuring device satisfactory to the Department. If, in the opinion of the Department, it is not feasible to install a meter or measuring device, the Department may designate some other method of measuring or estimating the quantity of discharged groundwater.

7.2 Charges for Wastewater Service.

(a) The charge for sanitary type wastewater delivered to any of the City's Water Pollution Control Plants shall be as follows.

(1) Effective September 1, ~~2021~~2022 and thereafter, the rate shall be ~~\$55.72~~\$58.11 per 1,000 gallons.

(b) Where accurate quantities of wastewater delivered cannot be determined, such quantities shall be estimated for billing purposes by such fair and reasonable methods as shall be approved by the Water Commissioner.

(c) The locations, times, delivery procedures and exact nature of the pollution characteristics of the delivered wastewater shall be determined by the Department.

(d) From time to time, Customers shall be required to file with the Department a questionnaire establishing or revising information on the quantity and quality of wastewater delivered and other pertinent data deemed necessary by the Department. Failure to furnish such information shall be sufficient grounds for denial or termination of delivery privileges.

(e) Measurements, tests and analyses of the characteristics of delivered wastewater shall be determined in accordance with the latest edition of *Standard Methods for the Examination of Water and Wastewater*, published jointly by the American Public Health Association, the American Water Works Association (AWWA) and the Water Environment Federation (WEF).

(f) If any bill for the above services shall remain unpaid for more than sixty (60) days from date rendered, the Department may refuse acceptance of additional wastewater until all unpaid balances, with late charges, are paid in full.

7.3 Wastewater Discharge Permit.

All Industrial Users contributing wastewater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.4 Groundwater Discharge Permit.

All Industrial Users contributing groundwater to the City's sewer system must obtain a permit from the Department pursuant to the Wastewater Control Regulations contained in Chapter 5 of the Department's regulations. The fee for each new or renewal permit is one thousand nine hundred and sixty dollars (\$1,960).

7.5 Manhole Pump-out Permit

(a) Any non-domestic User discharging wastewater from underground structures to the City's sewer system must obtain a manhole pump-out permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's

regulations. The fee for each new or renewal permit is ~~two~~three thousand ~~seven~~eight hundred and forty-five dollars (\$~~2,745~~3,845).

(b) In the event a User requests discharge locations in the City's separate sewer areas under this permit, the City may assess additional fees for any work associated with the review of this request and the identification of the discharge locations.

7.6 Trucked or Hauled Wastewater Permit

Any person trucking or hauling wastewater to the POTW must first obtain a septage discharge permit from the Department pursuant to the Wastewater Control Regulations in Chapter 5 of the Department's regulations. The fee for each new or renewal permit shall be two thousand three hundred and fifty-five dollars (\$2,355).

7.7 PHOTOGRAPHIC & VIDEO INSPECTION

When a Customer or a duly authorized representative of a Customer requests the Department to conduct a photographic or video inspection of a private sewer line at a specific location, the charge shall be two hundred and seventy five dollars (\$275) for each photographic or video inspection. The charge shall be assessed regardless of the result of the photographic or video inspection.

7.8 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

8.0 MISCELLANEOUS STORMWATER MANAGEMENT CHARGES

8.1 Stormwater Plan Review Fees.

All Development plans submitted to the Department under Chapter 6 of the Department's regulations for stormwater management approvals shall be subject to a plan review fee.

(a) Fees.

(1) A fee of one thousand one hundred and fifteen dollars (\$1,115) shall be due prior to issuance of Conceptual Stormwater Management Plan approval.

(2) A fee of sixty-five dollars (\$65) shall be due upon submission of a post construction stormwater management plan, including a technical site plan, for review. An additional fee of one hundred and twenty dollars (\$120) per hour of review time shall be due prior to issuance of PCSMP approval.

(i) Review time shall be based on the City's tabulation of actual hours expended by Department employees or consultants reviewing the plans associated with a particular development or redevelopment project for compliance with Chapter 6 of the Department's regulations.

(b) Refund of fees. The Department shall refund any fees specified above if a plan submittal is not approved or denied within 21 days for conceptual site plans and within 45 days for technical site plans.

8.2 Stormwater Management Fee in Lieu.

The fee in lieu shall be calculated as follows:

(1) For an exemption to only the Water Quality Requirement of Chapter 6 of the Department's regulations the fee in lieu shall be ~~twenty-five~~ thirty-one dollars (\$~~25.00~~31.00) per square foot based on the total Directly Connected Impervious Area within the limit of Earth Disturbance.

9.0 FIRE SERVICE CONNECTIONS

Fire service connection charges shall consist of a monthly service charge and a quantity charge and shall be effective September 1, ~~2021~~2022, as follows.

9.1 Charges.

(a) Monthly Service Charges.

(1) The monthly service charges for the furnishing of water for the purpose of fire protection effective September 1, ~~2021~~2022 and thereafter, shall be as follows:

<u>Connection Size</u>	<u>Service Charge</u>
Up through 4-inch	\$ 22.37 <u>23.03</u>
6-inch	40.59 <u>41.85</u>
8-inch	59.96 <u>61.93</u>
10-inch	88.79 <u>91.64</u>
12-inch	132.60 <u>137.50</u>

(b) The City may permit fire service connections to its water system outside the City of Philadelphia only in properties contiguous to the City where in the opinion of the Water Commissioner water service for fire protection may be furnished without interference with water service to properties within the City.

(c) Pipe connections to the Philadelphia water system, meters and other service requirements shall be in accordance with the standard fire service requirements of the Department.

(d) Quantity Charges.

(1) In addition to the service charge, the quantity charge portion of each bill is determined by applying the quantity charge rate shown below to all water use. In addition, the quantity charge will also include a TAP Rate Rider Surcharge, as set forth in Section 10.

Effective September 1, ~~2021~~ 2022 and thereafter, the quantity charge shall be as follows:

1 Mcf = 1,000 cubic feet = 7,480 gallons
--

<u>Monthly Water Usage</u>	<u>Base Charge Per Mcf</u>	<u>TAP-R Per Mcf</u>	<u>Total Charge Per Mcf</u>
First 2 Mcf (0 to 2 Mcf)	\$45.99 <u>49.22</u>	\$0.70	\$46.69 <u>49.92</u>
Next 98 Mcf (2.1 to 100 Mcf)	42.33 <u>45.23</u>	0.70	43.03 <u>45.93</u>
Next 1,900 Mcf (100.1 to 2,000 Mcf)	32.84 <u>35.05</u>	0.70	33.54 <u>35.75</u>
Over 2,000 Mcf	31.94 <u>34.09</u>	0.70	32.64 <u>34.79</u>

Note: Actual TAP-R rates are subject to Annual Reconciliation and the determination of the Rate Board.

(e) The provisions in this Section apply to all fire service connections.

9.2 Payment.

All billings for the above services are due and payable when rendered, unless stated otherwise herein, and are subject to such penalties for late payment as is prescribed by current ordinance or as may be amended. Payments for permits shall be made in full prior to any permit being issued.

10.0 PROVISIONS FOR RECOVERY OF THE TIERED ASSISTANCE PROGRAM (TAP) COSTS

The lost revenue related to TAP (the “TAP Costs”) will be recovered via a separate TAP Rate Rider Surcharge Rate (TAP-R), which would be added to the water, fire service and sewer quantity charge rate schedules. This TAP-R shall be increased or decreased for the

next rate period to reflect changes in TAP costs, and will be calculated and reconciled on an annual basis in the manner set forth below.

10.1 Computation of the TAP-R

(a) The TAP-R Equation

The TAP-R shall be computed to the nearest one-hundredth of a dollar per MCF (\$0.01/MCF) in accordance with the formula set forth below:

$$\text{TAP-R} = \frac{(C) - (E + I) + AF}{S}$$

The TAP-R so computed, shall be applied as an adder to the water, fire service connection and sewer quantity charge base rate schedules set forth for water in Section 2.1 (c); sewer in Section 3.3 (b); and fire service in Section 9.1 (d), of these Rates and Charges. As a result, the TAP-R shall consist of two sub-components:

- (1) A “Water TAP-R” added to the water and fire service quantity “base rate” (\$/MCF); and
- (2) A “Sewer TAP-R” added to the sewer quantity “base rate” (\$/MCF).

During the rate periods that TAP-R is effective, to recover the TAP Costs through Water TAP-R and the Sewer TAP-R respectively, the total TAP Costs determined for a given rate period will be apportioned between water and wastewater utilities based on the proportion of water and wastewater net revenue requirement respectively to total net revenue requirement. The percent allocation of TAP Costs between water and wastewater utilities will be as follows:

- (i) Water TAP Cost Allocation: 40%
- (ii) Sewer TAP Cost Allocation: 60%

(b) Definitions

In computing the TAP-R pursuant to the formula above, the following definitions shall apply:

- (1) **TAP-R** - TAP Rate Rider Surcharge Rate (\$/MCF).
- (2) **C** – Cost in dollars of the estimated TAP Billing Loss for the projected period.

- (3) **E** - The net over or under collection of the TAP-R surcharge amount for the Most Recent Period. The net over or under collection will be calculated by comparing the actual TAP Revenue Loss (resulting from discounts provided to TAP Customers) with the actual TAP-R surcharge amounts billed to Non-TAP Customers. Both the TAP Revenue Loss and the TAP-R billings, that are determined for the rate periods, will be adjusted for collections by applying the Department's system-wide collection factor of 97.32%.
- (4) **I** - Interest on any over or under recovery of the TAP-R for the Most Recent Period. Interest will be computed on a monthly basis using a simple annual interest rate. The interest rate will be based upon the yield to maturity of a particular date of United States Treasury securities with a constant maturity for a 1-year Treasury as compiled and published in the Federal Reserve Statistical Release H.15 (519) for the United States Treasury¹, as it exists each year as of the first day of the month, preceding the month of the annual reconciliation submission to the Rate Board.
- (5) **AF** – Cost in dollars of the actual Arrearage Forgiveness, including penalties, provided during the most recent period. Arrearage Forgiveness will be based upon the total amount of arrears forgiven for TAP customers who have made 24 full payments on their TAP discounted bills in accordance with Section 206.7(c) and (d) of the Department's regulations. The total amount of arrearage will be adjusted by applying the Department's TAP Lost Revenue Adjustment factor of 9%. Recovery of AF will be tracked on an annual basis and any amount of over or under recovery included in the next reconciliation submission to the Rate Board. Arrearage Forgiveness will not be subject to interest earnings.
- (6) **S** - Projected sales in MCF for Non-TAP customers.
- (7) **Most Recent Period** – The Current Fiscal Year and/or the period for which TAP-R reconciliation is performed.
- (8) **Next Rate Period** – The fiscal year and/or the period that immediately follows the Most Recent Period, and in which the TAP-R is effective.

10.2 Filing with the Philadelphia Water, Sewer and Storm Water Rate Board

¹ Currently available at <https://www.federalreserve.gov/releases/h15/>.

The Water Department shall initiate the annual TAP Rate Rider Reconciliation by filing an advance notice with the Philadelphia Water, Sewer and Storm Water Rate Board (the “Rate Board”) and City Council in accordance with the procedures and standards established by the Rate Board through its regulations.

10.3 TAP-R Surcharge Rates

(a) Water TAP-R

The Water TAP-R portion of each water bill is determined by applying the Water TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
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- (1) Effective September 1, 2021 and thereafter, the Water TAP-R surcharge shall be \$0.70 per Mcf as determined by the annual reconciliation filing.

(b) Sewer TAP-R

The Sewer TAP-R portion of each sewer bill is determined by applying the Sewer TAP-R surcharge rate shown below to all water use.

1 Mcf = 1,000 Cubic Feet = 7,480 gallons
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- (1) Effective September 1, 2021 and thereafter, the Sewer TAP-R surcharge shall be \$1.07 per Mcf as determined by the annual reconciliation filing.

**Philadelphia Water Department Summary of Public Input Hearings
2021 Rate Proceeding**

Public Input Hearing Held March 16, 2021 at 1:00 p.m.

Hearing Officer Marlene Chestnut

Stephen Liang, Legal Assistant, City of Philadelphia

Andre Dasent, Counsel for PWD

Sonny Popowsky, Chairman of Water, Sewer, Storm Water Rate Board

Glen Abrams, Public Affairs Department of PWD

Kinteshia Scott, Community Legal Services

Joline Price, Community Legal Services

<u>Commenter</u>	<u>Summary of Public Input</u>
Tammie Murphy 3424 Ainslie Street, Philadelphia, PA 19129	<ul style="list-style-type: none"> -Learned of Public Input Hearing through PennFuture and Community Legal Services -Rate increase would result in typical residential water bills to cost an average of \$140 more per year and that is too much for struggling families -Cited food security issues -Inquired as to whether PWD conducted a needs assessment and an alternative options assessment -Supported PWD looking at how it could set aside the rate increase by using “American Recovery Plan Act” funds and delaying rate increase
Juliana Martel	[registered speaker but not present]
Denesta Smith 1341 Colwyn Street Philadelphia, PA 19140	<ul style="list-style-type: none"> -Neighbor Wydia Gardner told her about Public Input Hearing -Stated that whomever brought COVID-19 in to the country should have to pay for the high cost of water bills -Indicated that PWD ripped her off because she had to take out a HELP loan for a leak in the middle of her street that cost \$4,500 to repair, PWD declined to perform certain property restoration efforts, and PWD advised her the statute of limitations expired -Expressed discontent with PWD customer service

<u>Commenter</u>	<u>Summary of Public Input</u>
Katherine Lasker 815 Magee Avenue Philadelphia, PA 19111	-Learned of Public Input Hearing through email from PWD -Inquired as to the relationship between City Council / PWD and American Water Resources, a private company advertising insurance policies for service line repairs -Suggested that PWD offer a warranty or insurance policy for service lines
Lance Haver	-Inquired about status of his Motion for Continuance and whether he should prepare testimony
Charlene Samuels, Councilwoman Gym's Office	-Inquired about notice provided to customers about public input hearings -Requested confirmation that rate increase would go in to effect September 2021 and the board that would make the decision on the rate increase request

Public Input Hearing Held March 16, 2021 at 6:00 p.m.

Hearing Officer Marlene Chestnut

Stephen Liang, Legal Assistant, City of Philadelphia

Andre Dasent, Counsel for PWD

Sonny Popowsky, Chairman of Water, Sewer, Storm Water Rate Board

Glen Abrams, Public Affairs Department of PWD

Josie Pickens, Community Legal Services

<u>Commenter</u>	<u>Summary of Public Input</u>
Barbara Panzano	[registered speaker but not present]

<u>Commenter</u>	<u>Summary of Public Input</u>
Daniela Ascarelli 1116 Ellsworth Street Philadelphia, PA 19147	<ul style="list-style-type: none"> -Learned of Public Input Hearings through email and social media -Expressed concerns about rate increase requested in the middle of a pandemic in the poorest large city in America -Indicated that she had not seen anything from PWD about controlling costs or finding alternatives to deal with storm water run off -Stated that PWD could save costs by not sending an envelope with its water bills since some customers pay their bills electronically -Supported PWD looking at how it could set aside the rate increase by using “American Recovery Plan Act” funds
Amanda Basard	[registered speaker but not present]
Andrew Rosenthal	-Just present to observe hearings
Richard Oblek 9820 Red Rambler Dr. Philadelphia, PA 19115	<ul style="list-style-type: none"> -Learned of Public Input Hearings via PWD’s website -Inquired whether PWD would receive any American Rescue Plan Act funds -Asked why there is a need for constant increases in monthly service charges and what percentage increase would there be to the service charge -Inquired as to what PWD uses the monthly services charges collected for
Brooke Williams 2527 Ingersoll Street Philadelphia, PA 19121	<ul style="list-style-type: none"> -Learned of Public Input Hearings through email -Encouraged PWD to make efforts to optimize efficiencies in its operations before seeking rate increase from customers -Indicated that cost of water service is higher in Philadelphia than in other places she has lived -Stated that she was not aware that PWD does not handle its own billing and collections efforts
Lance Haver	-Asked commenter, Brooke Williams, whether she was aware that PWD does not handle its own billing or collections efforts

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Yvonne Munyan 2126 66th Avenue Philadelphia, PA 19138</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings through email -Inquired as to whether PWD had studied rates in other major cities that would help support rate increase requested -Expressed concern about timing of the proposed rate increase
<p>Terrence Chambers, Workers Benefit Council 1418 North Fulton Street Philadelphia, PA 19151</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings from fellow member of the Workers Benefit Council, a group of service workers, temp, part-time, among other individuals, representing the interests of the majority of workers -Stated that he had issues with various budget programs -Opposes rate increase requested as citizens have suffered due to the pandemic -Expressed discontent with termination of service to customers that are unable to pay their bills -Indicated that he is a TAP participant and that a medical condition requires him to keep hydration in check -Voiced concern about how shutoffs would affect children -Requested that the Water Rate Board: (1) stick to the U.N. sustainable development goals (including clean water and sanitation); (2) lower rates for those at 300 percent of the poverty line or below no more than 6% of income; (3) apply the same quantities to those above 300 percent of the poverty level who can demonstrate financial hardships; (4) provide debt relief for those who have fallen behind on their water bill; and (5) impose a year-round moratorium on utility shutoffs for any household at or below 300 percent of the Philadelphia poverty level

Public Input Hearing Held March 18, 2021 at 1:00 p.m.

Hearing Officer Marlene Chestnut

Stephen Liang, Legal Assistant, City of Philadelphia

Andre Dasent, Counsel for PWD

Sonny Popowsky, Chairman of Water, Sewer, Storm Water Rate Board

Glen Abrams, Public Affairs Department of PWD

Robert Ballenger, Community Legal Services

Kinteshia Scott, Community Legal Services

Danielle Lavery, Water Revenue Bureau

<u>Commenter</u>	<u>Summary of Public Input</u>
Lauren Katz-Smith 321 West Allens Lane Philadelphia, PA 19119 (Community Partners in West Philadelphia)	<ul style="list-style-type: none"> -Learned of Public Input Hearings through social media -Stated that she is a clinical law professor at the Kline School of Law at Drexel University and co-director of the Stern Community Lawyering Clinic that provides free legal services to citizens of Western Philadelphia -Conveyed difficulties faced by clients served, including a senior citizen who has lived without water for seven years -Implored the City to enact policy solutions that reflect that access to safe, affordable water is a human right -Indicated that PWD is asking the poorest citizens of the City to shoulder an economic burden at a time when they face uncertainty and devastation -Urged PWD to work with government partners to make water affordable through grants or subsidies or from federal stimulus funding
Coryn Wolk 5131 Baltimore Avenue Philadelphia, PA 19143	<ul style="list-style-type: none"> -Residential customer expressed concern about water conservation causing more revenue problems for PWD -Inquired whether PWD has done the math about how many people are on the brink of being completely unable to afford their water bills -Expressed concern about rate increase resulting in customers not paying bills and then PWD either not getting any revenue or terminating service -Questioned whether there were any other potential sources of revenue -Claimed that the Public Input Hearing process is not extremely accessible

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Marie Ortiz 1813 Reed Street Philadelphia, PA 19146 (on behalf of herself and the Philadelphia Worker Benefit Council)</p>	<ul style="list-style-type: none"> -Described the Philadelphia Worker Benefit Council as an organization of low-paid workers, unemployed individuals, and those who are on fixed incomes -Stated that raising rates in the middle of a pandemic and economic crisis will only make things worse for low-income wage families and will hit them the hardest -Asserted that the ten-year tax abatement for developers have created budget shortfalls that have been passed on to residents -Expressed that PWD could charge more fees to developers and to damages caused by developers -Mentioned that residents are paying over \$6,000 or more for repairing lines -Opposed the proposed rate increase and requested that the Water Rate Board: (1) lower rates for those at 300 percent of the poverty line or below no more than 6% of income; (2) apply the same policies to those above 300 percent of the poverty level who can demonstrate financial hardships; (3) impose a year-round moratorium on utility shutoffs for any household at or below 300 percent of the federal poverty level; (4) stick to the U.S. Sustainability Development Goals, including the goal for the government to provide clean water and sanitation; and (5) provide debt relief for those who are falling behind on their water bill
<p>Dallas Herbert 5968 Newtown Avenue Philadelphia, PA 19120</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings through grassroots organization, 215 People's Alliance -Retiree on fixed income recalled when water bill was due quarterly and he paid in a quarter what he now pays monthly -Encouraged PWD to ensure that big water users are up-to-date with payments, make sure water waste is minimalized and give customers actual meter readings and not estimates -Suggested that PWD increase payments in small percentages and increments over a little longer period of time -Complained that water bill doubled and that customer service could be improved -In response to a question from Lance Haver, indicated that he would support taking 3% of the stimulus money that the City is receiving and setting it aside to make the rate increase unnecessary

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Cynthia Kishinchand 3114 West Coulter Street Philadelphia, PA 19129 (former commissioner)</p>	<ul style="list-style-type: none"> -Expressed concern about 25% discount for registered nonprofit institutions and organizations that amounts to \$10 million per year -Encouraged a review of the criteria of the 25% discount for institutions and the criteria for individuals for limited incomes before enacting any wage increases -Offered potential approach of setting a cap of \$10 million on the local assets of the institution or a sliding scale that accounts for the assets and the salaries of executives with a cap of \$200,000 -Requested a history of the discount for nonprofit institutions and organizations and that it be posted on PWD's website
<p>Jeremy Hancher 348 Fitzgerald Street Philadelphia, PA 19148</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings from an article in the Philadelphia Inquirer -Indicated that he would like to see PWD focus more on reducing operating expenses, increasing efficiency and improving monitoring -Encouraged PWD to establish a mechanism or incentive program that offers grants or rebates -Mentioned benefit of energy efficient water fixtures -Indicated he would be okay with incurring a cost if PWD was ensuring that PFOS chemicals are not getting in to drinking water -Mentioned that City should charge more for special events such as parades, Made In America or the Broad Street Run and that events should be better monitored so fire hydrants are not utilized for people to cool off -Suggested that PWD offer a better timeline as to when some of the aging infrastructure projects will occur either block by block or by zip code

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Mitch Chanin 124 Tomlinson Road Philadelphia, PA 19116</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings from Community Legal Services, press reports and social media posts -Indicated he did not see anything in the rate filing that indicated that PWD conducted a thorough analysis of alternatives to the proposed rate increase -Concerned that proposed rate increase will cause enormous harm to low and moderate-income customers and expressed that it should not be approved for that reason -Stated that the threshold for the Tiered Assistance Program should be adjusted -Expressed concern that PWD or City has not explored the possibility of using American Rescue Act funds for water infrastructure replacement and repair -Indicated he would like to see an equity analysis of the declining block rate structure and consideration for alternatives -Stated his understanding from PennFuture and other organizations that there are some other funding options for generating revenue that can be used for the clean stormwater infrastructure program -Expressed opinion that it would be prudent to delay a decision on the rate hike pending resolution of whether American Rescue Recovery Plan funds will be made available to PWD
<p>Lance Haver</p>	<ul style="list-style-type: none"> -Stated that there's not a single cent from the American Rescue Recovery Plan that is included in the proposed rate increase

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Alison Kenner 458 Duck Pond Lane Philadelphia, PA 19041 (Energy Rights Project)</p>	<ul style="list-style-type: none"> -Identified the Energy Rights Project as a federal funded study that looks at household energy vulnerability in the U.S. Mid-Atlantic region and Philadelphia -Indicated that she is an associate professor in the Center for Science Technology and Society at Drexel University and the Energy Rights Project director -Expressed concern about the timing of the proposed rate increase and recommended that the rate increase, like the shutoff moratorium, be postponed for a year -Indicated that raising rates during a pandemic will increase debts, hardship and vulnerability for many Philadelphians -Described structured phone interview of 83 Philadelphians regarding how they were managing energy use at home during the pandemic; reported that utility bills have increased b/c people are spending more time at home, people are spending more money on cleaning supplies to reduce risks associated with COVID, etc. -Encouraged more collaboration, outreach and education on TAP (specifically mentioned Laura Copeland speaking at public events) and that PWD evaluate a workshop series for customers similar to the series prepared by PGW for its customers
<p>Glenn Oliver</p>	<ul style="list-style-type: none"> -Former water commissioner that does not reside in Philadelphia that owns a company that helps water utilities save money with power-based solutions -Expressed opportunity for PWD to potentially save a lot of money by joining a virtual community to hear information and save money on parts and materials -Indicated he was not commenting to oppose or support the rate increase request
<p>Delores Brown-Waters 5159 Pennway Street Philadelphia, PA 19124</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings from the Eastern Service Workers Association (“ESWA”) -Opposed requested rate increase and mentioned high bills and displeasure with customer service -Indicated that eligibility requirements for customer assistance program are ridiculous because her family does not qualify

Public Input Hearing Held March 18, 2021 at 6:00 p.m.

Hearing Officer Marlene Chestnut

Stephen Liang, Legal Assistant, City of Philadelphia

Andre Dasent, Counsel for PWD

Sonny Popowsky, Chairman of Water, Sewer, Storm Water Rate Board

Susan Crosby, Deputy Revenue Commissioner

Danielle Lavery, Deputy City Solicitor

RaVonne Muhammad, Assistant to Director of Finance

Glen Abrams, Public Affairs Department of PWD

Robert Ballenger, Community Legal Services

Kinteshia Scott, Community Legal Services

<u>Commenter</u>	<u>Summary of Public Input</u>
Council Member Quiñones-Sánchez	<ul style="list-style-type: none"> -Detailed that last year's budget process was difficult and that, with the pandemic, it is even more important for City Council to protect most vulnerable residents -Read letter from all members of City Council that requested that proposed water rate increase be rejected -Stated that one in four customer has fallen behind on their bills during the pandemic and more than 50,000 residential households have fallen far behind in that they risk water shutoff -Reflected that a letter was sent to Commissioner Hayman asking that the rate proposal be reconsidered and that PWD leverage recent investments by the State and forthcoming federal funds and to sign up thousands of families eligible and not yet enrolled in the TAP program -Referenced February 26, 2021 response from Commissioner and expressed support for PWD's decision to extend the moratorium to April 2022 -Referenced bill signed into law on March 11, 2021 – American Rescue Plan Act – and claimed that it made clear that billions of dollars would be coming to the City and that those dollars could be used to make infrastructure improvements and provide support for water bill assistance -Stated that with the reinvestment fund money and the stabilization fund money, that PWD can continue its infrastructure plan and put a pause on the rate increase

<u>Commenter</u>	<u>Summary of Public Input</u>
Michael Skiendzielewski 516 Parkhollow Lane Philadelphia, PA 19111	<ul style="list-style-type: none"> -Indicated that he has asked the Water Revenue Bureau deputy commissioner several times for the name of the integrity officer of the Water Revenue Bureau so that he can submit allegations of financial impropriety that speaks to water rates -Claimed that failure to review and investigate reports related to help loans and discounts calls in to question all decisions and expresses disinterest in integrity ethics and corruption -Expressed that it was clear that high rank, high paid officials have not seen the light of accountability
Barbara Panzano 2609 Eddington Street Philadelphia, PA 19137	<ul style="list-style-type: none"> -Learned of Public Input Hearings via email -Expressed belief that there must be inefficiencies because water used to be billed quarterly and now it is billed monthly and the rates continue to increase -Indicated that there is no excuse for rates to continue to increase
Beatrice Sovich	[registered but did not appear]
Dana Hirshenbalm	[registered but did not appear]
Michelle Deboer 1240 South 18 th Street Philadelphia, PA 19146	<ul style="list-style-type: none"> -Learned of Public Input Hearings when attempting to get information to clarify her own issue with PWD and also reached out to Community Legal Services -Expressed concerns related to rate increases proposed -Indicated that her biggest concern is her ability to pay for current water bills as she has multiple water bills for one property (explained she had received one bill for water usage, stormwater and service fees and the other for just stormwater) -Explained that she did not receive a refund for charges on the second account that PWD closed but that PWD created a third account for a monthly fire service charge for her sprinkler system and back-billed her for \$1,140.20 -Voiced concern about PWD clerical issues, transparency and fairness as not everyone that has a sprinkler system is being charged for that service, which is an extremely high rate (\$27/month) -Expressed discontent with PWD customer service

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Ivan Wallace (Workers Benefit Council but testifying for himself) 5452 Lebanon Avenue Philadelphia, PA 19131</p>	<ul style="list-style-type: none"> -Long-time resident of Philadelphia detailed various health issues and struggle to pay utility bills -Recalled issue with service to his mother's property where water bill increased when she was in a rehab facility and was told that there were frozen pipes at the property or the property next door and that a private plumber had to dig up the street which cost \$3,500 -Indicated that contractor that repaired the line did a poor job with restoring the pavement and that he thinks that the stress of the whole situation caused her death -Indicated that people in the neighborhood could not walk to their cars for two consecutive winters because it was a sheet of ice on a quarter of the block where they lived -Expressed appreciation for Community Legal Services because he learned about the TAP program
<p>Steven Kersey</p>	<p>-</p>
<p>Victoria Alfred-Levow 3424 Henry Avenue Philadelphia, PA 19129</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings from an email from Reclaim Philadelphia and an article in the Inquirer -Expressed belief that \$140 average increase a year is the equivalent of groceries for a month and expressed concern about costs once financial support from her father is terminated -Indicated that emergency reserves should be used now because so many people are behind on their water bills -Conveyed that customers don't need to be giving extra money to PWD when it can come from another source like stimulus funds
<p>Constance Day 4429 North 9th Street Philadelphia, PA 19140</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings through an email from a community organization -Indicated that proposed rate increase would not be manageable, especially for seniors and young couples with children -Conveyed that the water project in Hunting Park was not finished properly as there are little pools all over the park that are boarded with a green substance that are a public safety concern

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Catherine Jennings 1237 East Columbia Philadelphia, PA 19125</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings from an email and from local civic groups -Indicated that proposed rate increase highly impacts small landlords and small business owners and inquired if impact to landlords had been evaluated -Questioned whether now is the right time to increase rates -Inquired what is being done to collect from people who are not paying their water bill -Stated that some of her tenants had applied for programs like the TAP program to help with their water bill but that she does not receive duplicate bills for her tenants' accounts
<p>Antonia Batts 1401 North 16th Street Philadelphia, PA 19121 (Workers Benefit Council)</p>	<ul style="list-style-type: none"> -Veteran on fixed-income indicated that if she were to buy a home that she would be concerned about her budget -Inquired whether there is an alternative way for PWD to consider financial ability to pay
<p>Lauren Fahnestock 5135 Newhall Street Philadelphia, PA 19144</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings through email -Civil engineer by training that works in the water industry -Applauded PWD for providing an essential service to the City, efforts to make water affordable, TAP program, shutoff moratorium -Expressed view that water rates proposed are reasonable

<u>Commenter</u>	<u>Summary of Public Input</u>
<p>Evelyn Green 160 West Cheltenham Avenue Philadelphia, PA 19120</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings through the newspapers -Public health professional and crisis counselor detailed impact of pandemic on mental health -Expressed concern about PWD increasing water rate among Philadelphia residents during pandemic due to unemployment and mental health crisis faced by members of the public -Indicated that she was ineligible for financial assistance programs offered by PWD as she owns a duplex and that PWD should establish a separate policy for those who have a small dwelling -Conveyed that proposed rate increase is going to impact African Americans and other minority groups -Suggested that PWD could hold a fundraiser or telethon and inquired as to PWD's fundraising efforts and whether a task force could help
<p>Amber Reed 5534 Beaumont Avenue Philadelphia, PA 19143</p>	<ul style="list-style-type: none"> -Learned of Public Input Hearings through word of mouth -Indicated that raising rates during a difficult financial time for many people is insensitive -Asked whether rates could be increased so that it is not a sudden burden
<p>Thomas Foster 2200 Benjamin Franklin Parkway, Unit 1512 Philadelphia, PA 19130</p>	<ul style="list-style-type: none"> -Expressed appreciation for termination moratorium and work on the watershed program to keep the streams clean