

**BEFORE THE PHILADELPHIA WATER, SEWER AND STORM WATER  
RATE BOARD  
PWD Special Rate Filing Reconciliation Proceeding for Fiscal Year 2023**

**Public Advocate's Interrogatories & Requests for Production of Documents**

- PA-I-1. In Schedule ML-10 of Philadelphia Water Department's Rebuttal Statement No. 1 of the Fiscal Years 2022 – 2023 proceeding, the following statement was made: "We expect that the upcoming budget will include shifting of some costs currently borne by the Water Fund to the General Fund; however, overall, the ARP funds are needed to maintain services provided by the General Fund."
- a. Please identify the fiscal year that was being referred to in the statement.
  - b. Please identify the specific costs and the related amounts that were transferred to the general fund.
  - c. Please explain whether the costs that were transferred to the General Fund would remain there temporarily or the specific period(s) that the costs would remain in the general fund.
- PA-I-2. In Schedule ML-10 of Philadelphia Water Department's Rebuttal Statement No. 1 of the Fiscal Years 2022 – 2023 proceeding, the following statement was made: "As you know, the Office of the Director of Finance has been doing an analysis to determine whether we should change the way pension costs are allocated among the City's various funds going forward. As a result of the preliminary analysis for that reallocation, we are likely to reduce the amount the Water Fund contributes to the Pension Fund by more than \$25 million annually." Please explain whether the change in pension contribution was made and identify the annual amount after reflecting the reduction in the pension contribution and pension for FY 2022 and FY 2023. If the change was not made, please explain why.
- PA-I-3. On page 6, line 14 of Ms. La Buda's testimony, she states: "The Department is concerned that any significant reduction of the FY 2023 Base Rate Incremental Increase will be met with a negative reaction by the credit rating agencies." Is it Ms. La Buda's opinion that a well-reasoned decision to reduce the incremental rate increase would result in a negative reaction by the credit rating agencies? If yes, please explain the basis of your response.
- PA-I-4. Please provide a copy of the journal entry recording the receipt of the \$2,078,942 reimbursement under the CARES Act as discussed beginning on page 12, line 2 of Ms. La Buda's testimony.
- PA-I-5. Reference page 12, line 6 to 9 of Ms. La Buda's testimony. Given that the Rate Board's 2021 Rate Determination was based upon the study period from FY 2021 to FY 2026 for the test years FY 2022 and 2023, please explain and demonstrate how Ms. La Buda concluded that a double count could occur given that the \$2,078,942 reimbursement

was not included in the cost of service for FY 2021, FY 2022, and FY 2023 during the rate proceeding.

- PA-I-6. Reference page 12, line 18 of Ms. La Buda's testimony. According to Ms. La Buda, the City did not allocate amounts under ARPA to PWD during the Receipt Period. Did the City receive any ARPA funds during the receipt that was designated for water or wastewater infrastructure? If so, please identify the amounts and dates when the funds were received.
- PA-I-7. Reference page 13, lines 13 through 18 of Ms. La Buda's testimony. "There should be no reduction of rates and charges for FY 2023 based on "Stimulus Funding," since the Department received no "Stimulus Funding," within the scope of the definition, during the Receipt Period (July 1, 2021 to December 31, 2021)." Did the City receive any Stimulus Funding, within the scope of the definition and received in the Receipt Period. If so, please identify the amounts and dates when the funds were received.
- PA-I-8. Reference page 14, lines 16 through 19 of Ms. La Buda's testimony. Please clarify or insert what appears to be the missing word(s) in the following sentence: "Also, would be subject to the "Maximum Adjustment" which requires that any reconciliation, under this adjustment separately or in combination with any other adjustment, cannot lower the FY 2023 Base Rate Incremental Increase below zero dollars."
- PA-I-9. Does Ms. La Buda agree that in Rate Board's 2018 Determination, the Rate Board did not adopt a \$135 million Rate Stabilization Fund target level, but instead adopted a combined target level of \$150 million for the rate stabilization and residual funds? If no, please provide the basis for Ms. La Buda's conclusion that the Board adopted a \$135 million Rate Stabilization Fund target and provide the cite for supporting her claim.
- PA-I-10. On page 14 lines 8 and 9, of Ms. La Buda's testimony, she indicates that a minimum Rate Stabilization Fund threshold was not defined in the 2021 Settlement or the 2021 Rate Determination. If no minimum threshold was defined, please explain what would provide the basis for the rating agencies to assume \$135 million is the minimum threshold.
- PA-I-11. On page 15 lines 18 and 19, of Ms. La Buda's testimony she states "[t]he Rating Agencies expect the Department to maintain, or exceed, the target/goal of \$135 million in the Rate Stabilization Fund." Please identify the rating agencies that have lowered or indicated they will lower PWD's credit rating because of its year-end Rate Stabilization Fund Balance of \$125 million.
- PA-I-12. Reference the Financial Performance Attachment to Ms. La Buda's Testimony.
- a. Please provide the data used to calculate the Debt Service & Capital Funding Ratios.
  - b. For FY 2021, please provide a monthly analysis of the Residual Fund and the Rate Stabilization Fund showing the beginning balances and funds transferred in and out of the Funds.

- PA-I-13. Please provide the FY 2021 operating results in the format of Table C-1 as presented in the attachment to Ms. La Buda's testimony.
- PA-I-14. Please explain why Ms. La Buda, in her testimony, does not mention the \$1,526,895 received from UESF (\$366,559) and PHDC (\$1,160,336) during July to December 2021.
- PA-I-15. Please explain how the funds received from USEF and PHDC were accounted for on PWD's books.
- PA-I-16. Please provide the electronic file in Excel format, with formulae intact, that supports the Tables presented in Schedules BV-2, 3 and 4.