

PHILADELPHIA WATER DEPARTMENT  
RESPONSES TO TRANSCRIPT REQUESTS

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**QUESTIONS 1-2**

**Dated: April 5, 2022**

**TR-1.** PLEASE PROVIDE THE COST OF A GALLON OF WATER FOR A PWD CUSTOMER.

**RESPONSE:**

The FY 2022 average cost of a gallon of water for a PWD retail customer is \$0.0059 per gallon. Please refer to attached table TR-1 for further information.

**RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC

**TR-2.** PLEASE PROVIDE THE SOURCE FOR THE 26,000 LIHEAP GRANTS REFERENCED IN SCHEDULE RFC-4.

**RESPONSE:**

Per PGW, all CRP customers are required to apply for LIHEAP. About half provide their grants to PGW. The 26,000 estimated LIHEAP grants received by PGW in FY 2021 were the result of simple arithmetic, half of all CRP customers at PGW.. See also, 2019 Universal Services Program Impact Evaluation at page ix — Executive Summary, LIHEAP Assistance.

**RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.

| Line No.   | Description                                       | (1)                                       | (2)         | (3)                  | (4)                                       | (5)          | (6)           | (7)  | Source                                |
|--|---|---|-------------|----------------------|---|--------------|---------------|--|---------------------------------------|
|  |   | Total<br>FY 2022<br>Retail<br>Costs<br>\$ | Base<br>\$  | Maximum<br>Day<br>\$ | Max Hour<br>In Excess of<br>Max Day<br>\$ | Meters<br>\$ | Billing<br>\$ | Direct<br>Public<br>Fire<br>Protection<br>\$ |                                       |
| 1  | Total Retail Cost of Service                      | 265,252,000                               | 150,013,000 | 40,462,000           | 42,853,000                                | 5,400,000    | 25,515,000    | 1,009,000                                    | WCOS Retcos-2 (Table W-14)            |
| Total Retail Customer Units of Service   |   |   |             |                      |   |              |               |  |                                       |
| 2  | Annual Volume (Base) - MCF                        | 5,790,600                                 |             |                      |   |              |               |  | WCOS Retcos-2 (Table W-14)            |
| 3  | Annual Volume (Base) - Gallons                    | 43,316,699,112                            |             |                      |   |              |               |  | Line 2 x 7.48052 Gallons / CF x 1,000 |
| Water Production and Delivery Related Costs - Prior to Recovery of Discounts and Collections     |   |   |             |                      |   |              |               |  |                                       |
| 4  | (Base, Max Day and Max Hour in Excess of Max Day) | 233,328,000                               |             |                      |   |              |               |  | Sum of Line 1 Columns 1, 2 and 3      |
| 5  | Average Cost Per Mcf                              | 40.2943                                   |             |                      |   |              |               |  | Line 4 / Line 2                       |
| 6  | Average Cost Per Gallon                           | 0.0054                                    |             |                      |   |              |               |  | Line 4 / Line 3                       |
| 7  | Adjustment for Discounts (Excluding TAP)          | 1.0158                                    |             |                      |   |              |               |  | WCOS, Rates-2                         |
| 8  | Adjustment for Collections                        | 1.0780                                    |             |                      |   |              |               |  | WCOS, Lagrate-9                       |
| Water Production and Delivery Related Costs - Adjusted for Recovery of Discounts and Collections |   |   |             |                      |   |              |               |  |                                       |
| 9  | Average Cost Per Mcf                              | 44.1237                                   |             |                      |   |              |               |  | Line 5 x Line 7 x Line 8              |
| 10   | Average Cost Per Gallon                           | 0.0059                                    |             |                      |   |              |               |  | Line 6 x Line 7 x Line 8              |

Notes: Adjustments for discounts and collections are multipliers applied to the costs. The adjustment for discounts recovers customer rate discounts excluding TAP (for Special Customer Groups I to IV per Section 5.2 of the Philadelphia Water Department's Rates and Charges). The collections adjustment adjusts the unit cost for anticipated receipts based on customer payment patterns to recognize that a portion of the fiscal year billings are not collected within that fiscal year. The collections adjustment does not include collection efforts nor personnel time associated with the pursuit of outstanding customer bills.