

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

Re: Philadelphia Water Department : 2022 TAP-R Adjustment Proceeding
Proposed Charges in Rates and Charges :

JOINT PETITION FOR SETTLEMENT OF TAP-R PROCEEDING

The Philadelphia Water Department (“PWD” or “Department”) and the Public Advocate (“Advocate”) (collectively, “Joint Petitioners”) submit this Joint Petition for Settlement (“Joint Petition” or “Settlement”) of the Tiered Assistance Program Rate Rider (TAP-R) Reconciliation proceeding and request that Hearing Officer Marlane Chestnut (“Hearing Officer”) (i) approve the settlement of this proceeding without modification consistent with this Joint Petition; and (ii) recommend that the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”) approve the Settlement and authorize the Department to file modified Rates and Charges related to TAP-R to become effective on September 1, 2022. In support of the proposed Settlement, the Joint Petitioners state the following:

I. BACKGROUND

A. TAP Program and TAP-Rate Rider.

1. The Tiered Assistance Program (“TAP”) is an assistance program that allows low-income customers to pay reduced bills based on a percentage of their income.

2. The TAP Rate Rider is a ratemaking tool that allows PWD to recover lost revenue requirements (costs) or reduce future costs, if actual costs are less than projected.¹ TAP-R rates are charged to customers not enrolled in TAP and are intended to recover the revenue losses (i.e., costs) associated with the program.

3. The cost of TAP (recovered via the TAP Rate Rider) may change over time due to multiple factors, including: (i) the number of low-income households that enroll in the program (“TAP Participants”); (ii) water usage; (iii) changes in PWD’s non-discounted rates; (iv) the projected number of TAP Participants; and (v) the level of discounts needed to provide affordable bills to TAP Participants.

¹ In the 2018 Rate Proceeding, the Advocate and PWD reached agreement regarding, and the Rate Board subsequently approved, many of the significant aspects of a reconcilable TAP Rate Rider. Simply stated, this rider tracks revenue losses resulting from application of the TAP discounts and permits annual reconciliation of such costs to prevent either over- or under-recovery of TAP revenue losses through TAP-R Surcharge.

4. PWD reviews and proposes adjustments to the TAP Rate Rider annually to account for changes in actual and projected TAP costs and the extent to which those costs were over- or under-collected during a prior period.

5. The TAP-R Reconciliation filing submitted the Department’s proposed annual adjustment to the TAP Rate Rider; and the modification of related water, sewer and fire connection quantity charges.

6. The following PWD rates and charges will be affected if the Rate Board approves the Joint Settlement:

<u>Rates and Charges</u>	<u>Section Reference</u>
Total Water Quantity Charges	Section 2.1(c)(1)
Total Sewer Quantity Charges	Section 3.1(b)(1)
Total Fire Service Quantity Charges	Section 9.1(d)(1)
TAP-R Surcharge Rates	Section 10.3

B. 2022 TAP-R Proceeding

7. The Department commenced the 2022 TAP-R proceeding by filing its Advance Notice and Formal Notice of the proceeding on January 21, 2022² and February 25, 2022,³ respectively. Copies of the Advance Notice and Formal Notice are posted on the Rate Board website and are incorporated by reference.

8. These filings were made consistent with Sections II.A.2 and II.C.1 of the Rate Board’s regulations.

9. PWD proposed that changed TAP-R rates and charges would take effect on September 1, 2022.

10. The participants in the 2021 Rate Proceeding and the 2021 TAP-R Proceeding were notified by e-mail of the opportunity to participate in the 2022 TAP-R Proceeding.

11. The general public was notified through information made available on the Rate Board’s website as well as publication in Philadelphia newspapers. Legal notices related to the Advance Notice and Formal Notice were timely published in three local newspapers.

12. The Public Advocate was designated a participant in this proceeding pursuant to the terms of the Board’s regulations.

² <https://www.phila.gov/media/20220124130703/TAP-R-2022-ADVANCE-NOTICE-2022-01-21.pdf>.

³ <https://www.phila.gov/media/20220225145809/PWD-FY2023-TAP-R-Formal-Notice-Final.pdf>.

13. The Public Advocate submitted written discovery requests by e-mail on February 14, 2022, March 3, 2022, March 4, 2022 and March 10, 2022 as to which PWD responded on February 25, 2022, March 11, 2022, March 17, 2022 and March 18, 2022. Copies of the discovery responses are posted on the Rate Board’s website and are incorporated by reference.

14. Lance Haver intervened (*pro se*) in this proceeding on January 21, 2022. Michael Skiendzielewski intervened (*pro se*) in this proceeding on February 25, 2022. The Philadelphia Large Users Group (“PLUG”), via counsel, confirmed PLUG’s interest in this proceeding on February 25, 2022. All are participants in this proceeding.

15. PLUG submitted written discovery requests by e-mail on March 30, 2022, to which PWD responded on April 6, 2022. No other participant (identified in Paragraph 14) conducted discovery.

16. The schedule for the proceeding provided that written testimony in response to the Department’s proposed annual adjustment, if any, would be submitted by March 22, 2022.

17. The Public Advocate filed testimony on March 22, 2022. None of the other non-Department participants (described in Paragraph 14) filed written testimony by the above stated deadline.

18. In its written testimony, Public Advocate recommended a projected number of TAP Participants for the Next Rate Period be reduced to 23,422 from the Department’s projected number of TAP Participants for the Next Rate Period (29,648).

19. The Department’s proposal would result in average monthly number of TAP participants (for Sept. 2022 to Aug. 2023) being 28,731. The Public Advocate’s recommendation would result in the average monthly number of TAP participants (for Sept. 2022 to Aug. 2023) being 23,075.

20. The application of the Public Advocate’s average monthly projected number of TAP Participants would result in different TAP-R rates, as shown in the table below:

	Department’s Original Proposal Schedule BV-1	Public Advocate’s Original Proposal Schedule LKM-1
Water TAP-R Surcharge	\$1.23 /MCF	\$0.98 /MCF
Wastewater TAP R-Surcharge	\$1.95 /MCF	\$1.55 /MCF

21. The Department filed written rebuttal testimony on March 29, 2022.

22. Public input and technical hearings were held on March 31, 2022. All hearings in this proceeding are virtual and telephonic given the COVID-19 pandemic. Transcripts from these hearings are posted on the Rate Board’s website and incorporated by reference.

23. Legal notices related to the technical and public input hearings were timely published in three local newspapers.

24. Following the hearings, the Department and the Public Advocate conducted negotiations between themselves to achieve a settlement of issues being contested between them in the proceeding. As a result of said negotiations, Joint Petitioners were able to reach the Settlement set forth herein.

25. The Department and Public Advocate agreed that the projected average monthly number of TAP Participants for the Next Rate Period (September 2022 to August 2023) should be 24,199. This agreement does not endorse any of the methodologies or calculation methods employed by any party to project the number of TAP Participants.

26. Using the above-described proposed average monthly number of TAP Participants would result in TAP-R rates as shown and as summarized below:

	Settlement Proposal
Water TAP-R Surcharge	\$ 1.03 /MCF
Wastewater TAP R-Surcharge	\$ 1.63 /MCF

27. On April 21, 2022, the Department and the Public Advocate informed the Hearing Officer and the other participants that they had reached an agreement as to the proposed adjustment to TAP-R rates, as memorialized in this Joint Petition.

28. The other participants were advised of the proposed Settlement reached by the Joint Petitioners on April 21, 2022.

29. Participant briefs and/or the settlement are due by April 22, 2022.

30. The Joint Petitioners proffer the following Settlement Exhibit in support of the Settlement: Exhibit 1 - Proposed Settlement – TAP-R Reconciliation Calculations.

31. In light of the Settlement and the fact that PWD and the Advocate endorse its terms, the Settlement Exhibit should be accepted into the record. In addition, the Joint Petitioners stipulate to the authenticity of and admission into the evidentiary record in this matter of the Settlement Exhibit listed in Paragraph 30 of this Joint Petition.

32. The Joint Petitioners are in full agreement that this Settlement is in the best interest of the Department and its customers and is therefore in the public interest as well as in compliance with the ordinances governing this proceeding and provide a reasonable basis for recovery of TAP-R costs in this proceeding.

33. It is agreed and understood by the Joint Petitioners that the other participants may file written comments to the Joint Petition by the brief deadline, April 22, 2022, or as otherwise directed by the Hearing Officer.

II. TERMS AND CONDITIONS

The Settlement consists of the following terms and conditions:

A. Agreement

34. The Joint Petitioners agree and submit that modified TAP-R rates and charges (set forth in Settlement Exhibit 1) should be approved by the Rate Board.

B. Rate Impact

35. If the Settlement is approved, PWD is proposing to increase TAP-R rates as shown below:

<u>TAP-R Rate</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
<u>Water (\$/Mcf)</u>	\$0.69	\$1.03	+\$0.34
<u>Sewer (\$/Mcf)</u>	\$1.09	\$1.63	+\$0.54

36. The table below summarizes bill impacts associated with proposed TAP-R rates for typical residential,⁴ senior citizen⁵ and small business customers.⁶

	Current Base and TAP-R Rates	Current Base and Proposed TAP-R Rates	Change in Bill (\$)	Percent Change (%)
Residential	\$66.15	\$69.59	\$0.44	0.6%
Senior Citizen	\$39.80	\$40.00	\$0.20	0.5%
Small Business	\$111.59	\$112.11	\$0.52	0.5%

37. The bill impacts in the above table reflect existing (current) base rates and proposed TAP-R rates. They do not include bill impacts associated with any proposed adjustment to September 1, 2022 general rate increase pending before the Rate Board in the Special Rate Proceeding.

38. The proposed Settlement will result in a small increase in TAP-R rates for PWD customers during the Next Rate Period, as described above, subject to reconciliation in a future proceeding.

39. PWD and the Public Advocate submit that the TAP-R rates set forth in the Joint Statement should be approved as they are just and reasonable, comply with the ordinances governing this proceeding and provide a reasonable basis for recovery of TAP-R costs in this proceeding.

III. PUBLIC INTEREST CONSIDERATIONS

40. Joint Petitioners submit that this Settlement is reasonable and in the public interest for the following reasons:

(a) The Settlement provides for an increase of the TAP-R service revenues during the Next Rate Period in accordance with the reconciliation calculations, as modified by the Settlement.

⁴ A typical PWD residential customer has a 5/8-inch meter and uses approximately 5 Ccf/monthly.

⁵ A typical PWD senior residential customer has a 5/8-inch meter and used approximately 3 Ccf/monthly.

⁶ A typical small business customer has a 5/8-inch meter and uses approximately 6 Ccf/monthly. A parcel with gross area of 5,500 square feet and impervious area of 4,000 square feet was assumed for development of the typical bill comparison.

(b) Acceptance of the Settlement will avoid the necessity of further administrative proceedings and/or court proceedings at substantial cost to Joint Petitioners, other parties and PWD ratepayers.

(c) The Settlement will use a projected number of TAP Participants that is reasonable in light of the City of Philadelphia's planned ramp-up of TAP enrollment during July 2022 to November 2022.

(d) The Joint Petitioners arrived at terms of Settlement after submission of the TAP-R filing, conducting discovery and engaging in settlement negotiations. The terms and conditions of Settlement constitute a carefully negotiated package representing reasonable compromises as to the issues presented all of which are supported by the record of this proceeding.

IV. ADDITIONAL TERMS AND CONDITIONS

41. This Settlement is proposed by Joint Petitioners to resolve the issues presented in this proceeding and is made without admission against or prejudice to any position which any Joint Petitioner might adopt during subsequent litigation or in further litigation of this case.

42. Each term and condition set forth in this Joint Petition, whether or not set out in a numbered paragraph, shown in a table or other graphic presentation, bolded, italicized or otherwise emphasized, or set forth in the body, a footnote, or parenthetical, or appendix, is material consideration to the entry into this Settlement by the participants signing below.

43. This Settlement is conditioned upon the Rate Board's approval of the terms and conditions contained herein without modification. If the Rate Board disapproves the Settlement or modifies the terms and conditions herein, the Settlement may be withdrawn, by a Joint Petitioner, upon written notice to the Rate Board and all active participants in this proceeding communicated within three business days of the entry of a final order of the Rate Board in this proceeding. In the event the Rate Board disapproves the Settlement, or any Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to fully litigate this case. Joint Petitioners agree that while the Settlement, upon Rate Board approval, will be fully enforceable according to its terms, the Joint Petition does not expressly or implicitly represent approval of any specific claims made in this proceeding and the Joint Petitioners agree not to contend otherwise in future proceedings.

44. Joint Petitioners will make reasonable, good faith efforts to obtain approval of the Settlement by the Hearing Officer and the Rate Board without modification. If the Hearing Officer recommends that the Rate Board adopt the Settlement, as proposed herein, the Joint Petitioners agree to waive filing exceptions. Joint Petitioners, however, do not waive their rights to file exceptions (a) with respect to any modification of the terms and conditions of the Settlement or any additional matter proposed by the Hearing Officer in her report (b) to correct

an error or misstatement in the Hearing Officer's report, or (c) to any issue not resolved by this Settlement.

V. CONCLUSION

WHEREFORE, Joint Petitioners, by their respective counsel, request the following:

1. That the Hearing Officer admit Settlement Exhibit 1, as described in Paragraph 30 of this Joint Petition, into the record of this proceeding.
2. That the Hearing Officer recommend the approval of the Settlement by the Rate Board, as described in this Joint Petition.
3. That the Rate Board approve the Settlement and find the modified TAP-R rates to be just and reasonable and authorize the Department to file revised rates and charges as proposed by the Department the TAP-R filing.
4. That the Rate Board enter its final Rate Determination in this matter consistent with the terms and conditions of Settlement.

Respectfully submitted,

/s/ Andre C Dasent

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For the Public Advocate

List of Settlement Exhibits

Exhibit 1 - Proposed Settlement – TAP-R Reconciliation Calculations.

Table 1 - Calculation of TAP Rider Rates Effective September 01, 2022 (FY 2023)

		TOTAL	Water	Wastewater
		Amount	Amount	Amount
(1)	C = Projected TAP Billing Loss ^a	\$ 14,043,922	\$ 5,617,569	\$ 8,426,353
(2)	E = Experienced & Estimated Net Over/Under Collection ^b	\$ (201,667)	\$ (80,131)	\$ (121,536)
(3)	I = Interest on Experienced & Estimated Net Over/Under Collection ^c	\$ (53)	\$ (9)	\$ (44)
(4)	Net Recoverable Costs ^d : (C) - (E + I)	\$ 14,245,642	\$ 5,697,708	\$ 8,547,934
(5)	S = Projected Non-TAP Sales for Next Rate Period (MCF) ^e		5,547,605	5,232,376
(6)	TAP-R Surcharge^f: (4)/(5)		\$ 1.03 /MCF	\$ 1.63 /MCF

Notes: ^a Recoverable TAP Billing Loss for the Next Rate Period. Refer to Table 2 for additional information.

^b Actual TAP Discounts versus TAP Revenue Collection for the Most Recent Period. Refer to Tables 3-W and 3-WW for further information.

^c Simple Annual Interest on Net Over/Under Collection for the Most Recent Period. Refer to Tables 4-W and 4-WW for further information. Interest rate of 0.25% as of December 01, 2021.

^d Net Recoverable Costs.

^e Estimated water and sewer sales for Non-TAP Customers for the Next Rate Period based upon the average monthly Non-TAP sales volume for the 12 month period of Jan to Dec 2021 less the monthly projected increase in TAP sales. Next Rate Period is assumed to be September 01, 2022 to August 31, 2023.

^f TAP-R Surcharge for the Next Rate Period.

Philadelphia Water Department
Table 2 - Projected TAP Lost Revenue (C-Factor) for Next Rate Period

Period	September 01, 2022 through August 31, 2023			Water			Wastewater
				40%			60%
(1)	Projected TAP Billing Loss ^a	\$	14,043,922	\$	5,617,569	\$	8,426,353

Notes:

^a Projected TAP Billing Loss based upon Raftelis' TAP Program Projections.

^b Allocation between Water and Wastewater per proposed PWD Regulations - Rates and Charges Effective September 01, 2022 Section 10.1(a)(i) and Section 10.1(a)(ii).

Philadelphia Water Department
Table 3-W - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period

Billing Period	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
	(1)	(2)	0.690 (3) = (2) * \$ 0.690/Mcf	97.32% (4) = [(1) - (3)] * 0.9732	(5)	0.690 (6) = (5) * \$ 0.690/Mcf	97.32% (7) = (6) * 0.9732	(8) = (7) - (4)
Prior E & I Factor Adjustments \$ (32,058)								
(a) Sep-21	\$ 334,263	12,761	\$ 8,805	\$ 316,736	504,318	\$ 347,979	\$ 338,653	\$ 21,917
(a) Oct-21	\$ 375,321	13,790	\$ 9,515	\$ 356,002	515,236	\$ 355,513	\$ 345,985	\$ (10,017)
(a) Nov-21	\$ 334,569	12,289	\$ 8,480	\$ 317,350	453,477	\$ 312,899	\$ 304,513	\$ (12,836)
(a) Dec-21	\$ 329,707	12,157	\$ 8,388	\$ 312,707	460,229	\$ 317,558	\$ 309,047	\$ (3,660)
(e) Jan-22	\$ 331,734	12,759	\$ 8,804	\$ 314,275	467,546	\$ 322,607	\$ 313,961	\$ (314)
(e) Feb-22	\$ 331,734	12,759	\$ 8,804	\$ 314,275	467,546	\$ 322,607	\$ 313,961	\$ (314)
(e) Mar-22	\$ 331,734	12,759	\$ 8,804	\$ 314,275	467,546	\$ 322,607	\$ 313,961	\$ (314)
(e) Apr-22	\$ 331,734	12,759	\$ 8,804	\$ 314,275	467,546	\$ 322,607	\$ 313,961	\$ (314)
(e) May-22	\$ 331,734	12,759	\$ 8,804	\$ 314,275	467,546	\$ 322,607	\$ 313,961	\$ (314)
(e) Jun-22	\$ 331,734	12,759	\$ 8,804	\$ 314,275	467,546	\$ 322,607	\$ 313,961	\$ (314)
(e) Jul-22	\$ 351,079	13,503	\$ 9,317	\$ 332,603	466,802	\$ 322,094	\$ 313,462	\$ (19,141)
(e) Aug-22	\$ 389,770	14,991	\$ 10,344	\$ 369,257	465,314	\$ 321,067	\$ 312,462	\$ (56,795)
Total	\$ 4,105,111	156,044	\$ 107,673	\$ 3,890,307	5,670,656	\$ 3,912,752	\$ 3,807,890	\$ (114,475)

Adjustment for Prior Estimates \$ 34,344 From Table 3-W-A

Notes:

- (a) - Actuals
- (e) - Estimated
- (1) - TAP Actual Discounts reflect water's 40.0% allocated portion of the Total TAP Discount.
- (2) - TAP Discounts and billed sales volume reflect projections developed by Raftelis. Refer to Schedule RFC-3.
- (3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2021 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2021 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for January 2022 through August 2022 are based upon average sales for prior 12 month period. July and August 2022 are adjusted to reflect the increased TAP participation that will occur due to the start of the auto-enrollment program.
- (8) - Over/(Under) Collection is based upon Rates that are inclusive of Prior E-Factor and I-Factor. The presented "Prior E & I Factor Adjustments" includes these amounts from 2021 Annual Rate Adjustment.

Total E-Factor Recovery \$ (80,131) Line 2 in Summary Table

Philadelphia Water Department
Table 3-WW - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period

Billing Period	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
	(1)	(2)	1.090 (3) = (2) * \$ 1.090/Mcf	97.32% (4) = [(1) - (3)] * 0.9732	(5)	1.090 (6) = (5) * \$ 1.090/Mcf	97.32% (7) = (6) * 0.9732	(8) = (7) - (4)
Prior E & I Factor Adjustments \$ (13,200)								
(a) Sep-21	\$ 501,395	12,758	\$ 13,906	\$ 474,424	474,201	\$ 516,879	\$ 503,027	\$ 28,602
(a) Oct-21	\$ 562,981	13,786	\$ 15,027	\$ 533,269	484,290	\$ 527,876	\$ 513,729	\$ (19,540)
(a) Nov-21	\$ 501,853	12,286	\$ 13,392	\$ 475,371	428,074	\$ 466,600	\$ 454,095	\$ (21,275)
(a) Dec-21	\$ 494,560	12,154	\$ 13,248	\$ 468,413	437,814	\$ 477,217	\$ 464,428	\$ (3,985)
(e) Jan-22	\$ 497,601	12,759	\$ 13,907	\$ 470,731	441,277	\$ 480,992	\$ 468,101	\$ (2,629)
(e) Feb-22	\$ 497,601	12,759	\$ 13,907	\$ 470,731	441,277	\$ 480,992	\$ 468,101	\$ (2,629)
(e) Mar-22	\$ 497,601	12,759	\$ 13,907	\$ 470,731	441,277	\$ 480,992	\$ 468,101	\$ (2,629)
(e) Apr-22	\$ 497,601	12,759	\$ 13,907	\$ 470,731	441,277	\$ 480,992	\$ 468,101	\$ (2,629)
(e) May-22	\$ 497,601	12,759	\$ 13,907	\$ 470,731	441,277	\$ 480,992	\$ 468,101	\$ (2,629)
(e) Jun-22	\$ 497,601	12,759	\$ 13,907	\$ 470,731	441,277	\$ 480,992	\$ 468,101	\$ (2,629)
(e) Jul-22	\$ 526,619	13,503	\$ 14,718	\$ 498,182	440,533	\$ 480,181	\$ 467,312	\$ (30,870)
(e) Aug-22	\$ 584,655	14,991	\$ 16,340	\$ 553,084	439,045	\$ 478,559	\$ 465,734	\$ (87,350)
Total	\$ 6,157,667	156,032	\$ 170,073	\$ 5,827,126	5,351,619	\$ 5,833,264	\$ 5,676,933	\$ (163,393)

Adjustment for Prior Estimates \$ 41,857 From Table 3-WW-A

Notes:

- (a) - Actuals
- (e) - Estimated
- (1) - TAP Actual Discounts reflects water's 60.0% allocated portion of the Total TAP Discount.
- (2) - TAP Discounts and billed sales volume reflect projections developed by Raftelis. Refer to Schedule RFC-3.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2021 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2021 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for January 2022 through August 2022 are based upon average sales for prior 12 month period. July and August 2022 are adjusted to reflect the increased TAP participation that will occur due to the start of the auto-enrollment program.
- (8) - Over/(Under) Collection is based upon Rates that are inclusive of Prior E-Factor and I-Factor. The presented "Prior E & I Factor Adjustments" includes these amounts from 2021 Annual Rate Adjustment.

Total E-Factor Recovery \$ (121,536) Line 2 in Summary Table

Philadelphia Water Department										Original Estimates		Adjustment
Table 3-W-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period										Over/(Under) Collection	Delta	
Prior Reconciliation Period with Updated Actuals										Over/(Under) Collection	Delta	
Billing Period	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants \$ 0.570	Adjusted Actual TAP Discounts (Credits) 96.54%	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced 96.54%	Over/(Under) Collection		(9)	(10) = (8) - (9)	
	(1)	(2)	(3) = (2) * \$ 0.570/Mcf	(4) = [(1) - (3)] * 0.9654	(5)	(6) = (5) * \$ 0.570/Mcf	(7) = (6) * 0.9654	(8) = (7) - (4)				
Oct-20	\$ 352,288	12,802	\$ 7,297	\$ 333,054	506,305	\$ 288,594	\$ 278,608	\$(54,446)		\$(54,446)	\$ -	
Nov-20	\$ 281,499	10,305	\$ 5,874	\$ 266,088	431,783	\$ 246,116	\$ 237,601	\$(28,488)		\$(28,488)	\$ -	
Dec-20	\$ 344,617	14,952	\$ 8,523	\$ 324,465	470,516	\$ 268,194	\$ 258,915	\$(65,550)		\$(65,550)	\$ -	
Jan-21	\$ 311,062	11,930	\$ 6,800	\$ 293,734	440,156	\$ 250,889	\$ 242,208	\$(51,526)		\$(51,526)	\$ -	
Feb-21	\$ 305,458	11,708	\$ 6,674	\$ 288,446	415,741	\$ 236,972	\$ 228,773	\$(59,674)		\$(34,737)	\$(24,937)	
Mar-21	\$ 310,490	11,967	\$ 6,821	\$ 293,162	436,690	\$ 248,913	\$ 240,301	\$(52,861)		\$(53,132)	\$ 271	
Apr-21	\$ 335,017	12,847	\$ 7,323	\$ 316,355	459,131	\$ 261,705	\$ 252,650	\$(63,706)		\$(53,132)	\$(10,574)	
May-21	\$ 289,363	11,186	\$ 6,376	\$ 273,196	442,128	\$ 252,013	\$ 243,293	\$(29,903)		\$(53,132)	\$ 23,229	
Jun-21	\$ 308,158	11,771	\$ 6,709	\$ 291,019	466,656	\$ 265,994	\$ 256,790	\$(34,228)		\$(53,132)	\$ 18,904	
Jul-21	\$ 342,157	13,053	\$ 7,440	\$ 323,136	510,869	\$ 291,195	\$ 281,120	\$(42,016)		\$(53,132)	\$ 11,116	
Aug-21	\$ 333,778	12,780	\$ 7,284	\$ 315,197	505,926	\$ 288,378	\$ 278,400	\$(36,797)		\$(53,132)	\$ 16,335	
Total	\$ 3,513,886	135,298	\$ 77,121	\$ 3,317,853	5,085,900	\$ 2,898,963	\$ 2,798,659	\$(519,194)		\$(553,538)	\$ 34,344	
Total										\$ (519,194)	\$ 34,344	Adjustment for Prior Estimates

Included in Table 3-W

Notes:

- (1) - TAP Actual Discounts reflect water's 41.0% allocated portion of the Total TAP Discount.
- (2) - Updated TAP Discounts and billed sales volume to reflect actuals for February 2021 through August 2021 as provided by Raftelis. Refer to Schedule RFC-3.
- (3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective October 1, 2020 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective October 1, 2020 Section 10.1(b)(3).
- (5) - Billed Non-TAP Water Sales, updated to reflect actual billed water sales volumes for February 2021 through August 2021.
- (8) - Updated Over/(Under) Collection
- (9) - Over/(Under) Collection for October 2020 to August 2021 as calculated during the prior TAP-R Reconciliation Determination.
- (10) - Difference between Updated Over/(Under) Collection and Original Estimates.

Philadelphia Water Department										Original Estimates		Adjustment
Table 3-WW-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period										Over/(Under) Collection	Delta	
Prior Reconciliation Period with Updated Actuals										Over/(Under) Collection	Delta	
Billing Period	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants \$ 0.780	Adjusted Actual TAP Discounts (Credits) 96.54%	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced 96.54%	Over/(Under) Collection		(9)	(10) = (8) - (9)	
	(1)	(2)	(3) = (2) * \$ 0.780/Mcf	(4) = [(1) - (3)] * 0.9654	(5)	(6) = (5) * \$ 0.780/Mcf	(7) = (6) * 0.9654	(8) = (7) - (4)				
Oct-20	\$ 506,951	12,797	\$ 9,982	\$ 479,774	473,408	\$ 369,258	\$ 356,482	\$(123,293)		\$(123,293)	\$ -	
Nov-20	\$ 405,084	10,300	\$ 8,034	\$ 383,312	406,679	\$ 317,210	\$ 306,235	\$(77,077)		\$(77,077)	\$ -	
Dec-20	\$ 495,912	14,947	\$ 11,659	\$ 467,498	445,497	\$ 347,488	\$ 335,465	\$(132,033)		\$(132,033)	\$ -	
Jan-21	\$ 447,625	11,924	\$ 9,301	\$ 423,158	419,614	\$ 327,299	\$ 315,974	\$(107,184)		\$(107,184)	\$ -	
Feb-21	\$ 439,562	11,703	\$ 9,128	\$ 415,541	397,341	\$ 309,926	\$ 299,203	\$(116,338)		\$(87,315)	\$(29,023)	
Mar-21	\$ 446,802	11,962	\$ 9,331	\$ 422,335	417,466	\$ 325,624	\$ 314,357	\$(107,978)		\$(113,812)	\$ 5,835	
Apr-21	\$ 482,097	12,843	\$ 10,017	\$ 455,746	433,498	\$ 338,128	\$ 326,429	\$(129,317)		\$(113,812)	\$(15,505)	
May-21	\$ 416,401	11,181	\$ 8,721	\$ 393,574	408,909	\$ 318,949	\$ 307,913	\$(85,660)		\$(113,812)	\$ 28,152	
Jun-21	\$ 443,447	11,767	\$ 9,178	\$ 419,243	437,035	\$ 340,887	\$ 329,092	\$(90,151)		\$(113,812)	\$ 23,662	
Jul-21	\$ 492,373	13,047	\$ 10,177	\$ 465,512	482,083	\$ 376,025	\$ 363,015	\$(102,497)		\$(113,812)	\$ 11,315	
Aug-21	\$ 480,314	12,776	\$ 9,965	\$ 454,075	475,005	\$ 370,504	\$ 357,685	\$(96,390)		\$(113,812)	\$ 17,422	
Total	\$ 5,056,568	135,248	\$ 105,494	\$ 4,779,767	4,796,535	\$ 3,741,298	\$ 3,611,849	\$(1,167,918)		\$(1,209,776)	\$ 41,857	
Total										\$ (1,167,918)	\$ 41,857	Adjustment for Prior Estimates

Included in Table 3-WW

Notes:

- (1) - TAP Actual Discounts reflects sewer's 59.0% allocated portion of the Total TAP Discount.
- (2) - Updated TAP Discounts and billed sales volume to reflect actuals for February 2021 through August 2021 as provided by Raftelis. Refer to Schedule RFC-3.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective PWD Regulations - Rates and Charges Effective October 1, 2020 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective October 1, 2020 Section 10.1(b)(3).
- (5) - Updated to reflect actual billed water sales volumes for February 2021 through August 2021.
- (8) - Updated Over/(Under) Collection
- (9) - Over/(Under) Collection for October 2020 to August 2021 as calculated during the prior TAP-R Reconciliation Determination.
- (10) - Difference between Updated Over/(Under) Collection and Original Estimates.

Philadelphia Water Department
Table 4 -W - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period

Billing Period	Difference in Collection Water Portion From Table 3-W (1)	Cumulative Over/(Under) Collection Water Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (3) = (2) * [0.25% / 12]
Sep-21	\$ 21,917	\$ 21,917	\$ 4.57
Oct-21	\$ (10,017)	\$ 11,900	\$ 2.48
Nov-21	\$ (12,836)	\$ (936)	\$ (0.20)
Dec-21	\$ (3,660)	\$ (4,596)	\$ (0.96)
Jan-22	\$ (314)	\$ (4,910)	\$ (1.02)
Feb-22	\$ (314)	\$ (5,224)	\$ (1.09)
Mar-22	\$ (314)	\$ (5,538)	\$ (1.15)
Apr-22	\$ (314)	\$ (5,853)	\$ (1.22)
May-22	\$ (314)	\$ (6,167)	\$ (1.28)
Jun-22	\$ (314)	\$ (6,481)	\$ (1.35)
Jul-22	\$ (19,141)	\$ (25,622)	\$ (5.34)
Aug-22	\$ (56,795)	\$ (82,416)	\$ (17.17)
Total		\$	(7)

Adjustment for Prior Estimates \$ (3)

Total I-Factor Recovery \$ (9)

Line 3 in Summary Table

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-W.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on December 01, 2021.

Philadelphia Water Department
Table 4 -WW - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period

Billing Period	Difference in Collection Sewer Portion From Table 3-WW (1)	Cumulative Over/(Under) Collection Sewer Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (3) = (2) * [0.25% / 12]
Sep-21	\$ 28,602	\$ 28,602	\$ 5.96
Oct-21	\$ (19,540)	\$ 9,062	\$ 1.89
Nov-21	\$ (21,275)	\$ (12,213)	\$ (2.54)
Dec-21	\$ (3,985)	\$ (16,198)	\$ (3.37)
Jan-22	\$ (2,629)	\$ (18,828)	\$ (3.92)
Feb-22	\$ (2,629)	\$ (21,457)	\$ (4.47)
Mar-22	\$ (2,629)	\$ (24,086)	\$ (5.02)
Apr-22	\$ (2,629)	\$ (26,715)	\$ (5.57)
May-22	\$ (2,629)	\$ (29,345)	\$ (6.11)
Jun-22	\$ (2,629)	\$ (31,974)	\$ (6.66)
Jul-22	\$ (30,870)	\$ (62,843)	\$ (13.09)
Aug-22	\$ (87,350)	\$ (150,194)	\$ (31.29)
Total		\$	(43)

Adjustment for Prior Estimates \$ (1)

Total I-Factor Recovery \$ (44)

Line 3 in Summary Table

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-WW.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on December 01, 2021.

Philadelphia Water Department					
Table 4 -W-A - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period					
Billing Period	Prior Reconciliation Period with Updated Actuals			Original Estimates	Adjustment
	Difference in Collection Water Portion From Table 3-W-A (1)	Cumulative Over/(Under) Collection Water Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (3) = (2) * [0.08% / 12]	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (4)	Cumulative Over/(Under) Collection Water Portion (5) = (3) - (4)
Oct-20	\$ (54,446)	\$ (54,446)	\$ (3.63)	\$ (3.63)	\$ -
Nov-20	\$ (28,488)	\$ (82,934)	\$ (5.53)	\$ (5.53)	\$ -
Dec-20	\$ (65,550)	\$ (148,484)	\$ (9.90)	\$ (9.90)	\$ -
Jan-21	\$ (51,526)	\$ (200,010)	\$ (13.33)	\$ (13.33)	\$ -
Feb-21	\$ (59,674)	\$ (259,684)	\$ (17.31)	\$ (15.65)	\$ (1.66)
Mar-21	\$ (52,861)	\$ (312,544)	\$ (20.84)	\$ (19.19)	\$ (1.64)
Apr-21	\$ (63,706)	\$ (376,250)	\$ (25.08)	\$ (22.73)	\$ (2.35)
May-21	\$ (29,903)	\$ (406,153)	\$ (27.08)	\$ (26.28)	\$ (0.80)
Jun-21	\$ (34,228)	\$ (440,381)	\$ (29.36)	\$ (29.82)	\$ 0.46
Jul-21	\$ (42,016)	\$ (482,397)	\$ (32.16)	\$ (33.36)	\$ 1.20
Aug-21	\$ (36,797)	\$ (519,194)	\$ (34.61)	\$ (36.90)	\$ 2.29
Total			\$ (219)	\$ (216)	\$ (3)
Total			\$ (219)	\$ (216)	\$ (3) Adjustment for Prior Estimates

Included in Table 4-W

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-W-A.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on March 01, 2021.
- (4) Difference in collection from Total of Column 8 - Table 3-W (Prior Reconciliation).

Philadelphia Water Department					
Table 4 -WW-A - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period					
Billing Period	Prior Reconciliation Period with Updated Actuals			Original Estimates	Adjustment
	Difference in Collection Sewer Portion From Table 3-WW-A (1)	Cumulative Over/(Under) Collection Sewer Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (3) = (2) * [0.08% / 12]	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (4)	Delta Prior Period Estimates (5) = (3) - (4)
Oct-20	\$ (123,293)	\$ (123,293)	\$ (8.22)	\$ (8.22)	\$ -
Nov-20	\$ (77,077)	\$ (200,370)	\$ (13.36)	\$ (13.36)	\$ -
Dec-20	\$ (132,033)	\$ (332,404)	\$ (22.16)	\$ (22.16)	\$ -
Jan-21	\$ (107,184)	\$ (439,587)	\$ (29.31)	\$ (29.31)	\$ -
Feb-21	\$ (116,338)	\$ (555,925)	\$ (37.06)	\$ (35.13)	\$ (1.93)
Mar-21	\$ (107,978)	\$ (663,903)	\$ (44.26)	\$ (42.71)	\$ (1.55)
Apr-21	\$ (129,317)	\$ (793,220)	\$ (52.88)	\$ (50.30)	\$ (2.58)
May-21	\$ (85,660)	\$ (878,880)	\$ (58.59)	\$ (57.89)	\$ (0.70)
Jun-21	\$ (90,151)	\$ (969,031)	\$ (64.60)	\$ (65.48)	\$ 0.87
Jul-21	\$ (102,497)	\$ (1,071,528)	\$ (71.44)	\$ (73.06)	\$ 1.63
Aug-21	\$ (96,390)	\$ (1,167,918)	\$ (77.86)	\$ (80.65)	\$ 2.79
Total			\$ (480)	\$ (478)	\$ (1)
Total			\$ (480)	\$ (478)	\$ (1) Adjustment for Prior Estimates

Included in Table 4-WW

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-WW-A.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on March 01, 2021.
- (4) Difference in collection from Total of Column 8 - Table 3-WW (Prior Reconciliation).