PHILADELPHIA WATER, SEWER AND STORM WATER
RATE BOARD
PUBLIC HEARING

Wednesday, March 23, 2022
Philadelphia, Pennsylvania

TIME: 6:00 p.m.
LOCATION: Zoom Videoconference
HELD BEFORE: MARLANE R. CHESTNUT,
Hearing Officer

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HEARING OFFICER CHESTNUT: All right. It's 6:02 according to my computer, so I think we should get started. We'll go on the record.

Good evening. This is one of two public hearings that have been scheduled by the Philadelphia Water, Sewer and Storm Water Rate Board, the Rate Board, in special connection with the rate proceeding.

The Rate Board is an independent body established to set rates and charges for water and sewer service.

My name is Marlane Chestnut and my role as Hearing Officer is to conduct this proceeding and write a recommendation for the Rate Board.

As you can see, this hearing is being recorded and there is also a court reporter, who will produce a written record of this hearing, so please be sure you speak slowly and clearly for her benefit.

Let me take a minute and explain what this proceeding is about. It is not a general rate increase and will not result in any rate increase to the rates that have already been approved.

Instead, results from the Rate Board's
approval of the settlement of last year's general
rate proceeding that had, as one of its own
provisions providing for a special rate proceeding
to evaluate whether two potential downward
adjustments to the rate schedule to take effect
September 2022 should be made.

One is whether the Water Department received
certain federal stimulus funding, and the other was
based on the Water Department's actual financial
performance in fiscal 2021.

I'll introduce the representatives of the two
active parties, the Water Department and the Public
Advocate, and they can explain their positions.

Other participants include the Philadelphia
Water Revenue Board, which does the actual billing
and collections for the Water Department; the
Philadelphia Large Users Group; and two individuals.

At this point, we've adopted a schedule that
provides for discovery, hearings and briefs. After
I receive the briefs -- I'm sorry. Before the
briefs. Schedule provides for technical hearings to
be held sometime between April 26th and 29. The
actual dates will be posted to the Rate Board's
website, and you are welcome to observe.
I expect to issue my report at the end of May and it's my understanding before the Rate Board for resolution by mid-June.

Now, with respect to this particular hearing, I will call on people in the order that they registered. If you have not registered and want to comment, that's fine. We will get to you. Or, you can send a letter or an email to the Rate Board. We post those letters and emails and I promise you I do read them.

When it is your turn, I will call your name and Steven will unmute your microphone and your telephone. I will ask your name, your address and if you are appearing on behalf of any group or organization.

If you have an individual billing or other problem, state that and we can direct you to work directly with the company in a breakout room or something where they can get information from you to resolve your problem.

After your statement, I will ask the representatives of the active parties if they have any clarifying questions for you. This is not cross-examination. It's simply to clarify their
understanding of your comment.

When you're done, you're welcome to stay but certainly, you don't have to. You can leave at any time.

At this point, I'll introduce the representative for the Philadelphia Water Department. Mr. Dasent.

MR. DASENT: Good evening, Judge Chestnut.

Glen Abrams, on behalf of the Philadelphia Water Department, will offer an introductory statement tonight and he'll provide the perspective from the Department on the special rate proceeding. With that brief introduction, let me hand it over to Glen.

HEARING OFFICER CHESTNUT: Thank you.

MR. ABRAMS: Great. Thank you.

Good evening, everyone. My name is Glen Abrams and I am speaking on behalf of the Philadelphia Water Department in this proceeding.

We first want to thank you all for joining the hearing this evening to share your views concerning the 2022 special rate proceeding initiated by PWD by its rate filing forwarded to the Philadelphia Water, Sewer and Storm Water Rate Board...
on January 21, 2022.

This proceeding, as was mentioned, was initiated pursuant to the settlement of the 2021 general rate case, which was approved by the Rate Board in its rate determination dated June 16th, 2021.

By this decision, the Rate Board authorized additional revenues for PWD in fiscal years 2022 and 2023 in the amounts of $10.411 million and $47.011 million, respectively.

Pursuant to the settlement, FY 2023 approved revenue up to $34.11 million are subject to reduction based on two potential adjustments tied to, first, the direct receipt of federal stimulus funding by the Department and/or, second, 2021 financial performance.

The terms and conditions related to each potential adjustment are described in the aforementioned rate determination.

This proceeding is to determine whether it is appropriate, given the terms of the settlement, to adjust or reduce the fiscal 2023 approved rates.

The Water Department maintains that no adjustment is warranted. It reaches this decision
because PWD has not directly received federal stimulus funding as defined in the settlement terms and conditions.

As explained in our testimony, PWD also believes that no adjustment is warranted for fiscal year 2021 financial performance as PWD falls well below the minimum threshold for financial reserves.

The Public Advocate and other intervenors may have other positions.

If the Rate Board maintains approved fiscal year 2023 rates, as authorized in the 2021 general rate case, a typical residential customer using 500 cubic feet of water per month would see their bill increase by about 7% in fiscal year 2023 or to approximately $74.29 per month beginning on September 1, 2022.

The Water Department recognizes that any increase in rates can be a hardship, especially right now. But maintaining the approved additional revenues for fiscal year 2023 is absolutely necessary to avoid further deterioration of PWD's current financial position and to continue maintaining, upgrading and renewing its system to make sure that clean water is delivered as safely
and reliably as possible and that Waste Water Treatment and Storm Water Management Services continue unabated.

This system provides essential services that are the foundation of public health in Philadelphia. Importantly, since the Water Department is a municipal utility, it has no shareholders and every dollar that it collects is used to support the safe and reliable operation and maintenance of the utility system.

I would also like to highlight that the Water Department has a robust and comprehensive customer assistance program, which helps low income customers pay their bills, including the tiered assistance program, or TAP, senior citizen discount, and other programs that are more flexible than ever during this difficult time.

Please note that our TAP customers, our most vulnerable households, will not pay increased rates in fiscal year 2023 as a result of this proceeding because TAP rates are based on a percentage of household income.

The Water Department has also agreed to extend the shutoff moratorium for residential
customers through June 30th, 2022.

If you are experiencing financial hardship, we want to help. We encourage you to apply for TAP, the senior discount or other programs that are available to assist households with payment difficulties.

These programs are accessible through our website at www.phila.gov/waterbillhelp, or by calling (215) 685-6300 Monday through Friday between 8:00 a.m. and 5:00 p.m.

I would also note that if you have specific billing questions or other service issues that you would like assistance with, please let us know and we will have a customer service representative contact you as soon as possible.

You can use the chat function to identify yourself or let us know that you would like to speak in a breakout room to exchange contact information.

Now, the purpose of today's session is to hear from you, our customers. We appreciate you taking the time to share your views with us today and we look forward to hearing from you.

Thank you.

HEARING OFFICER CHESTNUT: Thank you.
Anything else, Mr. Dasent?

MR. DASENT: Nothing further, your Honor.

Nothing further.

HEARING OFFICER CHESTNUT: Okay.

Mr. Ballenger?

MR. BALLINGER: My name is Robert Ballenger. I'm an attorney at Community Legal Services. Community Legal Services has been appointed pursuant to a contract entered into after a public bidding process consistent with all of the City's procurement rules, for those who are following along with the chat, to serve as Public Advocate representing the interests of the residential and small business customers of PWD.

I want to give my views as to why we're here. And again, I want to offer to anyone who wants more information about this can contact me directly using the email that I shared in the link, which is publicadvocate@clsphila.org. And I can give you real factual information, contrary to some of what you may be experiencing right now.

So I want to tell you why we're here and encourage members of the public to express their opinions.
In 2021, the Water Department filed a request for a $141 million rate increase over two years. Based on the record we created with our experts, we were able to negotiate a truly precedential and groundbreaking settlement agreement. We reduced the amount of that rate increase by just shy of $84 million from what the Water Department requested.

And as Mr. Abrams described, you know, there's a much smaller rate increase that went into effect last September. There's another one scheduled for this upcoming September. It's a $34 million rate increase.

As part of the rate increase -- excuse me. As part of the settlement, we have the opportunity to bring that number down. We can take a look sort of under the hood of the Department's finances and see if they really need another 34 million. And we can take different positions on how much they should get and how much that rate increase should be reduced.

Nothing changes. The Water Department will get a $34 million rate increase in September. We think that number should go down and the real question is by how much.
So we want to hear from you, members of the public, what you think about the next rate increase, whether you think the Water Rate Board should lower the increase and, if so, why.

As customers of the Water Department, it is very important that you tell us everything. I know the Hearing Officer, the Water Department, the Public Advocate and the Board are all very clearly interested in hearing from you today.

I appreciate that you've taken time out of your day to be here, and I look forward to hearing from you.

Thank you.

HEARING OFFICER CHESTNUT: Thank you, Mr. Ballenger.

I do want to add that there is a lot of -- well, a lot of posting on the chat here by someone. The best source is to go directly to the Commission's own orders and my own orders so that you get a clear understanding of what the situation is and what the issues are. Or, as Mr. Ballenger indicates, contact him directly. Contact Mr. Dasent directly. As I say, the best source is to look at my orders.
Okay. Let's go to the listing of registrants that I have for this evening. The first person on the list -- I'm not sure I see her name here -- is Marie Lynne Germane (ph). No? Okay.

How about Selina Ellis (ph)?

Meisha Addis (ph)?

Michael Skiendzielewski?

Marvin Holloway?

Stacy Adua (ph)? Okay.

Jeanine Tillman?

Well, actually, that's the end of my listing here.

Is there anyone who hasn't signed up but would like to make a comment?

MR. SKOKAN: Yes, ma'am. They gave me the wrong number so I was a little late. My name is Thomas Skokan.

HEARING OFFICER CHESTNUT: Who are you?

MR. SKOKAN: My name is Thomas Skokan. I'm in Holmesburg.

HEARING OFFICER CHESTNUT: Hold on a second. I don't see you on here.

MR. LIANG: He's a phone number.

HEARING OFFICER CHESTNUT: Oh, okay.
Would you please state and spell your name for the record.


HEARING OFFICER CHESTNUT: And your address, please.


HEARING OFFICER CHESTNUT: And are you appearing on behalf of a group or an organization?

MR. SKOKAN: Uh, well, I am supporting the Workers Benefits Council's demands, but I also have -- you know, I'm acting on my own accord.

HEARING OFFICER CHESTNUT: Okay. The Workers Benefit Council has already had a representative present their case.

MR. SKOKAN: Well, I'm not representing them.

HEARING OFFICER CHESTNUT: If you want to testify as an individual, that's fine.

MR. SKOKAN: Yes, I would -- that would be fine.

HEARING OFFICER CHESTNUT: Sure.

Go ahead, sir, Mr. Skokan.

MR. SKOKAN: Yes. Oh, you want me to talk?
HEARING OFFICER CHESTNUT: Yes.

MR. SKOKAN: Oh. As a Philadelphia native and a long-term resident here, I feel the implementation of a rate increase at this time is cruel and unusual punishment to a population that is trying to recover from the myriad of problems generated by the COVID-19 crisis.

Just as we welcome the warmer weather, we find ourselves risking having our water service shut off when we most need to clean up from the winter, water our garden and deal with the new norm of a warmer climate and hotter summers.

We must take on the burden of higher costs, such a basic human need. Many people use less than the minimum monthly usage yet still have to pay for water they don't even use. Others, such as myself, have sewers on their properties which they maintain just because it is the right thing to do.

My neighbor across the street is over 90 years old and he has two storm sewers to keep clear of bottles, dog waste bags, plastic leashes and God knows what else.

So I now keep three of our storm sewers clear and probably draining at no cost to the Water
Department or any reimbursement to me or to my elderly neighbor.

My reward for conserving water and maintaining the drainage system is have my rates go up. This $34 million rate increase is a hardship on so many of us working poor in Philadelphia who are trying to keep maintaining a home amid the COVID-19 pandemic.

I implore you to please reconsider raising our water rates at this time.

And I guess -- I know the Benefit Council has five things; you said you already dealt with that?

HEARING OFFICER CHESTNUT: Yes.

MR. SKOKAN: Okay. Because I have it here, but I won't read it if it's redundant.

HEARING OFFICER CHESTNUT: Okay. Are you done with your statement?

MR. SKOKAN: Yes, ma'am. Thank you.

HEARING OFFICER CHESTNUT: Thank you.

Mr. Dasent, did you have any clarifying questions for Mr. Skokan?

MR. DASENT: No questions for Mr. Skokan; although, I thank him for testifying tonight.

HEARING OFFICER CHESTNUT: Mr. Ballenger, do
you have questions?

MR. BALLINGER: No, I don't.

Thank you for your testimony. And it
certainly is important what you're doing for your
neighbors, so I just want to acknowledge that here.

MR. SKOKAN: Thank you, sir.

HEARING OFFICER CHESTNUT: Okay. Thank you
very much. You're excused.

Did somebody else want to make a comment?

MS. PANZANO: Yes. I raised my hand.

Barbara Panzano.

HEARING OFFICER CHESTNUT: Okay, sure.

MS. PANZANO: Um --

HEARING OFFICER CHESTNUT: Wait. Before you
start --

MS. PANZANO: Okay.

HEARING OFFICER CHESTNUT: Let's do the
preliminaries. Could you please spell your name for
the record.

MS. PANZANO: Barbara Panzano. P, as in
Peter, A-N-Z, as in zebra, A-N-O.

HEARING OFFICER CHESTNUT: Your address,
please.

MS. PANZANO: 2609 Eddington Street,
HEARING OFFICER CHESTNUT: And are you appearing on behalf of a group or an organization?

MS. PANZANO: No, I am not.

HEARING OFFICER CHESTNUT: Okay. Thank you. Go ahead.

MS. PANZANO: I agreed with everything that was just said. And in addition to that, I've been in this house for 35, 36 years. The water bill has always been the highest bill, including heat for the winter. The water bill is my highest bill I pay.

And as a senior citizen on social security, we don't get rate hikes like this and I don't know how people are supposed to afford it. I don't -- I know that there are so many people that are behind in their water bills coming out of the pandemic. I am not one of them, thank God, but I can't handle anymore. I mean, it's totally ridiculous at this point.

And with inflation the way it is today and us trying to buy food and pay these bills and pay for gasoline for our cars to get to medical appointments and doctors and whatever, how are we supposed to do it? That's all I have to say.
HEARING OFFICER CHESTNUT: Thank you.

Mr. Dasent, did you have any clarifying questions for Ms. Panzano?

MR. DASENT: No questions for, Ms. Panzano.

Thank you for coming out tonight.

MS. PANZANO: Okay.

HEARING OFFICER CHESTNUT: Mr. Ballenger?

MR. BALLenger: Perhaps not a question for Ms. Panzano.

But Ms. -- did you say that you were a senior on a fixed income?

MS. PANZANO: Yes. 77.

MR. BALLenger: Maybe the Water Department could offer to talk with you about your eligibility for the senior discount.

MS. PANZANO: I already applied for it and they say I make too much, even though it's under 25,000 a year. That's too much.

MR. DASENT: You should reach out to my office because I think the threshold is -- you're under that threshold for the most recent update for the senior citizen discount. But let me check that out.

And Glen Abrams is also on the phone, or on
the line, and perhaps either in a chat room or somehow or another -- I just want to get your contact information just to make sure that you're not eligible for the senior discount. And I thank Mr. Ballenger for bringing that up.

MS. PANZANO: Okay.

MR. ABRAMS: Steven, if you could put Amy Hopple (ph) and PWD Kersey from my staff in a breakout room.

HEARING OFFICER CHESTNUT: Is that okay with you, Mr. Panzano? Do you want to talk to PWD about possibly getting eligibility for another discount or some other assistance?

MS. PANZANO: Sure.

HEARING OFFICER CHESTNUT: Okay.

MR. BALLENGER: Thank you for your testimony. I recognize you testified last year as well, so I'm glad to see you again.

MS. PANZANO: Yeah.

MR. LIANG: Amy and Kersey?

MR. ABRAMS: Yes. Thank you.

HEARING OFFICER CHESTNUT: Okay. I guess that worked. At least they're gone or disappeared, hopefully not literally.
Is there anybody else who wants to give a comment or statement? No?

Okay. Well, let me end, then, by repeating that at the Rate Board's website all the documents are posted. All my orders are there; the testimony that's been filed, the discovery that's been undertaken.

If you have questions or concerns, I urge you to go to that and read the documents yourself. A transcript of this hearing will also be posted.

And if you have further comments, please feel free to let the Rate Board know.

Anything further, then, Mr. Ballenger?

MR. BALLenger: Nothing from me, your Honor.

Thank you.

HEARING OFFICER CHESTNUT: Okay. Mr. Dasent, anything further?

MR. DASENT: Nothing further. Thank you, your Honor.

HEARING OFFICER CHESTNUT: Thank you all for taking the time to attend. Very much appreciate it. I'm sure the Rate Board appreciates hearing directly from the people affected by the rates and decisions they make.
Okay. Thank you very much.

(The hearing was concluded at 6:25 p.m.)

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CERTIFICATION

I, Tara D. Goleno, hereby certify that the proceedings and evidence noted are contained fully and accurately in the stenographic notes taken by me in the foregoing matter, and that this is a correct transcript of same.

Tara D. Goleno, RPR, CRR, CSR 10127

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