

PWD Exhibit 1 - Notification of Rate Filing

1. Advance Notification of Rate Filing to the Philadelphia Water, Sewer and StormWater Rate Board
2. Advance Notification of Rate Filing to the Philadelphia City Council

CITY OF PHILADELPHIA

WATER DEPARTMENT
JEFFERSON CENTER
1101 Market Street
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.
Water Commissioner

January 24, 2023

Via Email Only

Sonny Popowsky, Chairperson
Philadelphia Water, Sewer and Storm Water Rate Board
One Parkway Building
1515 Arch Street, 17th Floor
Philadelphia, PA 19102

Attention: Daniel Cantu-Hertzler, Esq.

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and
Related Charges (FY 2024 to FY 2025)

Dear Chairperson Popowsky and Rate Board Members:

Pursuant to Section 13-101(7) of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”), enclosed for filing on behalf of the Philadelphia Water Department (“Department”) is the Department’s Advance Notice of Proposed Changes in Water, Wastewater and Stormwater Rates and Related Charges (“Advance Notice”). This Advance Notice is provided together with the proposed rates and charges and supporting written testimony and exhibits containing the engineering, financial, and other data upon which the proposed rates and charges are based.

An itemized list of the documents enclosed with the Advance Notice is set forth in the Filing Index attached to the Advance Notice. The complete rate filing is available by visiting the public folder at:

Sharepoint Website: <https://mcd.projectcentral.bv.com/sites/405119.1/Shared%20Documents/FY%202024%20to%20FY%202025%20Rate%20Proceeding/General%20Rate%20Proceeding>

Username:* NON1\PublicUsers1

Password: PhilaWater!76

* Please note that “NON1” is part of the user name.

The complete rate filing will be made available by posting at the Rate Board's website: <https://www.phila.gov/departments/water-sewer-storm-water-rate-board/rate-proceedings/>. Once the rate filing is available on the Rate Board's website, the Sharepoint website will not be needed and will expire.

As always, the Department senior staff will be available to discuss the rate filing and answer any questions you may have with regard to same.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy E. Hayman".

Randy E. Hayman
Water Commissioner

cc: All Participants in the 2021 Rate Proceedings

CITY OF PHILADELPHIA

WATER DEPARTMENT
JEFFERSON CENTER
1101 Market Street
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.
Water Commissioner

January 24, 2023

Darrell L. Clarke, President
Philadelphia City Council
City Hall, Room 490
Philadelphia, PA 19107

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2024 to FY 2025)

Dear President Clarke:

Pursuant to Section 13-101(7) of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”), enclosed for filing on behalf of the Philadelphia Water Department (“Department”) is the Department’s Advance Notice of Proposed Changes in Water, Wastewater and Stormwater Rates and Related Charges (“Advance Notice”). This Advance Notice is provided together with the proposed rates and charges and supporting written testimony and exhibits containing the engineering, financial, and other data upon which the proposed rates and charges are based.

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As always, the Department senior staff will be available to discuss the rate filing and answer any questions you may have with regard to same.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy E. Hayman".

Randy E. Hayman
Water Commissioner

cc: Members of City Council
All Participants in the 2021 Rate Proceedings

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

Re Application of the Philadelphia Water Department for Increased Water, Wastewater and Stormwater Rates and Related Charges	Fiscal Years 2024-2025
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ADVANCE NOTICE

Pursuant to Section 13-101 of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Wastewater and Storm Water Rate Board (the “Board”), enclosed for filing on behalf of the Philadelphia Water Department (“PWD” or the “Department”) are the proposed rates and charges for supplying water, sewer and stormwater service for accounts and properties located in the City of Philadelphia for Fiscal Years 2024 through 2025. Together with the proposed rates and charges, the Department is filing numerous written statements, schedules, exhibits and other supporting documentation. An index setting forth the contents of the rate filing is attached. Copies of the Advance Notice and the Formal Notice of this rate filing are or will be included in PWD Exhibit 1. A summary fact sheet describing (i) the proposed rates and charges and (ii) the estimated impact of the proposed rate changes on typical customer bills is set forth in PWD Exhibit 2. The proposed rates and charges are set forth in PWD Exhibits 3A and 3C, and redlined versions of the same are provided in PWD Exhibits 3B and 3D. Documents incorporated by reference in the rate filing are listed in PWD Exhibit 4. The Department’s updated Financial Plan is attached to PWD Statement No. 2A as Schedule FP-1. Additional schedules and exhibits containing financial, engineering and other data, upon which the proposed rates and charges are based, are also listed in the attached filing index. The complete rate filing will be made available by posting at the Board’s website. As a courtesy, the Department is also providing

electronic access to the rate filing via its SharePoint website, the link for which is being provided to the Board, the Board's Hearing Officer and the Board's Technical Expert, as well as all Participants on the service list for the 2021 General Rate Proceeding.

COUNSEL OF RECORD AND SERVICE OF DOCUMENTS

The Department will be represented by the following counsel in this proceeding:

Andre C. Dasent, Esquire
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Counsel for Philadelphia Water Department

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Counsel for Philadelphia Water Department

The Water Revenue Bureau will be represented by the following counsel in this proceeding:

Brooke Darlington, Divisional Deputy City Solicitor
Tax & Revenue Unit
Law Department, City of Philadelphia
Municipal Services Building
1401 John F. Kennedy Boulevard, 5th Floor
Philadelphia, PA 19102
Brooke.Darlington@phila.gov

Counsel for Philadelphia Water Revenue Bureau

The Department requests that the Board and all Participants in this proceeding electronically serve copies of all documents in this proceeding on the attorneys listed above.

Respectfully Submitted,



Randy E. Hayman
Water Commissioner

Dated: January 24, 2023
Attachments

FILING INDEX

Philadelphia Water Department Statements and Exhibits

Statements

PWD Statement No. 1	Direct Testimony and Schedules of the Water Commissioner
	Schedule REH-1 Resume of Randy E. Hayman
PWD Statement No. 2A	Direct Testimony and Schedules of the Financial Panel
	Schedule LY-1 Resume of Lawrence Yangelay
	Schedule LR-1 Resume of Lawrence Rich
	Schedule PR-1 Resume of Patricia Rogalski
	Schedule FP-1 Financial Plan
	Schedule FP-2 Bond Counsel Memorandum
	Schedule FP-3 Rating Agency Reports
	Schedule FP-4 Water Fund Projection Summary
	Schedule FP-5 Summary of Ratemaking Requirements, Methodology and Development of Revenue Requirements
	Schedule FP-6 Proposed Language and Other Charges
	Schedule FP-7 Summary of Prior Rate Proceedings
PWD Statement No. 2B	Direct Testimony and Schedules of the Financial Advisors
	Schedule FA-1 Financial Advisors Memorandum Resume of Peter Nissen Resume of Charles Matthews
PWD Statement No. 3	Direct Testimony and Schedules of the Capital Panel
	Schedule SJF-1 Resume of Stephen J. Furtek
	Schedule TG-1 Resume of Trisha Grace
	Schedule VH-1 Resume of Vahe Hovsepian
	Schedule WD-1 Resume of William Dobbins
	Schedule CP-1 Summary of Capital Program and Budget Process

PWD Statement No. 4	Direct Testimony and Schedules of the Operations Panel
	Schedule BR-1 Resume of Brendan Reilly
	Schedule LK-1 Resume of Linda A. Kramer, P.E.
	Schedule SJ-1 Resume of Stephen Junod
	Schedule OP-1 Material Costs
PWD Statement No. 5	Direct Testimony and Schedules of the Water Revenue Bureau
	Schedule SMC-1 Resume of Susan M. Crosby
PWD Statement No. 6	Direct Testimony and Schedules of Raftelis
	Schedule RFC-1 Resume of Jon Davis
	Schedule RFC-2 Resume of Henrietta Locklear
	Schedule RFC-3 Resume of Jennifer Tavantzis
	Schedule RFC 4: FY2022 Monthly TAP Statistics Report as of July 2022
	Schedule RFC-5: FY2022 Service, Usage, and Billing Report
	Schedule RFC-6: FY2022 Water Usage and Billing Report
	Schedule RFC-7: FY2022 Payment Patterns Report
	Schedule RFC-8: FY2022 Monthly Residential Usage Report
	Schedule RFC-9: FY2022 Typical Residential Customer Usage Memorandum
	Schedule RFC-10: FY2022 Typical Small Commercial Usage Memorandum
PWD Statement No. 7	Direct Testimony and Schedules of Black & Veatch Management Consulting
	Schedule BV-1 Summary Tables: Cost Of Service And Rate Study
	<ul style="list-style-type: none"> • <u>Tables C-1 through C-13</u>: Combined Projections of Revenue Requirements; Projection of Typical Retail Bills; Proposed Rate Schedules
	Schedule BV-2 Cost of Service Report
	Schedule BV-3 Summary Tables: Miscellaneous Fees Analysis

Schedule BV-4 White Papers

- WP-1: Inflation and Cost Escalation Pressures
- WP-2: Stormwater Units of Service
- WP-3: Cost Recovery Approach
- WP-4: Miscellaneous Fee Methodology
- WP-5: Senior Citizen Threshold Adjustment

Schedule BV-5 Resumes and Black & Veatch firm description

PWD Statement No. 8

Direct Testimony and Schedules of the Communications and Engagement Panel

Schedule GA-1 Resume of Glen Abrams
Schedule LC-1 Resume of Laura Copeland
Schedule PF-1 Resume of Paul Fugazzotto

Exhibits

- PWD Exhibit 1** Notification of Rate Filing
Advance Notice to Rate Board and Philadelphia City Council
Advance Notice and Filing Index
- PWD Exhibit 2** Summary Fact Sheet
- PWD Exhibit 3A** Proposed Rates and Charges for FY2024
- PWD Exhibit 3B** Proposed Rates and Charges for FY2024 (Redlined)
- PWD Exhibit 3C** Proposed Rates and Charges for FY2025
- PWD Exhibit 3B** Proposed Rates and Charges for FY2025 (Redlined)
- PWD Exhibit 4** Documents Incorporated by Reference
- PWD Exhibit 5** Official Statement, City of Philadelphia Water and Wastewater Revenue Bonds, 2022C

PWD Exhibit 6 Supplemental, Financial, Engineering and Other Data, Black & Veatch Workpapers

PWD Exhibit 7 Consent Order and Agreement, June 1, 2011