

CITY OF PHILADELPHIA

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

RANDY E. HAYMAN, Esq.
Water Commissioner

February 23, 2023

James P. Leonard, Esq.
Records Commissioner
City Hall, Room 158
Philadelphia, PA 19102

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

The enclosed rate filing is submitted on behalf of the Philadelphia Water Department (“Department” or “PWD”) in support of its Formal Notice of proposed changes in rates and charges for water, wastewater (sanitary sewer) and stormwater services consistent with (i) Section 5-801 of the Philadelphia Home Rule Charter (“Charter”), (ii) Section 13-101 of The Philadelphia Code (“Code”), and (iii) the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”).

The above referenced filing is available on the Rate Board’s website, www.Phila.gov/water/rateboard, as well as electronically in the enclosed USB flash drive. The filing includes the proposed rates and charges, which are subject to review and authorization by the Rate Board.¹ The Rate Board will schedule public hearings on the proposed rates and charges, as required by Section 13-101(3)(f) of the Code.

This submission is the Formal Notice required to be filed with the Department of Records pursuant to Section 13-101 (7)-(8) of the Code and Section II.A.2(b) of the Rate Board's regulations. Included with this submission are various statements and exhibits from the Advance Notice (identified in the attached Filing Index) that will be proffered for inclusion in the record during hearings before the Rate Board. Also attached is the Statement of Changes from the Advance Notice filed with City Council and the Rate Board on January 24, 2023, as well as copies of the changed documents identified therein. Finally, attached please find the memorandum from the Law Department approving this Formal Notice and the accompanying documents as to form.

Please make the above documentation, together with the Department's proposed changes in rates and charges, available for inspection consistent with the aforesaid legal requirements and arrange for advertising in accordance with Section 8-407 of the Charter and Section 21-1703 of

¹ The proposed rates and charges are set forth in PWD Exhibit 3A through 3D of the rate filing. These proposed rates and charges will be fully vetted as part of the rate process before the Rate Board.

the Code. Text for the public notice to be published in the newspapers is attached. Thank you for your attention to this matter.

Sincerely,

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

Randy E. Hayman
Water Commissioner

cc: Rate Board
The Public Advocate and all Participants in the 2021-2022 Rate Proceedings (w/ enc.)

RECORDS DEPARTMENT

In accordance with Section 5-801 of the Philadelphia Home Rule Charter, Section 13-101 of the Philadelphia Code and the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (Board), the Philadelphia Water Department filed its Formal Notice of proposed changes to the rates and charges on February 23, 2023. The filing is available online at: www.phila.gov/water/rateboard or may be examined at the Department of Records. Anyone wishing to be a Participant in the rate change proceeding should register by March 3, 2023 by sending notice to the Rate Board, c/o Steven Liang, City of Philadelphia Law Dept., 1515 Arch St., 17th Fl., Philadelphia PA 19102 or register via email at WaterRateBoard@phila.gov.

James P. Leonard, Esq.
Records Commissioner

**PHILADELPHIA WATER DEPARTMENT RATE PROCEEDING
(FY 2024 and FY 2025)**

**STATEMENT OF CHANGES FROM THE ADVANCE NOTICE
FILED WITH CITY COUNCIL AND
THE WATER, SEWER AND STORMWATER RATE BOARD
ON JANUARY 24, 2023**

Pursuant to Section II.A.2(b) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”), this statement highlights changes from the Advance Notice of proposed changes in rates and charges filed by the Philadelphia Water Department (“Department” or “PWD”) with City Council and the Rate Board on January 24, 2023. The changes and the rationale for the changes are provided below:

None. PWD reserves the right to amend or supplement testimony, schedules, exhibits and supporting documentation as needed during the course of this proceeding.

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 Yangalay
	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
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- Tables C-1 through C-13:
 Combined Projections of Revenue Requirements;
 Projection of Typical Retail Bills; Proposed Rate Schedules

Schedule BV-2	Cost of Service Report
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Schedule BV-3	Summary Tables: Miscellaneous Fees Analysis
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Schedule BV-4	White Papers
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- 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

*Denotes Statements and Exhibits supplemented or revised since the Advance Notice. [None]



City of Philadelphia

LAW DEPARTMENT
Water Division
1101 Market Street
5th Floor
Philadelphia, PA 19107
(215) 683-3234
kevin.birriel@phila.gov

MEMORANDUM

TO: Randy E. Hayman, Commissioner

FROM: Kevin Birriel, Senior Attorney

DATE: February 23, 2023

RE: In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater and Stormwater Rates and Charges (FY 2024 and FY 2025)

I have reviewed the Formal Notice of Proposed Rates and Charges (Formal Notice) and the documents shown on the index attached to the Formal Notice. I find the Formal Notice and the documents shown on the index to be legal and in proper form.

In accordance with Section 5-801 of the Philadelphia Home Rule Charter, Section 13-101 of the Philadelphia Code and the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board, you may forward the Formal Notice and the referenced documents to the Department of Records where they will be available for public inspection.