BEFORE THE PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

In the Matter of the Philadelphia Water Department's Proposed Changes in Water, Sewer and Storm Water Rates and Related Charges

2023 General Rate Proceeding

ORDER DENYING HAVER MOTION TO DISCLOSE

:

I am in receipt of a "Motion To Require the Public Advocate To Disclose It Doesn't Have a Client Relation With the Public or Any Member of the Public and Is Under Contract To Serve as a Legal Advisor to the Philadelphia Rate Board" (Motion to Disclose) filed by Lance Haver, a participant in this proceeding.¹ This Motion is clearly inappropriate, contains numerous incorrect statements – many previously addressed – and must be denied.

First, this Motion is inappropriate and unnecessary. The representatives of the Public Advocate who attend public hearings are more than capable of explaining their role in this proceeding. There has been no evidence that any member of the public – other than Mr. Haver – is confused when they describe their role as that of "representing the interests of the residential and small business customers of the Water Department as a group" (2022 Special Rate Proceeding, <u>Public Hearing, March 23, 2022</u>, 1 p.m., at 10) or "CLS has been appointed to serve as Public Advocate to represent the interests of residential and small commercial customers . . . in this rate proceeding." (2021 General Rate Proceeding, <u>Public Hearing, March 16, 2021</u>, 6 p.m., at 8).

In addition, this Motion contains substantial incorrect information, much of which has been previously refuted. Mr. Haver has been informed on numerous occasions that CLS was not selected to act as Public Advocate though a no-bid contract. Instead, CLS was chosen as public advocate following a public, competitive request for proposals in 2019. See, for example, the Rate Board's discussion of this issue in its 2022 Rate Decision: Special Rate Proceeding at 23 n.71 (PDF p.27): "For example, he continues to characterize the Public Advocate's contract with the Rate Board as "no bid" (Exceptions at 5) despite being repeatedly informed that the contract was solicited via the Board's Request for Proposals, which was duly posted on the City's public

¹ This Motion was supported by Michael Skiendzielewski, a participant in this proceeding, based on his acceptance of the incorrect information contained in the Motion concerning the role of the Public Advocate.

eContract Philly website. It was lawfully entered into pursuant to the City's procurement rules and renewed pursuant to its terms." The Rate Board has exercised its option to renew the contract for three additional one-year terms These decisions were made by the Rate Board at its public meetings, after the posting of its agendas on the Board's Website. See, the <u>minutes</u> of the Rate Board's meeting on August 10, 2022, in which it voted on the current contract term.

In fact, even in this proceeding, Mr. Haver repeated these and other incorrect characterizations in a "Petition to seek proposals to serve as the Public Advocate in this Rate Case." This Petition was discussed and rejected by the Rate Board at its March 8, 2023 meeting.

Moreover, Mr. Haver mischaracterizes the nature of the services provided by the Public Advocate. There is no evidence that any member of the Rate Board at any time stated that Public Advocate acts as a "legal advisor" to the Board, and Mr. Haver provides no citation for that claim.

The Public Advocate is not a legal advisor to the Board. Under Section I(n) of the Board's Regulations, the Public Advocate is a "qualified firm, organization or individual(s) appointed to represent the interests of Small User Customers pursuant to a formal City contract." Under Section I(s), "Small User Customers" means "All residential and small business customers of the [Water] Department within the City of Philadelphia, typically with 5/8 inch meters." The purpose of this contract is to ensure that the Board understands and appreciates the interests of residential and small business customers when the Board makes its rate determinations.

This has been clearly explained in response to numerous motions and assertions made by Mr. Haver. For example, the Rate Board rejected this and other challenges to the Public Advocate in a five-page discussion in the <u>2021 Rate Decision: General Rate Proceeding</u>, in which the Rate Board favorably quoted the Public Advocate's rebuttal (at 21, PDF p.26): "CLS serves pursuant to a contract with the Rate Board describing the services the Public Advocate provides (including outreach and information to encourage participation in public input hearings) in order to advance the collective interests of small user customers of PWD as a group. CLS's contract to provide services as Public Advocate is a General Consulting Services contract, which does not entail the provision of legal services in a representative capacity to any individual or group"

In fact, the Public Advocate has taken appeals from Board decisions, even though it is not compensated by the Board for doing so. The Board adopted a revised procedure and modified its Regulations at its <u>November 2022 meeting</u> as a result of the City's settlement of claims raised by the Public Advocate, at its own expense, for more than four years on an appeal from the Board's 2018 General Rate Determination. The Board's contract grants CLS sufficient independence to ensure that the Board will hear and consider multiple voices.

The current Motion is simply another attack by Mr. Haver on the retention and performance of CLS in its capacity as Public Advocate. As the Rate Board stated in its 2022 Rate Decision: Special Rate Proceeding at 23 (PDF p.27): "We have previously found that Mr. Haver's criticisms of how CLS has fulfilled its contractual responsibilities as Public Advocate are incorrect and unsupported by the record. Most recently, we denied his Motion to Remove Public Advocate and associated Direct Appeal at our April 13, 2022 meeting. See also our 2021 Rate Determination at 17-29 (2021 General Rate Proceeding): "As we have found repeatedly, there is no basis for these unwarranted allegations, based on mischaracterized facts and false insinuations, directed to the Public Advocate and the Hearing Officer. Going forward, such baseless attacks will be dismissed."

The same result should occur here.

Marlane R. Chestnut Hearing Officer March 20, 2023