

**SUPPLEMENTAL RESPONSE TO  
PUBLIC ADVOCATE'S INTERROGATORIES (SET IV)  
AND  
REQUESTS FOR PRODUCTION OF DOCUMENTS  
QUESTION 37**

**Dated: March 2023**

1 **PA-IV-37.** PLEASE PROVIDE A COMPARISON OF REVENUES AT PRESENT RATES  
2 AND AT PROPOSED RATES FOR EACH RATE CLASS INCLUDED IN THE  
3 COST OF SERVICE STUDIES FOR WATER, WASTEWATER, AND STORM  
4 WATER SERVICE. INCLUDE THE SUPPORTING CALCULATIONS FOR  
5 PROPOSED REVENUES IN EXCEL FORMAT WITH ALL FORMULAS  
6 INTACT.

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8 **RESPONSE:**

9 The revenue provided in the response attachment to PA-IV-37 reflects the FY 2024  
10 revenue under the proposed rates as requested. This revenue projection reflects the  
11 anticipated collections of projected and historical billings based on the proposed and  
12 existing rate schedules and their respective effective dates. Note that the total revenue for  
13 FY 2024 of \$341 million is consistent with the FY 2024 Total Water Service Revenue  
14 presented on Line 8 of Table 3-13 of Schedule BV-2.

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16 In addition, note that Table 4-12 of Schedule BV-2 presents the cost of service based  
17 annual net revenue requirement of \$352 million. This is consistent with the Total Water  
18 Service Revenue presented on Line 4 of Table 4-1 Test Year 1 (FY 2024) Annualized  
19 Revenue and Revenue Requirements and Total Cost of Service to be Derived from Rates  
20 presented on Line 13, Column 3 of Table 4-2.

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22 Since PWD's revenues are collections-based and the estimated FY 2024 revenue reflects  
23 collections on billings from FY 2024, FY 2023 and FY 2022 it is not appropriate to  
24 compare the projected collections based revenues to the cost of service by class. As the  
25 collections based revenue reflects collections of billings which are based on rates  
26 established by prior cost of service distributions. Consistent with prior cost of service  
27 studies, the retail class based cost of service is compared to the retail billings by customer  
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1 class prior to the lag factor adjustment. This comparison is provided on pages 887 to 891  
2 (WCOS, RATES-3) of PWD Exhibit 6.

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4 Note that this response is similar to our response to PA-VII-19 during the 2021 General  
5 Rate Proceeding (for the FY 2023 and FY 2024 rates).

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7 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC  
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