

BEFORE THE  
PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

Re: Philadelphia Water Department Proposed Charges in Rates and Charges	2023 General Rate Proceeding Fiscal Years 2024 - 2025
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**PUBLIC ADVOCATE RESPONSES TO  
PHILADELPHIA WATER DEPARTMENT S  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS  
SET IV**

**General Questions**

1. With reference to PA Statement 3 at 57, please provide support for your statement that PWD “*completely failed to comply with the 2021 Settlement provisions, and the Rate Determination’s directions regarding monthly reporting...*” and note specific examples of any failure.

**Response:**

This question includes a partial quote, which when examined in light of the complete quote at the pages cited mis-quotes Mr. Colton’s testimony in a way that mischaracterizes what Mr. Colton’s testimony states. The full quote from Mr. Colton’s testimony is:

In the 2021 PWD general rate case, the final Rate Determination found that there were “serious questions [raised] about the manner in which PWD discharges its responsibility to provide arrearage forgiveness. . .” (2021 Rate Determination, at 51). While PWD has resolved *some* of those questions, it not only failed to resolve all questions, but it completely failed to comply with the 2021 Settlement provisions, and the Rate Determination’s directions regarding monthly reporting to allow the Rate Board to review the resolution of those questions in the future. Accordingly. . .should the Rate Board provide more specific directions to PWD to provide future reporting on arrearage forgiveness. . .

PA St. 3, at 56 – 57. Mr. Colton provided a detailed explanation of the questions about “the manner in which PWD discharges its responsibility to provide arrearage forgiveness.” (PA St. 3, at 56 – 78). Specific questions include each of those identified in that section of Mr. Colton’s testimony, which would include but not be limited to:

- Whether PWD correctly provided arrearage forgiveness to TAP participants who made full payments, irrespective of whether payments were full and timely;
- Whether PWD correctly provided pro rata arrearage forgiveness to customers who had been removed from TAP due to a failure to recertify, but who subsequently re-entered TAP and were TAP participants at any time subsequent to July 1, 2022 in an amount calculated by multiplying the amount of the Customer’s Pre- TAP arrears by 1/24 and then by the number of full monthly payments of TAP Bills issued on or after September 1, 2020.
- Whether PWD is denying occupants the full range of arrearage forgiveness credits to which they are entitled under City regulations governing PWD’s TAP.

The 2021 Rate Determination noted that the Hearing Officer Report “recommended that the Rate Board accept the Public Advocate’s proposal that PWD be required to report monthly (i) on the performance of its arrearage forgiveness policies and any obstacles prohibiting PWD from operating an arrearage forgiveness program that allows TAP customers to earn and realize arrearage forgiveness immediately with each monthly TAP payment.” The 2021 Rate Determination further stated that it adopted the Hearing Officer Report. Indeed, the 2021 Rate Determination specifically stated that “PWD did not except to this recommendation; we agree with the merits of Hearing Officer Chestnut’s recommendation and therefore will direct PWD to provide the monthly reports as indicated.”

Despite these explicit findings and directions, when PWD was asked to provide the number of TAP participants *with arrears subject to forgiveness* (PA-1-26(j)), the number of participants receiving arrearage forgiveness (PA-1-26(k)), and the dollars of arrearages forgiven (PA-1-26(l)), PWD did not provide that data. Moreover, the Monthly Reports that PWD did not provide did not include the information identified immediately above.

2. With reference to PA Statement 3 at 57-58, please provide all data used to calculate the percentage of new enrollees with pre-program arrears shown in the table on page 58.

Response:

The data on new enrollees with pre-program arrears was provided by PWD in two places: (1) in response to PA-I-56; and (2) in the monthly report which PWD labelled “Monthly Report to the Rate Board as Required by the FY2022-2023 Rate Determination.” PWD has access to its own discovery responses and Monthly Reports.

3. With reference to PA Statement 3 at 59, please provide data and workpapers that support the charts on page 59 (titled TAP Participants with Principal AF by Month and Pct TAP Participants Receiving Principal AF).

Response:

The data presented in the Charts on page 59 was taken directly from the monthly reports which PWD labelled “Monthly Report to the Rate Board as Required by the FY2022-2023 Rate Determination,” which report the number of accounts receiving and arrearage forgiveness. PWD has access to its own Monthly Reports.

4. With reference to PA Statement 3 at 60-61, please provide data and workpapers that support your claim that PWD’s data “does not support a conclusion that TAP participants are not being provided forgiveness for each “full TAP Bill” that is paid.”

Response:

The data used in reaching that conclusion was presented by PWD in response to PA-I-56, which provided data regarding the number of TAP participants entering the program with pre-TAP arrearages and the number of TAP participants making full and timely payments, and in the monthly reports which PWD has labelled “Monthly Report to the Rate Board as Required by the FY2022-2023 Rate Determination,” which report the number of accounts receiving and arrearage forgiveness. PWD has access to its own discovery responses and Monthly Reports.

5. With reference to PA Statement 3 at 61, please provide data and workpapers that support Chart on page 61 presenting “the payment coverage ratio for TAP participants for each month compared to the percentage of TAP participants receiving arrearage forgiveness”.

Response:

The data used in that Chart was provided by PWD in response to PA-I-56. PWD has access to its own discovery responses.

6. With reference to PA Statement 3 at 62, please explain the methodology or analysis used to support your conclusion that “PWD is not granting arrearage forgiveness ...directed by the City’s regulations...”?

Response:

The methodology and data were explained in detail in Mr. Colton’s Direct Testimony, at pages 56 – 78.

7. With reference to PA Statement 3 at 62, please provide data and workpapers used to calculate the number of accounts making full and timely payments versus the number of accounts receiving arrearage forgiveness.

Response:

The number of accounts making full and timely payments was provided in response to PA-I-56. The number of accounts receiving arrearage forgiveness, the dollars of arrearage forgiveness, and the month in which arrearage forgiveness was granted, is reported each month in the monthly document which PWD titled Monthly Report to the Rate Board as Required by the FY2022-2023 Rate Determination. See attached filed labelled "arrearage forgiveness.xlsx."



8. With reference to PA Statement 3 at 65-66, please provide data and workpapers that support your claim that PWD failed to offer retroactive forgiveness to TAP participants.

Response:

The Direct Testimony of Mr. Colton does not assert, as claimed in this question, that “PWD failed to offer retroactive forgiveness to TAP participants.” Mr. Colton’s testimony explained in detail how certain populations of TAP participants either did not receive the retroactive arrearage forgiveness to which they were entitled pursuant to City Regulations, or did not receive the full amount of arrearage forgiveness to which they entitled pursuant to City Regulations.

9. With reference to PA Statement at 67, please provide data and workpapers used to create Table 11 listing monthly number of TAP customers removed for failure to recertify, and please explain how this data supports your conclusion that PWD failed to offer retroactive forgiveness to TAP participants when it became effective per Regulation in July 2022.

Response:

The source for Table 11 is listed in the Title of Table 11 (PA-I-76). PWD offers its *TAP Pause* program. Contrary to the question, the Regulation did not require low-income customers to be TAP participants on July 1, 2022 in order to qualify for retroactive arrearage forgiveness. Instead, the Regulation requires PWD to offer, *as of July 1, 2022*, retroactive arrearage forgiveness to anyone who is a TAP participant after July 1, 2022. As explained in detail in Mr. Colton's Direct Testimony, when viewed as a whole, the data on the number of TAP accounts granted retroactive arrearage forgiveness in July 2022, the data on the dollars of arrearage forgiveness granted by month, and the data on customers who had been removed from TAP due to a failure to recertify, but who were able to subsequently re-enter TAP through TAP Pause, do not support the conclusion that retroactive arrearage forgiveness was provided to TAP participants other than those who were a TAP participant in July 2022. The number of TAP participants identified as new enrollees (PA-I-56), coupled with PWD's explicit statement that those number include customers who had previously been enrolled in TAP and were not first-time enrollees, further support the conclusion that some TAP enrollees had previously been enrolled in TAP. The conclusion is supported by reading multiple tables in conjunction with each other rather than each individual table in isolation (see e.g., Tables 11, 12).

10. With reference to PA Statement 3 at 69, please provide data and workpapers that were used to create Chart on this page (titled No. TAP Participants vs No. TAP participants with Arrears Age 121+ Days (Sept 2020 – June 2022)).

Response:

See, response to PA-I-56(k). PWD has access to its own discovery responses.

11. With reference to PA Statement 3 at 71, please provide data and workpapers that support your conclusion that 55% to 65% of TAP participants were making “full” and “timely” payments toward their TAP bills.

Response:

See, response to PA-I-56(j). PWD has access to its own discovery responses.