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June 5, 2023

Mr. Sonny Popowsky
Chair
Philadelphia Water, Sewer and Storm Water Rate Board
1515 Arch Street, 17th Floor
Philadelphia, PA 19102-1595

VIA E-MAIL

RE: Application of the Philadelphia Water Department For Increased Rates and Charges, Fiscal Years 2024-2025; Exception of the Philadelphia Large Users Group

Dear Chairman Popowsky:

On May 29, 2024, Hearing Officer Marlane Chestnut issued a Hearing Officer Report recommending approval of various modifications to the rate filing submitted by the Philadelphia Water Department ("PWD") to the Philadelphia Water, Sewer, and Storm Water Rate Board ("Rate Board") in Advance Form on January 24, 2023, and in Final Form on February 23, 2023. The Philadelphia Large Users Group ("PLUG") hereby submits this limited Exception seeking clarification as to findings in the Hearing Officer Report.

As discussed in the Hearing Officer Report, the Public Advocate proposed that the Rate Board approve reporting requirements regarding PWD's administration of the Tiered Assistance Program ("TAP") and, where applicable, grant retroactive arrearage forgiveness to customers that may have previously met the eligibility requirements for arrearage forgiveness, but were not awarded arrearage forgiveness. Hearing Officer Report at 60, 63. As noted in the testimony from PLUG witness Billie LaConte, PLUG recommended that "any rate adjustments resulting from the requested reporting and investigation should be subject to further stakeholder review and Board approval prior to recovery through the TAP surcharge or any other means." PLUG Main Brief at 12.

The Hearing Officer Report concurred with the Public Advocate and directed PWD to comply with the reporting requirements and issue retroactive arrearage forgiveness for customers that met the requirements, but did not receive arrearage forgiveness. Hearing Officer Report at 60, 63. However, the Hearing Officer Report did not address the process through which the retroactive arrearage forgiveness would be calculated or reviewed prior to issuance. Accordingly, if the Rate Board approves the recommendation from the Hearing Officer Report to issue retroactive arrearage forgiveness based on prior eligibility, PLUG respectfully requests clarification as to the process for cost recovery for any retroactive arrearage forgiveness, including stakeholder and Rate Board review of rate or surcharge adjustments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a white background.

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC