

RESPONSE TO
PHILADELPHIA LARGE USERS GROUP'S ("PLUG")
INTERROGATORIES
AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
QUESTIONS 1-7

PLUG-PWD-1. PLEASE EXPLAIN WHETHER ANY COST CAP, BUDGET, OR OTHER MECHANISM LIMITS THE ANNUAL COSTS RECOVERED FROM NON-TIERED ASSISTANCE PROGRAM ("TAP") CUSTOMERS THROUGH THE PROPOSED TAP RIDER.

RESPONSE:

The Rate Board authorizes PWD rates and charges including TAP-R surcharge rates. The annual reconciliation of TAP-R is to set surcharge rates at reasonable levels. There is no cap, as it relates to the recovery of the cost of providing TAP discounts from NON-TAP customers, included in the TAP Rate Rider as defined in *Section 10 of PWD's Rates and Charges*. PWD has no other mechanism of cost recovery for TAP discounts.

As this is a reconciliation proceeding in accordance with the Rate Board regulations *Section II.C.1(f)*, no changes are proposed as it relates to the TAP-R rate structure and formulas as defined in *Section 10 of PWD's Rates and Charges* and approved by the Rate Board in the 2023 Rate Determination.

RESPONSE PROVIDED BY: Philadelphia Water Department and Black & Veatch Management Consulting, LLC.

PLUG-PWD-2. PLEASE CONFIRM THAT THE TAP IS AVAILABLE TO CUSTOMER WITH HOUSEHOLD INCOME WITHIN 150% OF THE FEDERAL POVERTY GUIDELINES.

RESPONSE:

Yes, TAP is available to customers with household income within 150% of the Federal Poverty Level (FPL) based on income and number of household members. TAP is also available to customers with household income above 150% of FPL who are facing specific circumstances that stress their financial resources, such as the loss of a job, medical bills, or the birth of a child, or other life event categorized as a special hardship under PWD Regulations 206.2.

RESPONSE PROVIDED BY: Water Revenue Bureau and Raftelis Financial Consultants, Inc.

PLUG-PWD-3. THE FORMAL NOTICE FILED WITH THE RATE BOARD ON APRIL 1, 2024, CONFIRMS THE PROJECTED TAP-R RATES EFFECTIVE SEPTEMBER 1, 2024, ASSUME PROGRAM ENROLLMENT OF 34,000 BY JUNE 2024. PLEASE CONFIRM WHETHER PWD HAS ADJUSTED THIS PROJECTION.

RESPONSE:

PWD has not adjusted this referenced projection of TAP enrollment for purposes of the 2024 TAP-R proceeding. Per RFC-1 in the Formal Notice, PWD stated that enrollment could be greater than 34,000. 26,511 customers were enrolled in TAP via IDEA pre-qualification and began receiving a TAP bill by the end of March 2024.

RESPONSE PROVIDED BY: Philadelphia Water Department and Raftelis Financial Consultants, Inc.

PLUG-PWD-4. THE FORMAL NOTICE FILED WITH THE RATE BOARD ON APRIL 1, 2024, PROJECTS PROGRAM ENROLLMENT OF 56,000 BY JUNE 2024, BASED ON ENROLLMENT OF 34,000 NEW PARTICIPANTS FROM JANUARY 2024 TO JUNE 2024. PLEASE CONFIRM WHETHER THE PROJECTED 56,000 PARTICIPATIONS REPRESENT THE MAXIMUM POSSIBLE ENROLLMENT POTENTIAL UNDER THE PROGRAM.

RESPONSE:

The projected 56,000 participants do not necessarily represent the maximum possible enrollment in TAP. Demographics and FPL guidelines have changed since TAP was first introduced, and so there may still be additional customers eligible for enrollment that are not yet enrolled. There may also be customers removed from TAP from time to time (e.g., customers leaving the service area or due to a change in household income).

RESPONSE PROVIDED BY: Water Revenue Bureau and Raftelis Financial Consultants, Inc.

PLUG-PWD-5. IF THE ANSWER TO PLUG-PWD-4 IS ANYTHING OTHER THAN AN UNQUALIFIED “YES” PLEASE PROVIDE THE MAXIMUM POTENTIAL ENROLLMENT OF TAP PARTICIPANTS BASED ON CURRENTLY ELIGIBILITY CRITERIA AND INCOME DATA.

RESPONSE:

WRB does not collect income data from customers who have not applied for TAP enrollment, so the exact maximum potential enrollment is unknown. Families with income changes, as well as potentially eligible new residents, are unpredictable factors that make calculating an exact maximum enrollment impossible. PLUG-PWD-6, however, provides benchmarks for estimates of maximum enrollment.

RESPONSE PROVIDED BY: Water Revenue Bureau and Raftelis Financial Consultants, Inc.

PLUG-PWD-6. TO THE EXTENT NOT PROVIDED IN RESPONSE TO NO. 5 ABOVE, PLEASE PROVIDE PWD'S BEST ESTIMATE OF THE MAXIMUM POTENTIAL ENROLLMENT OF TAP PARTICIPANTS BASED ON CURRENTLY ELIGIBILITY CRITERIA AND INCOME DATA.

RESPONSE:

As stated in responses 4 and 5, given demographic changes and FPL guidelines, it is not possible to assign a maximum potential enrollment in TAP. However, the Philadelphia Gas Works Customer Responsibility Program (CRP) offers a benchmark for a mature affordability program in this service area.

Please note that CRP has similar income requirements to TAP. Per its March 1, 2024 Section 1307(f) filing to the Public Utility Commission, PGW has roughly 55,000 customers in CRP each month. Similarly, in PWD Statement 8 of the 2016 General Rate Proceeding, PWD calculated that based on Census and PWD account data, maximum potential enrollment could be approximately just over 56,000. Given the current level of TAP participation and the 2016 calculation, 56,000 customers can serve as a benchmark for TAP's maximum enrollment. Nonetheless, as stated in response 3 and RFC-1, it is still possible that participation may pass this benchmark.

RESPONSE PROVIDED BY: Water Revenue Bureau and Raftelis Financial Consultants, Inc.

PLUG-PWD-7. PROVIDE A CALCULATION OF THE PROPOSED SEPTEMBER 1, 2024, WATER AND SEWER TAP-R RATES ASSUMING THE FOLLOWING:

- I. TAP-R ENROLLMENT AT THE MAXIMUM POTENTIAL ENROLLMENT LEVEL IDENTIFIED IN RESPONSE TO PLUG-PWD-5.
- II. TAP-R ENROLLMENT AT THE ESTIMATED MAXIMUM POTENTIAL LEVEL ENROLLMENT IDENTIFIED IN RESPONSE TO PLUG-PWD-6.

RESPONSE:

Please refer to the responses PLUG-5 and 6. The enrollment levels included in the filing are in line with the estimates put forward in those responses. We can supplement the reconciliation calculations with updates once updated TAP enrollment data becomes available.

RESPONSE PROVIDED BY: Black & Veatch Management Consulting, LLC.