

RESPONSE TO
PUBLIC ADVOCATE'S INTERROGATORIES
AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
QUESTIONS 1-8

Dated: April 2025

1 **PA-X-1.** REFERENCE THE JUNE 21, 2023 RATE DETERMINATION AT 41
2 (DISCUSSING MR. MIERZWA’S PROPOSAL THAT ALL CUSTOMERS
3 SHARE IN SMIP/GARP BILLING CREDITS AS PART OF THE
4 STORMWATER RATE STRUCTURE). PLEASE PROVIDE PWD’S
5 PRESENTATION AND RESPONSE TO THIS PROPOSAL, AS REQUIRED BY
6 THE BOARD’S 2023 RATE DETERMINATION.

7
8 **RESPONSE:**

9 Credits (i.e., reductions in stormwater service charges) are designated to specific
10 accounts/properties. Credits are not “shared” across all customers.

11
12 As SMIP/GARP projects generally result in greened acres, which may be counted toward
13 required metrics under the City’s Consent Order and Agreement (COA), the operation of
14 these private facilities helps in meeting regulatory requirements and partially avoids costs
15 related to operation and maintenance activities, which in the case of a public facility,
16 would be maintained by the Water Department. Owners of properties with stormwater
17 management practices (“SMPs”) resulting from SMIP/GARP grants, enter into long-term
18 O&M agreements with the Department and are responsible the ongoing maintenance of
19 the facility for the useful life of the SMP or 45 years (whichever is longer). In addition to
20 aiding the City in meeting Greened Acre goals, this approach also provides a financial
21 benefit to all Department customers, as the property owner is responsible for long-term
22 O&M of the SMP not the Department.

23
24 The Water Department is continuing to evaluate restructured options for residential
25 customers. As identified prior to the 2023 Rate Proceeding, the Department is evaluating
26 tiered rates based upon the Impervious Area and Gross Area components of the
27 stormwater management service charge as well as rates based upon residential building
28 types (twin, single, etc.).

The Water Department is also considering credit program updates as a part of the overall rate structure. Credit program impacts, including potential rain barrel credits, will also be further analyzed and discussed within the context of overall changes to the stormwater rate structure.

Please refer to PWD Statement 7, page 43 lines 22 to 25 and page 44 lines 1 to 14.

Please also refer to Section 8.0 of the Quarterly Report to the Rate Board as required by the FY 2024-2025 Rate Determination.

RESPONSE PROVIDED BY: Philadelphia Water Department

1 **PA-X-2.** REFERENCE THE JUNE 21, 2023 RATE DETERMINATION AT 41
2 (DISCUSSING MR. MIERZWA'S PROPOSAL THAT PWD'S RESIDENTIAL
3 STORMWATER RATE DESIGN PROVIDE FOR CHARGES BASED ON
4 RESIDENTIAL BUILDING TYPE). PLEASE PROVIDE PWD'S
5 PRESENTATION AND RESPONSE TO THIS PROPOSAL, AS REQUIRED BY
6 THE BOARD'S 2023 RATE DETERMINATION.

7
8 **RESPONSE:**

9 Please refer to PWD Statement 7, page 43 lines 22 to 25 and page 44 lines 1 to 14.

10
11 Please also refer to Section 8.0 of the Quarterly Report to the Rate Board as required by the
12 FY 2024-2025 Rate Determination.

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14 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-X-3.** REFERENCE THE JUNE 21, 2023 RATE DETERMINATION AT 41
2 (DISCUSSING MR. MIERZWA'S PROPOSAL THAT PWD EVALUATE
3 WHETHER RATE DISCOUNTS SHOULD BE PROVIDED TO RESIDENTIAL
4 CUSTOMERS MANAGING STORMWATER USING 24-INCH RAIN
5 BARRELS). PLEASE PROVIDE PWD'S PRESENTATION AND RESPONSE
6 TO THIS PROPOSAL, AS REQUIRED BY THE BOARD'S 2023 RATE
7 DETERMINATION.

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9 **RESPONSE:**

10 Please refer to PWD Statement 7, page 43 lines 22 to 25 and page 44 lines 1 to 4.

11 Please also see the prior see response to PA-III-22.

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13 The current credit program is primarily intended to aid in the compliance efforts
14 associated with Green City Clean Waters (GCCW). Residential rain barrels cannot be
15 counted toward associated greened acre goals at this time.

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17 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-X-4.** REFERENCE PWD ST. 7, PAGE 43 (“SINCE THE LAST RATE
2 PROCEEDING, OPA HAS UPDATED THEIR DATA SCHEMA”). PLEASE
3 PROVIDE A FULL DESCRIPTION OF HOW OPA’S DATA SCHEMA HAS
4 BEEN UPDATED AND THE DATE UPON WHICH EACH APPLICABLE
5 UPDATE OCCURRED. INCLUDE AN EXPLANATION OF HOW AND TO
6 WHAT EXTEND UNDERLYING DATA HAS CHANGED AND THE EXTENT
7 (I.E., PERCENTAGE OF RESIDENTIAL PARCELS AFFECTED,
8 PERCENTAGE OF COMMERCIAL PARCELS AFFECTED, ETC.) TO WHICH
9 UNDERLYING DATA HAS CHANGED. IF OPA’S DATA SCHEMA HAS
10 NOT MODIFIED UNDERLYING PARCEL DATA, PLEASE EXPLAIN WHY
11 OPA’S SCHEMA HAS IMPAIRED PWD’S ABILITY TO UPDATE THE
12 STORMWATER CUSTOMER CLASSIFICATION SYSTEM.

13
14 **RESPONSE:**

15 The Water Department relies on the data from the Office of Property Assessment’s (OPA)
16 previous property summary data table to assign customers to residential, non-residential
17 and condominiums. The Water Department uses the “BUILDING_CODE” field from
18 OPA_PROPERTY_SUMMARY table to designate building types in PWD stormwater
19 billing data for information purposes; these have not been independently confirmed or
20 verified.

21
22 OPA updated their data schema during the first quarter of calendar year 2022 has a new
23 property summary table, OPA_PROPERTY_SUMMARY_NEW, which instead has fields
24 LAND_USE_CODE, CATEGORY_CODE, and BULIDNG_CODE_NEW, which are
25 designed to replace BUILDING_CODE field. Although OPA data schema has been
26 updated the Water Department continues to use the old data table until progress can be
27 made on a new process to re-establish information data. High turnover rate at OPA has
28 limited the Water Department’s ability to make advancements in this area.

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2 The above response is provided in context of the questions posed. However, please note
3 that the Water Department has not arrived at a preferred or recommended approach to
4 update the residential stormwater rate structure. While establishing rates by building type
5 is an acknowledged option, the Water Department still wishes to evaluate alternative
6 options such as establishing tiers. Further, the Water Department would like to explore
7 whether or not the underlying billing components (i.e., impervious area and gross area),
8 should be re-evaluated and revised, ahead of the Basis2 billing system replacement. As
9 this option would also influence the rate structure for non-residential customers (including
10 condominiums), it requires additional time and deliberate discussions with both private
11 and public stakeholders before such a recommendation can be brought forward to the Rate
12 Board for potential adoption in a rate proceeding.

13
14 If a rate structure that relied on building type was put into place, additional stormwater
15 billing data maintenance would require existing staff to maintain the building
16 classifications for residential properties, which is currently maintained by OPA. In order
17 to implement this change, a residential appeals process would need to be developed and
18 put into place so property owners would be able to appeal their building designations to
19 OPA and enable updates if warranted. Currently appeals are filed solely through the Water
20 Department. OPA would need to be an engaged stakeholder in any process changes. Note
21 - OPA has limited resources and availability to directly support updates to the Water
22 Department's stormwater billing data.

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24 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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1 **PA-X-5.** REFERENCE PWD ST. 7, PAGE 43 (“STAFF ARE ALSO EXPLORING IF
2 ADDITIONAL FIELDS CAN AID IN REFINING CLASSIFICATIONS WHICH
3 MIGHT BE LEVERAGED IN FUTURE UPDATES”). IS REFINING
4 CLASSIFICATIONS IN STORMWATER MAPPING NECESSARY TO
5 IDENTIFY DIFFERENCES IN RESIDENTIAL PROPERTY TYPES (E.G.,
6 ROWHOUSE, SEMI-DETACHED, ETC.)? IF SO, PLEASE EXPLAIN ANY
7 EXISTING LIMITATIONS ON IDENTIFYING DIFFERENCES IN
8 RESIDENTIAL PROPERTY TYPES WITHIN THE CURRENT
9 STORMWATER BILLING SYSTEM.
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11 **RESPONSE:**

12 Please see response to PA-X-4.
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14 Currently, the stormwater billing system calculates a stormwater charge that is imported to
15 Basis2 based on two billing classifications: residential and non-residential. The parcel
16 viewer is a tool that provides customers information on how their stormwater charge is
17 calculated based on these classifications. This detailed information is not included on
18 customer bills, nor does it reside in the Basis2 billing system. Any changes to residential
19 billing will need to include updates to not only the stormwater billing system, but also the
20 parcel viewer, where customers can view their billing classifications. Additionally, these
21 classifications (or the selected rate structure alternative / assuming adoption) should be
22 visible on the bill through updates to Basis2. Current staffing levels and coordination with
23 the Basis2 replacement project will need to be considered in implementing a large change
24 to current processes including appeals, credits, applications, and system maintenance.
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26 **RESPONSE PROVIDED BY:** Philadelphia Water Department
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PA-X-6. REFERENCE PWD ST. 7, PAGE 43 (“STAFF ARE ALSO EXPLORING IF ADDITIONAL FIELDS CAN AID IN REFINING CLASSIFICATIONS WHICH MIGHT BE LEVERAGED IN FUTURE UPDATES”). IS REFINING CLASSIFICATIONS IN STORMWATER MAPPING NECESSARY TO IDENTIFY RESIDENTIAL PROPERTIES WITH 24-INCH RAIN BARRELS? IF SO, PLEASE EXPLAIN WHY PWD WOULD NOT BE ABLE TO USE ITS RECORDS OF RAIN BARREL INSTALLATION TO PRESENT AND RESPOND TO MR. MIERZWA’S PROPOSAL FOR BILL CREDITS FOR CUSTOMERS WITH SUCH RAIN BARRELS, AS REQUIRED BY THE BOARD’S 2023 RATE DETERMINATION.

RESPONSE:

Please see response to PA-X-3.

RESPONSE PROVIDED BY: Philadelphia Water Department

1 **PA-X-7.** REFERENCE PWD ST. 7 AT 44 (“THE CITY IS IN THE PROCESS OF
2 ISSUING A REQUEST FOR PROPOSALS TO IDENTIFY A BILLING
3 SYSTEM VENDOR.”). IS PWD AWARE THAT PHILADELPHIA GAS
4 WORKS (PGW) ONGOING BILLING SYSTEM REPLACEMENT PROJECT IS
5 ON TRACK TO TAKE EIGHT YEARS OR LONGER AND HAS EXCEEDED
6 BUDGET PROJECTIONS BY MORE THAN 200%? WHAT EFFORTS IS PWD
7 UNDERTAKING TO ENSURE THAT ITS BILLING SYSTEM
8 REPLACEMENT PROJECT DOES NOT EXPERIENCE DELAYS AND COST
9 OVERRUNS LIKE PGW’S?
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11 **RESPONSE:**

12 PWD is aware that PGW is in the process of replacing its Customer Information System
13 (CIS) and has staff tracking PGW’s ongoing experience with this project.
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15 Prior to undertaking “Project Blue Renew” (replacement project of WRB’s current billing
16 system, Basis2), WRB developed a project model based on lessons learned from the
17 Department of Revenue’s recent replacement of its legacy tax accounting and billing
18 system that took place from 2020 - 2022. As a result, WRB chose to engage a planning
19 vendor and since June 2024, WRB has worked with its own Senior Project Manager,
20 Revenue’s Senior IT Manager, and the vendor to gather and document requirements for
21 the new system from stakeholders from WRB, PWD, the Law Department, and other City
22 departments. WRB is on schedule to issue a Request for Proposals by the end of FY 2025,
23 with the goal of selecting a vendor by the end of calendar year 2025. Additionally, WRB
24 has requested additional authorized positions as part of its FY 2026 operating budget to
25 staff a project team, including appointing an Executive Director, Change Manager,
26 Training Manager and staff members who are subject matter experts from each functional
27 business unit. WRB believes the project team is critical to the success of implementation
28 of the chosen vendor solution.

RESPONSE PROVIDED BY: Philadelphia Water Department and Water Revenue Bureau

1 **PA-X-8.** REFERENCE PWD ST. 7 AT 44 (“THE REPLACEMENT OF THE BILLING
2 SYSTEM IS EXPECTED TO TAKE PLACE OVER SEVERAL YEARS.”). IS IT
3 PWD’S POSITION THAT DESPITE THE RATE BOARD’S DIRECTIVE TO
4 PRESENT AND RESPOND TO MR. MIERZWA’S RECOMMENDATIONS IN
5 THIS GENERAL RATE PROCEEDING, ANY POTENTIAL MODIFICATIONS
6 TO THE STORMWATER BILLING SYSTEM SHOULD ONLY BE
7 UNDERTAKEN AFTER PWD COMPLETES ITS BILLING SYSTEM
8 REPLACEMENT PROJECT? IF SO, PLEASE EXPLAIN WHY, IF
9 MODIFICATIONS WOULD PROVIDE FOR A MORE EQUITABLE SHARING
10 OF COSTS NOW, SUCH CHANGES SHOULD BE DELAYED BY SEVERAL
11 YEARS?

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13 **RESPONSE:**

14 The Water Department is suggesting, as outlined in PWD Statement 7, that changes
15 related to both the stormwater and water system rate structures be considered in parallel
16 and developed in concert with updates to both the Stormwater Billing Data Management
17 System as well as the Basis2 Billing System.

18
19 Both system upgrades and updates will require additional staffing, outside supporting
20 resources and entail additional costs to further refine data, evaluate potential changes,
21 consideration of implementation needs and requirements, including updated processes,
22 policies and related infrastructure. Beyond system replacement and updates, updated
23 customer appeals policies across WRB, the Water Department and OPA would need to be
24 established as it relates to property classifications and stormwater customer class
25 designations. In addition, customer service training related to any changes would need to
26 be conducted and staff prepared for the change.
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Further, stakeholder outreach and engagement is necessary to identify potential customer preferences / suggestions as it relates to rate structure updates.

Any changes to the Basis2 billing system would divert staff and resources away from billing system replacement to short term / temporary changes in a billing system that is actively being replaced.

Please also refer to responses to PA-X-1 through PA-X-3.

RESPONSE PROVIDED BY: Philadelphia Water Department