BEFORE THE PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

: In the Matter of the Philadelphia Water : 2025 General Rate Proceeding for Department's Proposed Changes in Water, Sewer Fiscal Years 2026-2027 : and Storm Water Rates and Related Charges :

ORDER DENYING HAVER "MOTION TO PROVIDE THE PUBLIC WITH ACCURATE INFORMATION"

On April 17, 2025, Lance Haver filed a "Motion to Provide the Public With Accurate Information" (hereafter, Haver PA Motion) in which the following relief was sought: "Participant Haver moves that the Rate Board, its advocate, be required to state at every public meeting of the Water Rate Board and every public proceeding evaluating rates and practices, that the Rate Board's advocate be required to follow the laws of the Commonwealth and inform the public that despite the name given it by the Water Rate Board, the Rate Board's advocate does not legally represent the public, has no public client and does not have to take any direction from the public," claiming that "Section § 4107 of PA Consolidated Statute, "Deceptive or fraudulent business practices, section 5) makes it illegal to make a false or misleading statement in any advertisement addressed to the public or to a substantial segment thereof . . ." Mr. Haver is a participant in this pending general rate proceeding investigating the request of the Philadelphia Water Department (PWD or Department) to increase its rates for water, sewer and storm water service.

An "Answer in Opposition to Haver Motion Seeking to Compel Statements by the Public Advocate" (hereafter, PA Answer to Haver PA Motion) was submitted by the Public Advocate on April 25, 2025.

As discussed in more detail below, this Motion is denied for lack of factual or legal support.

The role of the Public Advocate in rate proceedings before the Philadelphia Water, Sewer and Storm Water Rate Board (Rate Board) is clearly defined in the <u>Regulations</u>¹ promulgated by the Rate Board. The current contract for these services with Community Legal Services was properly entered into by the Rate Board following a decision taken at its properly noticed <u>August 14, 2024 public meeting</u>, where the Rate Board approved a one-year renewal of the contract entered in 2023.²

The Request For Proposals (RFP) to which Community Legal Services successfully responded (see note 2 above) states at Section II.B:

The Board's objective for this project is to receive full understanding of the interests of Small Users in the Rate Proceedings, enabling the Board to set appropriate Water Department rates for the City in a timely manner. Specifically, the Board seeks the following:

-The gathering and presentation of information, including expert analysis and testimony to the extent appropriate, relevant to appropriate rates for Small Users, both absolutely and in relation to other classes of water, sewer and stormwater customers.

- Appropriate testing of the assumptions and evidence presented by the Water Department and other participants, from the perspective of Small Users.

-Prompt, diligent, and cooperative work to enable the Board to promulgate appropriate final Rate Determinations of water, sewer, and

¹ https://www.phila.gov/media/20230120160159/WRB-regulations-restated-with-amendments-2022-11-09.pdf ² https://www.phila.gov/media/20241015101051/8.14.2024-Meeting-Minutes.pdf. At its public meeting of June 14, 2023 (https://www.phila.gov/media/20231019092910/meeting-minutes-2023-06.14.pdf), the Rate Board had authorized and directed its Chair and counsel to issue and post a Request For Proposals for a renewable contract for the services of a Public Advocate. The RFP was publicly posted on <u>eContract Philly</u>, https://philawx.phila.gov/econtract/, the City's website for such contracts, from October 16 through November 1, 2023, as contract opportunity no. 21231005214948. The terms of that RFP remain publicly available on the website. The renewal is posted on eContract Philly under the "Contract Renewal" tab.

stormwater rates and TAP riders within the Code's deadline of one hundred twenty (120) days of the Water Department's filing of a Final Notice.

- At the Board's request, occasional consultation outside of Rate Proceedings concerning improvements in the structuring of Rate Proceedings to promote efficiency, transparency, and accuracy in a costeffective manner.

In its Answer, the Public Advocate explained that in order to fulfill the above contractual obligations, "[It] is entrusted to exercise its independent judgment, taking into consideration all information available on the record, including public input, to develop both its approach to the proceeding and the positions it ultimately takes. As part of those duties, the Public Advocate participates in settlement discussions with the goal of advancing the interests of small user customers as a group. . . . The Public Advocate has at all times accurately described its role, fulfilled its obligations to represent the interests of small user customers, and participated in settlement negotiations, when applicable. The Public Advocate has faithfully and lawfully represented the interests of small user customers pursuant to its contract."

Both the Rate Board and I have consistently addressed Mr. Haver's repeated false statements both as to the role of the Public Advocate (which indeed does not serve as counsel to any individual or group in proceedings before the Rate Board but is charged with representing the interests of the residential and small business Water Department customers as a class) and the process for its selection. See, for example, <u>Order Denying Haver Motion to Disclose³</u> (2023 General Rate Proceeding, March 20, 2023); as well as the Rate Board's <u>Rate Determination⁴</u> in the 2024 TAP-R Reconciliation Proceeding (June 26 2024, at 5-6).

³ https://www.phila.gov/media/20230321094244/Order-Haver-Motion-Disclose-2023-March-20.pdf

⁴ https://www.phila.gov/media/20240702112838/board-determination-2024-06-26.pdf

As the Rate Board stated in its <u>Rate Determination</u>⁵ in the 2022 Special Rate Proceeding (June 15, 2022) at 22-23 in addressing and rejecting similar allegations made by Mr. Haver concerning the performance of the Public Advocate:

These two Exceptions are a continuation of Mr. Haver's dissatisfaction with the Public Advocate, which we have addressed numerous times . . . We have previously found that Mr. Haver's criticisms of how CLS has fulfilled its contractual responsibilities as Public Advocate are incorrect and unsupported by the record. Most recently, we denied his Motion to Remove Public Advocate and associated Direct Appeal at our April 13, 2022 meeting. . . . As we have found repeatedly, there is no basis for these unwarranted allegations, based on mischaracterized facts and false insinuations, directed to the Public Advocate and the Hearing Officer. Going forward, such baseless attacks will be dismissed. (Footnotes omitted)⁶

In addition, in the Motion Mr. Haver states "the Rate Board's public advocate has decided to settle cases over the last six years granting the Philadelphia Water Department massive increases, without the Public's approval" with no supporting citations. In fact, there has been only one settled general rate proceeding since the establishment of the Rate Board in 2016: The 2021 general Rate Proceeding⁷ was settled and the terms clearly benefitted the residential and small business customers in that the settlement (1) provided for a much smaller revenue increase in FY 2022 and FY 2023 (and left open the possibility of a revenue decrease in FY 2023, which in fact occurred) than had been requested by the Department;⁸ (2) contained numerous commitments to customer

⁵ https://www.phila.gov/media/20220622164352/2022-TAP-R-determination-06-15.pdf

⁶ Mr. Haver's appeal to the Philadelphia Court of Common Pleas of this <u>2022 Rate Determination</u> (that resulted in a \$3 million rate reduction) was rejected for lack of merit. In re: Appeal of Lance Haver, Philadelphia Court of Common Pleas, No. 220701091, February 13, 2023 Order (Coyle, J.)

⁷ https://www.phila.gov/departments/water-sewer-storm-water-rate-board/rate-proceedings/2021-rate-proceeding/

⁸ "There can be no question that this represents a substantial decrease - \$83.538 million, or approximately 60% - from the originally requested revenue increase. It is possible that had the Department and the Public Advocate not agreed on these terms, the Rate Board would have approved an increase in rates and charges to produce at least that amount of incremental revenue. Again, it must be remembered that this incremental revenue increase of \$57.422 million is a maximum – it may be reduced in FY 2023 after a special rate reconciliation proceeding." 2022 Rate Determination at 35.

assistance programs, reporting requirements and other non-rate items outside the Rate Board's scope of jurisdiction;⁹ and (3) provided for the Special Rate reconciliation/reduction proceeding that resulted in a \$3 million revenue reduction in FY 2023.

Finally, Mr. Haver's reliance on Section 4107(a)(5) is misplaced as he fails to complete the sentence he cited, which prohibits misleading statements in any advertisement addressed to the public or to a substantial segment thereof **for the purpose of promoting the purchase or sale of property or services** . . ." (emphasis supplied). On its face, that statute is irrelevant and therefore cannot support the requested relief, even if the name "Public Advocate" were in any way misleading, which it is not.

To engage in further discussion of this Motion, which is simply yet another instance of Mr. Haver's displeasure concerning the performance of the Public Advocate, is not in the interest of PWD's customers in this general rate proceeding. **This Motion is without basis in law or fact and therefore is denied.**

Marlane R. Chestnut Hearing Officer May 1, 2025

⁹ "While the Rate Board has no jurisdiction with respect to these customer service and policy issues, they represent potential significant protections and improvements for PWD's customers, and the reporting requirement ensures that focus will continue to be provided." <u>2022 Rate Determination</u> at 47.