

**BEFORE THE  
CITY OF PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD**

**In the Matter of the Philadelphia Water :  
Department's Proposed Change in Water, : Fiscal Years 2026 - 2027  
Wastewater and Stormwater Rates and Related :  
Charges :**

**DIRECT TESTIMONY  
AND EXHIBITS  
OF  
RICHARD A. BAUDINO**

**ON BEHALF OF**

**PHILADELPHIA LARGE USERS GROUP**

**J. KENNEDY AND ASSOCIATES, INC.**

**MAY 1, 2025**

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<b>Charges</b>	<b>:</b>	

**DIRECT TESTIMONY OF RICHARD A. BAUDINO**

1   **Q.     Please state your name and business address.**

2   A.     My name is Richard A. Baudino. My business address is J. Kennedy and Associates,  
3           Inc. ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell,  
4           Georgia 30075.

5   **Q.     What is your occupation and by whom are you employed?**

6   A.     I am a consultant to Kennedy and Associates.

7   **Q.     Please describe your education and professional experience.**

8   A.     I received my Master of Arts degree with a major in Economics and a minor in  
9           Statistics from New Mexico State University in 1982. I also received my Bachelor of  
10          Arts Degree with majors in Economics and English from New Mexico State in 1979.  
11          In October 1989, I joined the utility consulting firm of Kennedy and Associates as a  
12          Senior Consultant where my duties and responsibilities covered substantially the same  
13          areas as those during my tenure with the New Mexico Public Service Commission  
14          Staff. I became Manager in July 1992 and was named Director of Consulting in  
15          January 1995. Currently, I am a consultant with Kennedy and Associates. Exhibit  
16          \_\_\_\_(RAB-1) summarizes my expert testimony experience.

1   **Q.    On whose behalf are you testifying?**

2    A.    I am testifying on behalf of the Philadelphia Large Users Group ("PLUG").

3   **Q.    What is the purpose of your testimony?**

4    A.    The purpose of my testimony is to address the following issues in Philadelphia Water  
5       Department's ("PWD" or "Department") current rate proceeding:

6       1.     Cost allocation and the Company's class cost of service studies for water  
7               service ("WCOS") and wastewater service ("WWCOS").

8       2.     PWD's proposed allocation of its rate increase to customer classes.

9       3.     Rate design for the customer classes.

10           In addressing these issues I will respond to the Direct Testimony and the  
11       accompanying schedules filed by Black and Veatch Management Consulting, LLC  
12       ("B&V") in Statement 7.

13

14   **Water Class Cost of Service Study and Rate Design**

15

16   **Q.    Please summarize B&V's approach to the WCOS filed in Statement 7.**

17    A.    Consistent with past rate proceedings, B&V used the Base-Extra Capacity method to  
18       functionalize, classify, and allocate costs to customer classes. B&V described the  
19       Base-Extra Capacity method as follows in Schedule BV-2:

- 20           • Base costs are those which vary directly with the quantity of water used, as  
21               well as those costs associated with serving customers under average load  
22               conditions without the elements necessary to meet peak demands. Base costs  
23               include purchased treatment chemicals, and other operating and capital costs  
24               of the water system associated with serving customers to the extent required  
25               for a constant, or average annual rate of use.
- 26           • Extra capacity costs represent those operating costs incurred due to demands

1 in excess of average, and capital-related costs for additional plant and system  
2 capacity beyond that required for the average rate of use. Total extra capacity  
3 costs are subdivided into costs associated with maximum day and maximum  
4 hour demands.

- 5 • Customer costs are defined as costs that tend to vary in proportion to the  
6 number of customers connected to the system. These include meter reading,  
7 billing, collection and accounting costs, and maintenance and capital charges  
8 associated with meters and services.
- 9 • Fire Protection costs assigned to fire protection include operating expenses  
10 and capital costs associated with public and private fire protection.<sup>1</sup>  
11

12 Following the functionalization and classification steps, B&V's WCOS  
13 proceeded to allocate the cost of service to service classes. PWD's retail service  
14 classes consist of the following:

- 15 1. Residential
- 16 2. Senior Citizens
- 17 3. Commercial
- 18 4. Industrial
- 19 5. Public Utilities
- 20 6. Housing Authority
- 21 7. Charities and Schools
- 22 8. Hospitals and Universities
- 23 9. Hand Billed
- 24 10. Scheduled (Flat Rate)
- 25 11. Private Fire Protection
- 26 12. Public Fire Protection.  
27

28 B&V also allocated costs to its Wholesale customer Aqua Pennsylvania.

29 The next step in the process is to identify the appropriate service class  
30 allocation factors in order to allocate the base, extra capacity, customer, and fire  
31 protection costs of service to the service classes.

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<sup>1</sup> Schedule BV-2, page 4-7.

1 **Q. Did B&V modify its method of allocating costs to PWD's service classes in this**  
2 **case?**

3 A. Yes. In response to the Board's 2023 Rate Determination in the last PWD rate  
4 proceeding, B&V conducted what it termed as the AMI Demand Study ("Demand  
5 Study"), the results of which are included in Schedule BV-4: WP-1. In past WCOS,  
6 the Department relied on estimates of hourly and daily peak demands that were derived  
7 using industry recognized methodologies from monthly billing data and the  
8 application of assumptions of how each type of customer's demand peaks on the  
9 system. With data from the Department's AMI project, hourly data is now available  
10 for each meter and customer, providing detailed insight into service class maximum  
11 daily and hourly demands.

12 According to B&V, the Demand Study identified the period of July 1, 2023  
13 through September 6, 2023 as the appropriate time frame for detailed analysis of  
14 service class maximum day and maximum hour factors. Having developed the 2023  
15 service class extra capacity factors, B&V compared them to the factors used in the last  
16 base rate proceeding before the Board. Considering the level of cost of service impacts  
17 from the newly developed service class extra capacity factors, the Department  
18 recommended a phased approach in which 25% of the new extra capacity factors  
19 would be reflected in 2026 (Year 1) and 50% in 2027 (Year 2). The peaking factors  
20 calculated by B&V are presented in Table 2-4, Schedule BV-4: WP-2, page 6.

1 **Q. Did the Department and B&V consider a variety of factors in terms of how to**  
2 **implement the results of the Demand Study?**

3 A. Yes. The B&V Direct Testimony discussed a number of critically important  
4 considerations in implementing the results of the Demand Study in this proceeding.  
5 PWD Statement 7, pages 50 through 52 set forth the following considerations:

- 6 • The Demand Study indicated a more uniform rate structure could be examined,  
7 but must be conducted within the existing water rate structure and design.
- 8 • Other considerations could include "redefining the block volume levels;  
9 changing the number of blocks; implementing class-based rates; consideration  
10 of alternative block rates structures (such as inclining blocks and/or uniform  
11 rates); and combinations, thereof."<sup>2</sup>
- 12 • These changes should be discussed with customers and stakeholders prior to  
13 implementation.
- 14 • The phase-in allows for further exploration of rate structure changes with  
15 stakeholders, coupled with the evaluation of other rate structure changes (i.e.,  
16 stormwater rate structure changes), aligned with the anticipated replacement  
17 of the City's Basis2 billing system.

18 Importantly, B&V also noted that currently it is difficult to change the rate  
19 structure significantly due to the Department's use of its Basis2 billing system, which  
20 is scheduled for replacement in the next few years. Until Basis2 is replaced, B&V  
21 stated that "additional studies could be conducted using more AMI data (now that AMI  
22 rollout is nearly complete) to provide more insights into how different customer types

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<sup>2</sup> PWD Statement 7, page 51 of 63, lines 4 through 7.

1 peak on the PWD system. Such studies could examine peak water usage in 2024 and  
2 2025 that would provide a wider range of weather conditions for comparison."<sup>3</sup>

3 **Q. What are your conclusions regarding B&V's Demand Study and its proposed**  
4 **phase-in of new service class extra capacity factors?**

5 A. B&V's Demand Study is an important first step in updating the Department's service  
6 class demand factors and complies with the Board's Rate Determination in the last rate  
7 proceeding. However, given that this is just the first step, a phased approach is both  
8 prudent and necessary in this rate proceeding.

9 It should be recognized that the Demand Study is based on only one year of  
10 AMI data from 2023. Both system and customer class extra capacity factors will vary  
11 from year to year. Please refer to Exhibit RAB-2, which contains the Department's  
12 response to PA-III-6. This response presents the water system's average day,  
13 maximum day, and maximum hour production numbers from 2020 through 2024.  
14 Average day production varied from 220.3 million gallons per day ("MGD") to 230.0  
15 MGD. The maximum day varied from 251.7 MGD to 278.4 MGD, a variance of  
16 10.6%. The maximum hour varied from 316.1 MGD to 472.7 MGD, a variance of  
17 49.5%. Service class maximum day and maximum hour values could vary  
18 substantially from year to year as well. Therefore, I recommend that the Board avoid  
19 fully implementing the results of the Demand Study in this proceeding. I agree with  
20 B&V's testimony that additional studies using additional years of data, e.g., 2024 and  
21 2025, will provide more insights regarding the consumption and peaking behavior of  
22 the water system's service classes.

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<sup>3</sup> PWD Statement 7, page 52 of 63, lines 12 through 15.

1 **Q. How should the results of the Demand Study be reflected in the WCOS in this**  
2 **case?**

3 A. For this case, I recommend that the Board utilize the 25% phase-in WCOS presented  
4 in Section 4 of Schedule BV-2. The 25% phase-in WCOS makes reasonable and  
5 prudent movement toward updated service class extra capacity factors without moving  
6 too quickly to implement a Demand Study that only reflects one year of data. It  
7 provides the Department and B&V time to analyze future years and perhaps  
8 incorporate those additional results in a future rate proceeding. It also avoids making  
9 excessive shifts in service class cost responsibility based on limited data.

10 Table W-17 below was taken from B&V's WCOS spreadsheet entitled  
11 "WCOS25\_26\_ver1.xls" and reproduces Table 4-12 in Schedule BV-2, page 4-24.  
12 This table summarizes the adjusted service class cost of service allocations, revenue  
13 from existing rates, and the resulting cost of service increases required for each class  
14 for the 2026 test year.



**TABLE W-17**  
**WATER: COMPARISON OF TEST YEAR COSTS OF SERVICE**  
**AND ADJUSTED COST OF SERVICE**  
**WITH REVENUES UNDER EXISTING RATES**  
**TEST YEAR 2026**

LINE NO.	CUSTOMER TYPE	(1) REVENUE UNDER EXISTING RATES	(2) ADJUSTED COST OF SERVICE	(3) INDICATED INCREASE (DECREASE) REQUIRED
		\$	\$	%
<b>Retail</b>				
<b>General Service</b>				
1	Senior Citizens	\$ 6,564,039	\$ 7,314,000	11.4%
2	Residential	203,528,025	227,262,000	11.7%
3	Commercial	97,538,448	107,728,000	10.4%
4	Industrial	4,086,294	4,234,000	3.6%
5	Public Utilities	816,983	934,000	14.3%
6	<b>Subtotal General Service</b>	<b>312,533,790</b>	<b>347,472,000</b>	<b>11.2%</b>
7	PHA	7,773,622	8,829,000	13.6%
8	Charities & Schools	6,159,164	7,025,000	14.1%
9	Hospitals & University	5,191,157	5,026,000	-3.2%
10	Hand Billed	15,535,039	19,237,000	23.8%
11	Scheduled (Flat Rate)	1,322	-	-100.0%
<b>Fire Protection</b>				
12	Private	5,495,056	6,694,000	21.8%
13	Public	8,248,000	10,786,000	30.8%
14	<b>Subtotal</b>	<b>8,248,000</b>	<b>10,786,000</b>	<b>30.8%</b>
15	<b>Total Retail Service</b>	<b>360,937,150</b>	<b>405,069,000</b>	<b>12.2%</b>
16	Total Wholesale	4,376,350	5,180,000	18.4%
17	<b>Total System</b>	<b>\$ 365,313,499</b>	<b>\$ 410,249,000</b>	<b>12.3%</b>

The results of the 25% phase-in WCOS show that the Industrial class should receive an increase much lower than the total system increase of 12.3%. Hospitals and University classes should actually receive a decrease based on the adjusted WCOS.

**Q. Did you examine the impact on B&V's 2027 WCOSS using the 25% phase-in of class demand factors?**

A. Yes. The Department provide the water class cost of service study for 2027 in its confidential work papers. The 2027 WCOSS used the 50% phase-in of extra capacity factors from the Demand Study. I reran the 2027 WCOSS substituting the extra capacity factors from the 25% phase-in scenario. Table 1 below presents the results from the revised 2027 test year WCOSS.

<p style="text-align: center;"><b>Table 1</b> <b>2027 Adjusted Cost of Service and Revenue Under Existing Rates</b></p>				
	(1) Revenue Under Existing Rates	(2) Allocated Cost of Service	(3) Adjusted Cost of Service	(4) Indicated Increase (Decrease) Required
Senior Citizens	\$6,537,534.20	\$10,225,000.00	\$7,807,000.00	19.4%
Residential	\$200,728,859.73	\$235,393,000.00	\$239,633,000.00	19.4%
Commercial	\$98,045,300.75	\$113,797,000.00	\$115,847,000.00	18.2%
Industrial	\$3,991,833.87	\$4,377,000.00	\$4,456,000.00	11.6%
Public Utilities	<u>\$852,765.48</u>	<u>\$1,013,000.00</u>	<u>\$1,031,000.00</u>	20.9%
Subtotal General Service	\$310,156,294.02	\$364,805,000.00	\$368,774,000.00	18.9%
Housing Authority	\$7,814,530.07	\$9,819,000.00	\$9,496,000.00	21.5%
Charities & Schools	\$6,651,999.78	\$10,672,000.00	\$8,148,000.00	22.5%
Hospitals & University	\$5,588,770.81	\$7,588,000.00	\$5,793,000.00	3.7%
Hand Billed	\$14,540,763.38	\$18,912,000.00	\$19,253,000.00	32.4%
Scheduled (Flat Rate)	\$1,139.89	\$0.00	\$0.00	-100.0%
Fire Protection				
Private	\$5,495,055.70	\$7,009,000.00	\$7,135,000.00	29.8%
Public				
Standard Pressure	\$8,248,000.00	\$11,456,000.00	\$11,662,000.00	41.4%
High Pressure (a)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	0.0%
Subtotal Public Fire Protection	\$8,248,000.00	\$11,456,000.00	\$11,662,000.00	41.4%
Total Retail Service	<u>\$358,496,553.65</u>	<u>\$430,261,000.00</u>	<u>\$430,261,000.00</u>	20.0%
Wholesale				
Aqua Pennsylvania	\$4,376,349.55	\$5,364,000.00	\$5,364,000.00	22.6%
Total Wholesale (Aqua Pennsylvania)	<u>\$4,376,349.55</u>	<u>\$5,364,000.00</u>	<u>\$5,364,000.00</u>	22.6%
Total System	\$362,872,903.20	\$435,625,000.00	\$435,625,000.00	20.0%
Source: B&V spreadsheet entitled "WCOS25_27_ver1.xls" modified for 25% shift in demand factors				

Table 1 shows that lower percentage increases are still strongly supported for the Industrial and Hospitals & University classes. Compared to the system average increase of 20%, the Industrial class receives a cost of service increase of 11.6% and Hospitals & University receives a 3.7% increase.

**Q. What are the Department's proposed revenues for the 2026 and 2027 test years?**

A. Both the Public Advocate ("PA") and PLUG issued discovery requests to ascertain the increases to service classes proposed by B&V and the Department. PWD responded to PA-III-21 with an analysis showing revenues based on current and proposed rates

1 for 2026 and 2027, with an explanation as to how current and proposed revenues were  
2 calculated. Refer to Exhibit RAB-3 for the Department's response.

3 Refer also to Exhibit RAB-4, which presents the revised comparison of current  
4 and proposed revenues included in the Department's supplemental response to PA-III-  
5 21. I also added percentage increases in service class revenues from current revenues  
6 in 2026 and 2027. For 2026, proposed retail revenue increases are fairly close, ranging  
7 from 8.6% to 9.3%. The proposed increases for Public and Private Fire Services are  
8 substantially higher. For 2027, the increases range from 15.4% to 18.5% compared to  
9 the average retail revenue increase of 18.1%.

10 Based on my understanding of the Department's response to PA-III-21 the  
11 current and projected revenues are based on anticipated revenue collections. The  
12 Department explained as follows:

13 Since PWD's revenues are collections based and the estimated FY 2026 revenue  
14 reflects collections on billings from FY 2026, FY 2025 and FY 2024 it is not  
15 appropriate to compare the projected collections based revenues to the cost of service  
16 by class. That is because such collections based revenue reflects the collection of  
17 billings based on rates established by prior cost of service distributions. Consistent  
18 with prior cost of service studies, the retail class based cost of service is compared to  
19 the retail billings by customer class prior to the lag factor adjustment. This comparison  
20 is provided on pages 894 to 898 (WCOS, RATES-3) of PWD Exhibit 6.

21 **Q. Did you compare the retail based class cost of service to retail billings by customer**  
22 **class from the referenced pages of PWD Exhibit 6?**

23 A. Yes. Table 2 below provide a comparison of the allocated retail class cost of service  
24 to the retail billings prior to the lag factor adjustment.

<p style="text-align: center;"><b>TABLE 2</b> <b>COMPARISON OF 2026 REVENUES AT COST OF SERVICE RATES TO CURRENT REVENUES</b></p>						
	(1) Current Revenues	(2) Revenues @ 2026 Cost of Service Rates	(3) PWD Proposed Dollar Increase	(4) PWD Proposed Pct. Increase	(5) 2026 Allocated COS	(6) Indicated % Increase (Decrease)
Residential	\$ 203,528,025	\$ 226,301,356	\$ 22,773,331	11.2%	\$ 227,262,000	11.7%
Senior Citizens	\$ 6,564,039	\$ 7,307,465	\$ 743,426	11.3%	\$ 7,314,000	11.4%
Commercial	\$ 97,538,448	\$ 108,546,629	\$ 11,008,181	11.3%	\$ 107,728,000	10.4%
Industrial	\$ 4,086,294	\$ 4,527,085	\$ 440,791	10.8%	\$ 4,234,000	3.6%
Public Utilities	\$ 816,983	\$ 917,955	\$ 100,972	12.4%	\$ 934,000	14.3%
Housing Authority	\$ 7,773,622	\$ 8,627,771	\$ 854,149	11.0%	\$ 8,829,000	13.6%
Charities & Schools	\$ 6,159,164	\$ 6,935,695	\$ 776,531	12.6%	\$ 7,025,000	14.1%
Hospital/University	\$ 5,191,157	\$ 5,819,843	\$ 628,686	12.1%	\$ 5,026,000	-3.2%
Hand Billed	\$ 15,535,039	\$ 17,017,017	\$ 1,481,978	9.5%	\$ 19,237,000	23.8%
Scheduled (Flat Rate)	\$ 1,322	\$ 346	\$ (976)	-73.8%		-100.0%
Fire Protect. (Private)	\$ 5,495,056	\$ 8,306,296	\$ 2,811,240	51.2%	\$ 6,694,000	21.8%
Fire Protect. (Public)	\$ 8,248,000	\$ 10,786,000	\$ 2,538,000	30.8%	\$ 10,786,000	30.8%
Total	\$ 360,937,150	\$ 405,093,458	\$ 44,156,308	12.2%	\$ 405,069,000	12.2%

Column (1) shows current revenues from B&V's Table W-17 I presented earlier. Column (2) presents revenues at cost of service rates referred to in the Department's response I cited above. Column (3) presents the percentage increase in 2026 revenues from current revenues. Columns (5) and (6) show the allocated class cost of service and indicated increases from B&V's Table W-17.

The total retail cost of service increase in this presentation is 12.2%. Excluding Fire Protection, service class increases range from 9.5% (Hand Billed) to 12.6% (Charities and Schools).

**Q. You have presented two different methods of looking at PWD's proposed increases to its water service classes. These two methods show different class and retail percentage increases. Please summarize the differences between the two methods and how you recommend the Board be guided in its decision on water service class revenue allocation.**

**A.** First, the service class revenue allocations shown in Exhibit RAB-4 are consistent with B&V's total revenue presentation of the 2026 Total Water Service Revenue presented on Line 8 of Table 3-13 of Schedule BV-2. From this perspective, the 2026 percentage increase in revenues from current rates is 9.7% according to the Department's response

1 to PA-III-21. Service class increases are generally slightly above or below that system  
2 average increase.

3 Second, the presentation in my Table 2 is consistent with the cost of service  
4 increase shown in Table 4-12 of BV-2. In this presentation, the total retail service  
5 class increase is 12.2%. The Industrial class receives a slightly lower than system  
6 average increase at 10.8%. The Hospitals and Universities class receives  
7 approximately a system average increase, even though the cost of service results show  
8 a revenue reduction.

9 My conclusion is that these different revenue presentations are confusing for  
10 customers who are attempting to understand and evaluate the Department's  
11 recommend class revenue allocations. B&V presented customer bill impacts in Tables  
12 C-4 and C-5 of Schedule BV-1, but these increases do not necessarily tie to the  
13 increases I have presented so far in my testimony and include both water, wastewater,  
14 and stormwater increases.

15 **Q. What is your recommendation for revenue allocation in this case?**

16 A. I recommend that the Industrial and Hospital/University service classes receive a  
17 lower increase than the system average increase for the 2026 and 2027 test years. In  
18 order to recognize gradualism, I recommend an increase of 50% of the overall retail  
19 system average increase. Using the system retail increase of 9.7% shown in Exhibit  
20 RAB-4, at 50% the Industrial and Hospitals/Universities would receive 4.85%. Using  
21 the presentation in Table 2, the retail increase is 12.2% and the increase for the  
22 Industrial and Hospitals/Universities would be 6.1%. This is consistent with the class

cost of service study results. This approach should also be applied to any increase approved by the Board for 2027.

**Q. Given B&V's description of the Department's Basis2 billing system, could your recommended increases be accomplished within the Department's single existing volumetric rate structure?**

A. My recommended increases reasonably follow the class cost of service study I support in this case. If Basis2 cannot fully reflect my recommendation, then B&V and/or the Department should explain why and revise the increases in the volumetric charges to come as close to my recommendations as possible using Basis2.

**Q. Please present the water rates proposed by B&V.**

A. Table 3 displays present and proposed rates for the 2026 and 2027 test years.

<b>Table 3</b>						
<b>Comparison of Present and Proposed Rates</b>						
<b>General Service Water Rates</b>						
Meter Size	Current Rate	2026 Proposed Rate	2027 Proposed Rate	2026 Pct. Increase	2027 Pct. Increase	
5/8	\$ 5.17	\$ 6.08	\$ 6.31	17.6%	22.1%	
3/4	\$ 5.70	\$ 7.06	\$ 7.35	23.9%	28.9%	
1	\$ 7.19	\$ 9.42	\$ 9.82	31.0%	36.6%	
1 1/4	\$ 9.00	\$ 12.38	\$ 12.91	37.6%	43.4%	
1 1/2	\$ 10.29	\$ 14.73	\$ 15.37	43.1%	49.4%	
2	\$ 14.75	\$ 21.85	\$ 22.79	48.1%	54.5%	
3	\$ 24.33	\$ 37.62	\$ 39.26	54.6%	61.4%	
4	\$ 43.28	\$ 65.44	\$ 68.29	51.2%	57.8%	
6	\$ 82.46	\$ 126.77	\$ 132.31	53.7%	60.5%	
8	\$ 127.03	\$ 197.89	\$ 206.57	55.8%	62.6%	
10	\$ 185.16	\$ 287.04	\$ 299.62	55.0%	61.8%	
12	\$ 313.27	\$ 503.58	\$ 525.79	60.7%	67.8%	
Volume Charges						
First 2 Mcf	\$ 64.32	\$ 72.45	\$ 74.79	12.6%	16.3%	
Next 98 Mcf	\$ 57.88	\$ 64.76	\$ 70.28	11.9%	21.4%	
Next 1,900 Mcf	\$ 44.84	\$ 50.16	\$ 54.97	11.9%	22.6%	
Over 2,000 Mcf	\$ 43.62	\$ 50.16	\$ 54.97	15.0%	26.0%	

It should be noted that the rates presented in Table 3 include a 5.1% lag factor

1 applied to cost of service rates. As a result, the percentage increases shown in Table 3  
2 do not necessarily correspond to the percentage increases I presented in Exhibit RAB-4  
3 and Table 2.

4 B&V proposed flattening the volume charges for 2026 and 2027 by equalizing  
5 the rates for the third and fourth blocks. Currently the fourth rate block is \$1.22 per  
6 Mcf less than the third rate block. Service charges were increased at a greater  
7 percentage than volume charges.

8 **Q. Do you agree with equalizing the volume charges for the third and fourth blocks?**

9 A. No. I recommend that the Board reject the flattening of the third and fourth blocks.

10 The B&V Demand Study continues to show a declining block structure for the water  
11 service department's rates. Table 4 presents B&V's comparison of the adopted 2025  
12 volume rates and the corresponding 2025 volume rates with 100% implementation of  
13 the Demand Study peaking factors. The rate comparison is from "Table 2-3 Rate  
14 Impact Comparison - Impact of AMI Demand Study Peaking Factors", Schedule  
15 BV-4, WP-2, page 4.

<b>Table 4</b>		
<b>Rate Impact Comparison</b>		
<b>Approved Rates and Rates per AMI Demand Study</b>		
	<b>FY25 Charge Per MCF <u>Approved Rates</u></b>	<b>FY25 Charge Per MCF <u>AMI Demand Study</u></b>
First 2	\$64.32	\$56.31
Next 98	\$57.88	\$64.88
Next 1,900	\$44.84	\$51.62
Over 2000	\$43.62	\$46.75

Table 4 shows that full implementation of the AMI Demand Study supports continued use of a four tier declining block, although the structure of the charges are different from the 2025 approved rates. Please note that I provided the numbers in Table 4 for comparison purposes only and that I do not support moving the volumetric rate structure to those in the fully implemented Demand Study. This table simply shows that a continuation of a four-tiered declining block rate is justified.

It is important to add that flattening the third and fourth blocks would incur unjustifiably increased bills to customers with usage in the fourth block. Note that B&V proposed increasing the fourth block charge by 15%, compared to the second and third block increases of 11.9%.

In conclusion, I recommend the Board approve a four-tiered declining block rate in this case and reject B&V's recommendation of setting the third and fourth block charges the same, which results in a three-tiered declining block rate. The fourth block rate should be set at a discount to the third block rate that approximates the current difference in rates if practicable.

#### **Wastewater Class Cost of Service and Rate Design**

**Q. Did you review the proposed wastewater service class rate design from B&V?**

A. Yes. Exhibit RAB-5 presents the Department's proposed rate design for the wastewater service classes. Columns (4) and (5) present the percentage increases to wastewater charges in 2026 and 2027 compared to current rates. Generally, service charges are increased at lower percentages than volume charges. In 2026, for example, service charge increases range from 6.7% to 7.5%, while the increase for the volumetric wastewater charge (based on billed water volumes) increases at 15.3%.



1 **Q. Do you agree with the percentage increases for service charges and volume**  
2 **charges?**

3 A. No, I do not agree with increasing volume charges at greater percentage rates than the  
4 fixed service charges. Most of the cost of the Department's sewer system is fixed,  
5 meaning that costs associated with sewer plant in service and depreciation, for  
6 example, do not vary with the volumes generated by customers. Fixed costs should  
7 be collected in fixed charges to the extent practicable. Thus, for purposes of this case  
8 I recommend that sewer service charges and volume charges be increased at the same  
9 percentage rate. Compared to the Department's proposed sewer rates, this means that  
10 service charges would be greater and volume charges would be lower. Assuming a  
11 10% allowed increase by the Board, both the service charges and volume charges  
12 would increase at 10%. Table 5 below presents an example of how my proposed  
13 wastewater rate design would look.

<b>Table 5</b> <b>Equal Increase to Service and Volume Wastewater Charges</b>			
<b>METER BASED SERVICE CHARGE</b>			
	(1) Current Monthly <u>Charge</u>	(2) System Average Percentage <u>Increase</u>	(3) FY 2026 Proposed Monthly <u>Charge</u>
Meter Size Inches			
5/8	\$7.64	10.0%	\$8.40
3/4	\$9.79	10.0%	\$10.77
1	\$14.43	10.0%	\$15.87
1 1/2	\$25.53	10.0%	\$28.08
2	\$39.44	10.0%	\$43.38
3	\$71.26	10.0%	\$78.39
4	\$120.98	10.0%	\$133.08
6	\$238.64	10.0%	\$262.50
8	\$377.82	10.0%	\$415.60
10	\$545.20	10.0%	\$599.72
12	\$992.49	10.0%	\$1,091.74
<b>QUANTITY CHARGE</b>			
	Current Charge <u>per Mcf</u>	FY 2026 Charge <u>per Mcf</u>	FY 2027 Charge <u>per Mcf</u>
All billable water usage	\$41.11	10.0%	\$45.22
Groundwater Charge	\$14.81	10.0%	\$16.29
<b>SURCHARGE RATES</b>			
	Current Charge <u>per lb</u>	FY 2026 Charge <u>per lb</u>	FY 2027 Charge <u>per lb</u>
BOD (excess of 250 mg/l)	\$0.45	10.0%	\$0.54
SS (excess of 350 mg/l)	\$0.46	10.0%	\$0.56

1

2 **Q. Do you have any other recommendations for the volumetric rates for**  
3 **wastewater?**

4 A. Yes. I recommend that PWD investigate the possibility of a declining block rate for  
5 the billable water usage charge. Such a rate would recognize that PWD's per unit fixed  
6 costs for its wastewater system decline as usage increases in a similar fashion to the  
7 Department's water system, which has declining block rates. I recommend that the  
8 Department undertake such a study and present it in its next rate filing before the  
9 Board.

1 **Q. Is PWD proposing to change the eligibility requirements and administration of**  
2 **the Charity Rate program currently contained in Section 5.3 of its tariff?**

3 A. Yes. PWD proposes to strike the existing language in Section 5.3, 5.5 and 5.6 of its  
4 tariff and promulgate a new regulation entitled "204.0 Charity Water Rates and  
5 Charges Program." The proposed new regulation is included in Schedule SMC-2  
6 attached to PWD Statement 5 with Direct Testimony proffered by the Department of  
7 Revenue.

8 The new eligibility requirements are included in Section 204.2 and have  
9 significantly expanded from the eligibility requirements in the current tariff. In  
10 addition, Section 204.5 contains a provision that a customer receiving a discount must  
11 renew every two years in order to continue receiving the discount. Section 204.6  
12 contains language that would allow the Department to remove a customer from the  
13 Charity Rate program for violation of any City law or regulation, no matter how minor  
14 or unrelated to water service. Section 204.8 contains language regarding exclusion of  
15 certain facilities that are not used exclusively for the principal purpose of the applicant.

16 **Q. On page 18, lines 14 through 16 of the Department of Revenue Direct Testimony,**  
17 **it is stated that there is no "change to the substantive content of the qualification"**  
18 **for the Charity Rate. Do you agree with this statement?**

19 A. No. The content of the proposed eligibility for the Charity Rate changed substantially,  
20 with additional requirements that are not included in the current language. In addition,  
21 there is no requirement for the customer to reapply every two years for the Charity  
22 Rate in PWD's current tariff.

1 **Q. Did the Department of Revenue panel explain why the changes in the eligibility**  
2 **requirements, the two-year renewal, or the broadened removal terms were**  
3 **needed or why such changes are reasonable?**

4 A. No. The Department of Revenue panel failed to explain or justify these new eligibility  
5 requirements and the need for a two-year renewal for the customers in the program.  
6 The Department of Revenue also failed to explain or justify why a customer that  
7 violates a City law or regulation that is minor (such as a parking violations), and/or  
8 completely unrelated to PWD's service, should be removed from the Charity Rate  
9 program.

10 **Q. Is there any explanation as to how Hospitals and Universities that are currently**  
11 **on the Charity Rate would be affected by the new eligibility requirements and the**  
12 **two-year renewal?**

13 A. No. There is no explanation as to how the existing customers in the Hospitals and  
14 Universities service class who are qualified and receiving the Charity Rate discounts  
15 would be affected by the new eligibility criteria or the two-year renewal requirement.

16 **Q. Should the Board approve the new Charity Rate regulation as proposed in**  
17 **Schedule SMC-2?**

18 A. No. The proposed new regulation appears to contain significant and unjustified  
19 changes that could adversely affect current customers in the Hospitals and Universities  
20 service class. There was no discussion or evaluation of the impact of this new  
21 regulation on existing Charity Rate customers. I strongly recommend the Board reject  
22 the Department's proposed Charity Rate regulation and keep in total the current  
23 Charity Rate language in the Department's tariff.

1   **Q.   Mr. Baudino, do you support PWD's requested water, wastewater, and**  
2   **stormwater revenue increases in this proceeding?**

3   **A.   No.** My testimony focuses on allocation and rate design, but the focus of my testimony  
4       on these matters should not be construed as supportive of PWD's proposed revenue  
5       requirement.

6   **Q.   Does this conclude your Direct Testimony?**

7   **A.   Yes.**

**BEFORE THE  
CITY OF PHILADELPHIA WATER, SEWER AND STORM WATER RATE  
BOARD**

<b>In the Matter of the Philadelphia Water</b>	<b>:</b>	
<b>Department's Proposed Change in Water,</b>	<b>:</b>	<b>Fiscal Years 2026 - 2027</b>
<b>Wastewater and Stormwater Rates and Related</b>	<b>:</b>	
<b>Charges</b>	<b>:</b>	

<p style="text-align:center"><b>EXHIBITS</b></p> <p style="text-align:center"><b>OF</b></p> <p style="text-align:center"><b>RICHARD A. BAUDINO</b></p>
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**ON BEHALF OF**

**THE PHILADELPHIA LARGE USERS GROUP**

**J. KENNEDY AND ASSOCIATES, INC.**

**MAY 1, 2025**

## **RESUME OF RICHARD A. BAUDINO**

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### **EDUCATION**

**New Mexico State University, M.A.**

Major in Economics

Minor in Statistics

**New Mexico State University, B.A.**

Economics

English

Forty-two years of experience in utility ratemaking and the application of principles of economics to the regulation of electric, gas, and water utilities. Broad based experience in revenue requirement analysis, cost of capital, rate of return, cost and revenue allocation, and rate design.

### **REGULATORY TESTIMONY**

Preparation and presentation of expert testimony in the areas of:

Cost of Capital for Electric, Gas and Water Companies

Electric, Gas, and Water Utility Cost Allocation and Rate Design

Revenue Requirements

Gas and Electric industry restructuring and competition

Fuel cost auditing

Ratemaking Treatment of Generating Plant Sale/Leasebacks

## RESUME OF RICHARD A. BAUDINO

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### EXPERIENCE

1989 to

**Present:** Kennedy and Associates: **Director of Consulting, Consultant** - Responsible for consulting assignments in revenue requirements, rate design, cost of capital, economic analysis of generation alternatives, electric and gas industry restructuring/competition and water utility issues.

1982 to

**1989:** New Mexico Public Service Commission Staff: **Utility Economist** - Responsible for preparation of analysis and expert testimony in the areas of rate of return, cost allocation, rate design, finance, phase-in of electric generating plants, and sale/leaseback transactions.

### CLIENTS SERVED

#### Regulatory Commissions

Louisiana Public Service Commission  
Georgia Public Service Commission  
New Mexico Public Service Commission

#### Other Clients and Client Groups

Ad Hoc Committee for a Competitive  
Electric Supply System  
Air Products and Chemicals, Inc.  
Arkansas Electric Energy Consumers  
Arkansas Gas Consumers  
AK Steel  
Armco Steel Company, L.P.  
Aqua Large Users Group  
Assn. of Business Advocating  
Tariff Equity  
Atmos Cities Steering Committee  
Canadian Federation of Independent Businesses  
CF&I Steel, L.P.  
Cities of Midland, McAllen, and Colorado City  
Cities Served by Texas-New Mexico Power Co.  
Cities Served by AEP Texas  
City of New York  
Climax Molybdenum Company  
Connecticut Industrial Energy Consumers  
Crescent City Power Users Group  
Cripple Creek & Victor Gold Mining Co.  
Dearborn Industrial Generation, LLC  
General Electric Company  
Holcim (U.S.) Inc.  
IBM Corporation  
Industrial Energy Consumers  
Kentucky Industrial Utility Consumers  
Kentucky Office of the Attorney General  
Lexington-Fayette Urban County Government  
Large Electric Consumers Organization  
Newport Steel  
North Carolina Attorney General's Office  
Northwest Arkansas Gas Consumers  
Maryland Energy Group

Occidental Chemical  
Peoples Industrial Intervenor  
PSI Industrial Group  
Large Power Intervenor (Minnesota)  
Tyson Foods  
West Virginia Energy Users Group  
The Commercial Group  
Wisconsin Industrial Energy Group  
South Florida Hospital and Health Care Assn.  
PP&L Industrial Customer Alliance  
Philadelphia Area Industrial Energy Users Gp.  
Philadelphia Large Users Group  
West Penn Power Intervenor  
Duquesne Industrial Intervenor  
Met-Ed Industrial Users Gp.  
Penelec Industrial Customer Alliance  
Penn Power Users Group  
Columbia Industrial Intervenor  
U.S. Steel & Univ. of Pittsburg Medical Ctr.  
Multiple Intervenor  
Maine Office of Public Advocate  
Missouri Office of Public Counsel  
University of Massachusetts - Amherst  
WCF Hospital Utility Alliance  
West Travis County Public Utility Agency  
Steering Committee of Cities Served by Oncor  
Steering Committee of Cities Served by CoServ Gas, Ltd.  
Utah Office of Consumer Services  
Healthcare Council of the National Capital Area  
Vermont Department of Public Service  
South Carolina Office of Regulatory Staff  
Texas Industrial Energy Consumers



**Expert Testimony Appearances  
of  
Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/83	1803, 1817	NM	New Mexico Public Service Commission	Southwestern Electric Coop.	Rate design.
11/84	1833	NM	New Mexico Public Service Commission Palo Verde	El Paso Electric Co.	Service contract approval, rate design, performance standards for nuclear generating system
1983	1835	NM	New Mexico Public Service Commission	Public Service Co. of NM	Rate design.
1984	1848	NM	New Mexico Public Service Commission	Sangre de Cristo Water Co.	Rate design.
02/85	1906	NM	New Mexico Public Service Commission	Southwestern Public Service Co.	Rate of return.
09/85	1907	NM	New Mexico Public Service Commission	Jornada Water Co.	Rate of return.
11/85	1957	NM	New Mexico Public Service Commission	Southwestern Public Service Co.	Rate of return.
04/86	2009	NM	New Mexico Public Service Commission	El Paso Electric Co.	Phase-in plan, treatment of sale/leaseback expense.
06/86	2032	NM	New Mexico Public Service Commission	El Paso Electric Co.	Sale/leaseback approval.
09/86	2033	NM	New Mexico Public Service Commission	El Paso Electric Co.	Order to show cause, PVNGS audit.
02/87	2074	NM	New Mexico Public Service Commission	El Paso Electric Co.	Diversification.
05/87	2089	NM	New Mexico Public Service Commission	El Paso Electric Co.	Fuel factor adjustment.
08/87	2092	NM	New Mexico Public Service Commission	El Paso Electric Co.	Rate design.
10/87	2146	NM	New Mexico Public Service Commission	Public Service Co. of New Mexico	Financial effects of restructuring, reorganization.
07/88	2162	NM	New Mexico Public Service Commission	El Paso Electric Co.	Revenue requirements, rate design, rate of return.

**Expert Testimony Appearances  
of  
Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
01/89	2194	NM	New Mexico Public Service Commission	Plains Electric G&T Cooperative	Economic development.
1/89	2253	NM	New Mexico Public Service Commission	Plains Electric G&T Cooperative	Financing.
08/89	2259	NM	New Mexico Public Service Commission	Homestead Water Co.	Rate of return, rate design.
10/89	2262	NM	New Mexico Public Service Commission	Public Service Co. of New Mexico	Rate of return.
09/89	2269	NM	New Mexico Public Service Commission	Ruidoso Natural Gas Co.	Rate of return, expense from affiliated interest.
12/89	89-208-TF	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Rider M-33.
01/90	U-17282	LA	Louisiana Public Service Commission	Gulf States Utilities	Cost of equity.
09/90	90-158	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co.	Cost of equity.
09/90	90-004-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Cost of equity, transportation rate.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission	Gulf States Utilities	Cost of equity.
04/91	91-037-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Transportation rates.
12/91	91-410-EL-AIR	OH	Air Products & Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Cost of equity.
05/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Cost of equity, rate of return.
09/92	92-032-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Cost of equity, rate of return, cost-of-service.
09/92	39314	ID	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	Cost of equity, rate of return.

**Expert Testimony Appearances  
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Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdickt.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
09/92	92-009-U	AR	Tyson Foods	General Waterworks	Cost allocation, rate design.
01/93	92-346	KY	Newport Steel Co.	Union Light, Heat & Power Co.	Cost allocation.
01/93	39498	IN	PSI Industrial Group	PSI Energy	Refund allocation.
01/93	U-10105	MI	Association of Businesses Advocating Tariff Equality (ABATE)	Michigan Consolidated Gas Co.	Return on equity.
04/93	92-1464-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Return on equity.
09/93	93-189-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Transportation service terms and conditions.
09/93	93-081-U	AR	Arkansas Gas Consumers	Arkansas Louisiana Gas Co.	Cost-of-service, transportation rates, rate supplements; return on equity; revenue requirements.
12/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Historical reviews; evaluation of economic studies.
03/94	10320	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Trimble County CWIP revenue refund.
4/94	E-015/GR-94-001	MN	Large Power Intervenors	Minnesota Power Co.	Evaluation of the cost of equity, capital structure, and rate of return.
5/94	R-00942993	PA	PG&W Industrial Intervenors	Pennsylvania Gas & Water Co.	Analysis of recovery of transition costs.
5/94	R-00943001	PA	Columbia Industrial Intervenors	Columbia Gas of Pennsylvania charge proposals.	Evaluation of cost allocation, rate design, rate plan, and carrying
7/94	R-00942986	PA	Armco, Inc., West Penn Power Industrial Intervenors	West Penn Power Co.	Return on equity and rate of return.
7/94	94-0035-E-42T	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Return on equity and rate of return.

**Expert Testimony Appearances  
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Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
8/94	8652	MD	Westvaco Corp. Co.	Potomac Edison	Return on equity and rate of return.
9/94	930357-C	AR	West Central Arkansas Gas Consumers	Arkansas Oklahoma Gas Corp.	Evaluation of transportation service.
9/94	U-19904	LA	Louisiana Public Service Commission	Gulf States Utilities	Return on equity.
9/94	8629	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Transition costs.
11/94	94-175-U	AR	Arkansas Gas Consumers	Arkla, Inc.	Cost-of-service, rate design, rate of return.
3/95	RP94-343-000	FERC	Arkansas Gas Consumers	NorAm Gas Transmission	Rate of return.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Return on equity.
6/95	U-10755	MI	Association of Businesses Advocating Tariff Equity	Consumers Power Co.	Revenue requirements.
7/95	8697	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Cost allocation and rate design.
8/95	95-254-TF U-2811	AR	Tyson Foods, Inc.	Southwest Arkansas Electric Cooperative	Refund allocation.
10/95	ER95-1042-000	FERC	Louisiana Public Service Commission	Systems Energy Resources, Inc.	Return on Equity.
11/95	I-940032	PA	Industrial Energy Consumers of Pennsylvania	State-wide - all utilities	Investigation into Electric Power Competition.
5/96	96-030-U	AR	Northwest Arkansas Gas Consumers	Arkansas Western Gas Co.	Revenue requirements, rate of return and cost of service.
7/96	8725	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Potomac Electric Power Co. and Constellation Energy Corp.	Return on Equity.
7/96	U-21496	LA	Louisiana Public Service Commission	Central Louisiana Electric Co.	Return on equity, rate of return.
9/96	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.

**Expert Testimony Appearances  
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Richard A. Baudino  
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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
1/97	RP96-199-000	FERC	The Industrial Gas Users Conference	Mississippi River Transmission Corp.	Revenue requirements, rate of return and cost of service.
3/97	96-420-U	AR	West Central Arkansas Gas Corp.	Arkansas Oklahoma Gas Corp.	Revenue requirements, rate of return, cost of service and rate design.
7/97	U-11220	MI	Association of Business Advocating Tariff Equity	Michigan Gas Co. and Southeastern Michigan Gas Co.	Transportation Balancing Provisions.
7/97	R-00973944	PA	Pennsylvania American Water Large Users Group	Pennsylvania-American Water Co.	Rate of return, cost of service, revenue requirements.
3/98	8390-U	GA	Georgia Natural Gas Group and the Georgia Textile Manufacturers Assoc.	Atlanta Gas Light	Rate of return, restructuring issues, unbundling, rate design issues.
7/98	R-00984280	PA	PG Energy, Inc. Intervenor	PGE Industrial	Cost allocation.
8/98	U-17735	LA	Louisiana Public Service Commission	Cajun Electric Power Cooperative	Revenue requirements.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric Co.	Return on equity, rate of return.
10/98	U-23327	LA	Louisiana Public Service Commission	SWEPCO, CSW and AEP	Analysis of proposed merger.
12/98	98-577	ME	Maine Office of the Public Advocate	Maine Public Service Co.	Return on equity, rate of return.
12/98	U-23358	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity, rate of return.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co	Return on equity.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Return on equity.
4/99	R-984554	PA	T. W. Phillips Users Group	T. W. Phillips Gas and Oil Co.	Allocation of purchased gas costs.
6/99	R-0099462	PA	Columbia Industrial Intervenor	Columbia Gas of Pennsylvania	Balancing charges.
10/99	U-24182	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Cost of debt.

**Expert Testimony Appearances  
of  
Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/99	R-00994782	PA	Peoples Industrial Intervenors	Peoples Natural Gas Co.	Restructuring issues.
10/99	R-00994781	PA	Columbia Industrial Intervenors	Columbia Gas of Pennsylvania	Restructuring, balancing charges, rate flexing, alternate fuel.
01/00	R-00994786	PA	UGI Industrial Intervenors	UGI Utilities, Inc.	Universal service costs, balancing, penalty charges, capacity Assignment.
01/00	8829	MD	Maryland Industrial Gr.	Baltimore Gas & Electric Co.	Revenue requirements, cost allocation, rate design.
02/00	R-00994788	PA	Penn Fuel Transportation	PFG Gas, Inc., and	Tariff charges, balancing provisions.
05/00	U-17735	LA	Louisiana Public Service Comm.	Louisiana Electric Cooperative	Rate restructuring.
07/00	2000-080	KY	Kentucky Industrial Utility Consumers	Louisville Gas and Electric Co.	Cost allocation.
07/00	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket E)	LA	Louisiana Public Service Commission	Southwestern Electric Power Co.	Stranded cost analysis.
09/00	R-00005654	PA	Philadelphia Industrial And Commercial Gas Users Group.	Philadelphia Gas Works	Interim relief analysis.
10/00	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket B)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Restructuring, Business Separation Plan.
11/00	R-00005277 (Rebuttal)	PA	Penn Fuel Transportation Customers	PFG Gas, Inc. and North Penn Gas Co.	Cost allocation issues.
12/00	U-24993	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
03/01	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Stranded cost analysis.
04/01	U-21453 U-20925 (SC), U-22092 (SC) (Subdocket B) (Addressing Contested Issues)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Restructuring issues.

**Expert Testimony Appearances  
of  
Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
04/01	R-00006042	PA	Philadelphia Industrial and Commercial Gas Users Group	Philadelphia Gas Works	Revenue requirements, cost allocation and tariff issues.
11/01	U-25687	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
03/02	14311-U	GA	Georgia Public Service Commission	Atlanta Gas Light	Capital structure.
08/02	2002-00145	KY	Kentucky Industrial Utility Customers	Columbia Gas of Kentucky	Revenue requirements.
09/02	M-00021612	PA	Philadelphia Industrial And Commercial Gas Users Group	Philadelphia Gas Works	Transportation rates, terms, and conditions.
01/03	2002-00169	KY	Kentucky Industrial Utility Customers	Kentucky Power	Return on equity.
02/03	02S-594E	CO	Cripple Creek & Victor Gold Mining Company	Aquila Networks – WPC	Return on equity.
04/03	U-26527	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Return on equity.
10/03	CV020495AB	GA	The Landings Assn., Inc.	Utilities Inc. of GA	Revenue requirement & overcharge refund
03/04	2003-00433	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric	Return on equity, Cost allocation & rate design
03/04	2003-00434	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Return on equity
4/04	04S-035E	CO	Cripple Creek & Victor Gold Mining Company, Goodrich Corp., Holcim (U.S.) Inc., and The Trane Co.	Aquila Networks – WPC	Return on equity.
9/04	U-23327, Subdocket B	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Fuel cost review
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Return on Equity
06/05	050045-EI	FL	South Florida Hospital and Health Care Assoc.	Florida Power & Light Co.	Return on equity
08/05	9036	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Revenue requirement, cost allocation, rate design, Tariff issues.
01/06	2005-0034	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Return on equity.

**Expert Testimony Appearances  
of  
Richard A. Baudino  
As of May 2025**

<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
03/06	05-1278-E-PC-PW-42T	WV	West Virginia Energy Users Group	Appalachian Power Company	Return on equity.
04/06	U-25116 Commission	LA	Louisiana Public Service	Entergy Louisiana, LLC	Transmission Issues
07/06	U-23327 Commission	LA	Louisiana Public Service	Southwestern Electric Power Company	Return on equity, Service quality
08/06	ER-2006-0314	MO	Missouri Office of the Public Counsel	Kansas City Power & Light Co.	Return on equity, Weighted cost of capital
08/06	06S-234EG	CO	CF&I Steel, L.P. & Climax Molybdenum	Public Service Company of Colorado	Return on equity, Weighted cost of capital
01/07	06-0960-E-42T Users Group	WV	West Virginia Energy	Monongahela Power & Potomac Edison	Return on Equity
01/07	43112	AK	AK Steel, Inc.	Vectren South, Inc.	Cost allocation, rate design
05/07	2006-661	ME	Maine Office of the Public Advocate	Bangor Hydro-Electric	Return on equity, weighted cost of capital.
09/07	07-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power	Return on equity, weighted cost of capital
10/07	05-UR-103	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Co.	Return on equity
11/07	29797	LA	Louisiana Public Service Commission	Cleco Power :LLC & Southwestern Electric Power	Lignite Pricing, support of settlement
01/08	07-551-EL-AIR	OH	Ohio Energy Group	Ohio Edison, Cleveland Electric, Toledo Edison	Return on equity
03/08	07-0585, 07-0585, 07-0587, 07-0588, 07-0589, 07-0590, (consol.)	IL	The Commercial Group	Ameren	Cost allocation, rate design
04/08	07-0566	IL	The Commercial Group	Commonwealth Edison	Cost allocation, rate design
06/08	R-2008-2011621	PA	Columbia Industrial Intervenors	Columbia Gas of PA	Cost and revenue allocation, Tariff issues



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<b>Date</b>	<b>Case</b>	<b>Jurisdiction</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
07/08	R-2008-2028394	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy	Cost and revenue allocation, Tariff issues
07/08	R-2008-2039634	PA	PPL Gas Large Users Group	PPL Gas	Retainage, LUFG Pct.
08/08	6680-UR-116	WI	Wisconsin Industrial Energy Group	Wisconsin P&L	Cost of Equity
08/08	6690-UR-119	WI	Wisconsin Industrial Energy Group	Wisconsin PS	Cost of Equity
09/08	ER-2008-0318	MO	The Commercial Group	AmerenUE	Cost and revenue allocation
10/08	R-2008-2029325	PA	U.S. Steel & Univ. of Pittsburgh Med. Ctr.	Equitable Gas Co.	Cost and revenue allocation
10/08	08-G-0609	NY	Multiple Intervenors	Niagara Mohawk Power	Cost and Revenue allocation
12/08	27800-U	GA	Georgia Public Service Commission	Georgia Power Company	CWIP/AFUDC issues, Review financial projections
03/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Capital Structure
04/09	E002/GR-08-1065	MN	The Commercial Group	Northern States Power	Cost and revenue allocation and rate design
05/09	08-0532	IL	The Commercial Group	Commonwealth Edison	Cost and revenue allocation
07/09	080677-EI	FL	South Florida Hospital and Health Care Association	Florida Power & Light	Cost of equity, capital structure, Cost of short-term debt
07/09	U-30975	LA	Louisiana Public Service Commission	Cleco LLC, Southwestern Public Service Co.	Lignite mine purchase
10/09	4220-UR-116	WI	Wisconsin Industrial Energy Group	Northern States Power	Class cost of service, rate design
10/09	M-2009-2123945	PA	PP&L Industrial Customer Alliance	PPL Electric Utilities	Smart Meter Plan cost allocation
10/09	M-2009-2123944	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Company	Smart Meter Plan cost allocation
10/09	M-2009-2123951	PA	West Penn Power Industrial Intervenors	West Penn Power	Smart Meter Plan cost allocation
11/09	M-2009-2123948	PA	Duquesne Industrial Intervenors	Duquesne Light Company	Smart Meter Plan cost allocation

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
11/09	M-2009-2123950	PA	Met-Ed Industrial Users Group Penelec Industrial Customer Alliance, Penn Power Users Group	Metropolitan Edison, Pennsylvania Electric Co., Pennsylvania Power Co.	Smart Meter Plan cost allocation
03/10	09-1352-E-42T	WV	West Virginia Energy Users Group	Monongahela Power	Return on equity, rate of return Potomac Edison
03/10	E015/GR-09-1151	MN	Large Power Intervenor	Minnesota Power	Return on equity, rate of return
04/10	2009-00459	KY	Kentucky Industrial Utility Consumers	Kentucky Power	Return on equity
04/10	2009-00548 2009-00549	KY	Kentucky Industrial Utility Consumers	Louisville Gas and Electric, Kentucky Utilities	Return on equity.
05/10	10-0261-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Co./ Wheeling Power Co.	EE/DR Cost Recovery, Allocation, & Rate Design
05/10	R-2009-2149262	PA	Columbia Industrial Intervenor	Columbia Gas of PA	Class cost of service & cost allocation
06/10	2010-00036	KY	Lexington-Fayette Urban County Government	Kentucky American Water Company	Return on equity, rate of return, revenue requirements
06/10	R-2010-2161694	PA	PP&L Industrial Customer Alliance	PPL Electric Utilities	Rate design, cost allocation
07/10	R-2010-2161575	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Return on equity
07/10	R-2010-2161592	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Cost and revenue allocation
07/10	9230	MD	Maryland Energy Group	Baltimore Gas and Electric	Electric and gas cost and revenue allocation; return on equity
09/10	10-70	MA	University of Massachusetts-Amherst	Western Massachusetts Electric Co.	Cost allocation and rate design
10/10	R-2010-2179522	PA	Duquesne Industrial Intervenor	Duquesne Light Company	Cost and revenue allocation, rate design
11/10	P-2010-2158084	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Transmission rate design
11/10	10-0699-E-42T	WV	West Virginia Energy Users Group	Appalachian Power Co. & Wheeling Power Co.	Return on equity, rate of Return
11/10	10-0467	IL	The Commercial Group	Commonwealth Edison	Cost and revenue allocation and rate design

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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
04/11	R-2010-2214415	PA	Central Pen Gas Large Users Group	UGI Central Penn Gas, Inc.	Tariff issues, revenue allocation
07/11	R-2011-2239263	PA	Philadelphia Area Energy Users Group	PECO Energy	Retainage rate
08/11	R-2011-2232243	PA	AK Steel	Pennsylvania-American Water Company	Rate Design
08/11	11AL-151G	CO	Climax Molybdenum	PS of Colorado	Cost allocation
09/11	11-G-0280	NY	Multiple Intervenors	Corning Natural Gas Co.	Cost and revenue allocation
10/11	4220-UR-117	WI	Wisconsin Industrial Energy Group	Northern States Power	Cost and revenue allocation, rate design
02/12	11AL-947E	CO	Climax Molybdenum, CF&I Steel	Public Service Company of Colorado	Return on equity, weighted cost of capital
07/12	120015-EI	FL	South Florida Hospitals and Health Care Association	Florida Power and Light Co.	Return on equity, weighted cost of capital
07/12	12-0613-E-PC	WV	West Virginia Energy Users Group	American Electric Power/APCo	Special rate proposal for Century Aluminum
07/12	R-2012-2290597	PA	PP&L Industrial Customer Alliance	PPL Electric Utilities Corp.	Cost allocation
09/12	05-UR-106	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Co.	Class cost of service, cost and revenue allocation, rate design
09/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Consumers	Louisville Gas and Electric, Kentucky Utilities	Return on equity.
10/12	9299	MD	Maryland Energy Group	Baltimore Gas & Electric	Cost and revenue allocation, rate design Cost of equity, weighted cost of capital
10/12	4220-UR-118	WI	Wisconsin Industrial Energy Group	Northern States Power Company	Class cost of service, cost and revenue allocation, rate design
10/12	473-13-0199	TX	Steering Committee of Cities Served by Oncor	Cross Texas Transmission, LLC	Return on equity, capital structure
01/13	R-2012-2321748 et al.	PA	Columbia Industrial Intervenors	Columbia Gas of Pennsylvania	Cost and revenue allocation
02/13	12AL-1052E	CO	Cripple Creek & Victor Gold Mining, Holcim (US) Inc.	Black Hills/Colorado Electric Utility Company	Cost and revenue allocations
06/13	8009	VT	IBM Corporation	Vermont Gas Systems	Cost and revenue allocation, rate design
07/13	130040-EI	FL	WCF Hospital Utility Alliance	Tampa Electric Co.	Return on equity, rate of return

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
08/13	9326	MD	Maryland Energy Group	Baltimore Gas and Electric	Cost and revenue allocation, rate design, special rider
08/13	P-2012-2325034	PA	PP&L Industrial Customer Alliance	PPL Electric Utilities, Corp.	Distribution System Improvement Charge
09/13	4220-UR-119	WI	Wisconsin Industrial Energy Group	Northern States Power Co.	Class cost of service, cost and revenue allocation, rate design
11/13	13-1325-E-PC	WV	West Virginia Energy Users Group	American Electric Power/APCo	Special rate proposal, Felman Production
06/14	R-2014-2406274	PA	Columbia Industrial Intervenor	Columbia Gas of Pennsylvania	Cost and revenue allocation, rate design
08/14	05-UR-107	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Co.	Cost and revenue allocation, rate design
10/14	ER13-1508 et al.	FERC	Louisiana Public Service Comm.	Entergy Services, Inc.	Return on equity
11/14	14AL-0660E	CO	Climax Molybdenum Co. and CFI Steel, LP	Public Service Co. of Colorado	Return on equity, weighted cost of capital
11/14	R-2014-2428742	PA	AK Steel	West Penn Power Company	Cost and revenue allocation
12/14	42866	TX	West Travis Co. Public Utility Agency	Travis County Municipal Utility District No. 12	Response to complain of monopoly power
3/15	2014-00371 2014-00372	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric, Kentucky Utilities	Return on equity, cost of debt, weighted cost of capital
3/15	2014-00396	KY	Kentucky Industrial Utility Customers	Kentucky Power Co.	Return on equity, weighted cost of capital
6/15	15-0003-G-42T	WV	West Virginia Energy Users Gp.	Mountaineer Gas Co.	Cost and revenue allocation, Infrastructure Replacement Program
9/15	15-0676-W-42T	WV	West Virginia Energy Users Gp.	West Virginia-American Water Company	Appropriate test year, Historical vs. Future
9/15	15-1256-G-390P	WV	West Virginia Energy Users Gp.	Mountaineer Gas Co.	Rate design for Infrastructure Replacement and Expansion Program
10/15	4220-UR-121	WI	Wisconsin Industrial Energy Gp.	Northern States Power Co.	Class cost of service, cost and revenue allocation, rate design
12/15	15-1600-G-390P	WV	West Virginia Energy Users Gp.	Dominion Hope	Rate design and allocation for Pipeline Replacement & Expansion Prog.

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Date	Case	Jurisdct.	Party	Utility	Subject
12/15	45188	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Co.	Ring-fence protections for cost of capital
2/16	9406	MD	Maryland Energy Group	Baltimore Gas & Electric	Cost and revenue allocation, rate design, proposed Rider 5
3/16	39971	GA	GA Public Service Comm. Staff	Southern Company / AGL Resources	Credit quality and service quality issues
04/16	2015-00343	KY	Kentucky Office of the Attorney General	Atmos Energy	Cost of equity, cost of short-term debt, capital structure
05/16	16-G-0058 16-G-0059	NY	City of New York	Brooklyn Union Gas Co., KeySpan Gas East Corp.	Cost and revenue allocation, rate design, service quality issues
06/16	16-0073-E-C	WV	Constellium Rolled Products Ravenswood, LLC	Appalachian Power Co.	Complaint; security deposit
07/16	9418	MD	Healthcare Council of the National Capital Area	Potomac Electric Power Co.	Cost of equity, cost of service, Cost and revenue allocation
07/16	160021-EI	FL	South Florida Hospital and Health Care Association	Florida Power and Light Co.	Return on equity, cost of debt, capital structure
07/16	16-057-01	UT	Utah Office of Consumer Svcs.	Dominion Resources, Questar Gas Co.	Credit quality and service quality issues
08/16	8710	VT	Vermont Dept. of Public Service	Vermont Gas Systems	Return on equity, cost of debt, cost of capital
08/16	R-2016-2537359	PA	AK Steel Corp.	West Penn Power Co.	Cost and revenue allocation
09/16	2016-00162	KY	Kentucky Office of the Attorney General	Columbia Gas of Ky.	Return on equity, cost of short-term debt
09/16	16-0550-W-P	WV	West Va. Energy Users Gp.	West Va. American Water Co.	Infrastructure Replacement Program Surcharge
01/17	46238	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Co.	Ring fencing and other conditions for acquisition, service quality and reliability
02/17	45414	TX	Cities of Midland, McAllen, and Colorado City	Sharyland Utilities, LP and Sharyland Dist. and Transmission Services, LLC	Return on equity
02/17	2016-00370 2016-00371	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric, Kentucky Utilities	Return on equity, cost of debt, weighted cost of capital
03/17	10580	TX	Atmos Cities Steering Committee	Atmos Pipeline Texas	Return on equity, capital structure, weighted cost of capital

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<b>Date</b>	<b>Case</b>	<b>Jurisdiction</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
03/17	R-3867-2013	Quebec, Canada	Canadian Federation of Independent Businesses	Gaz Metro	Marginal Cost of Service Study
05/17	R-2017-2586783	PA	Philadelphia Industrial and Commercial Gas Users Gp.	Philadelphia Gas Works	Cost and revenue allocation, rate design, Interruptible tariffs
08/17	R-2017-2595853	PA	AK Steel	Pennsylvania American Water Co.	Cost and revenue allocation, rate design
8/17	17-3112-INV	VT	Vt. Dept. of Pubic Service	Green Mountain Power	Return on equity, cost of debt, weighted cost of capital
9/17	4220-UR-123	WI	Wisconsin Industrial Energy Group	Northern States Power	Cost and revenue allocation, rate design
10/17	2017-00179	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Return on equity, cost of short-term debt
12/17	2017-00321	KY	Office of the Attorney General	Duke Energy Kentucky, Inc.	Return on equity
1/18	2017-00349	KY	Office of the Attorney General	Atmos Energy	Return on equity, cost of debt, weighted cost of capital
5/18	Fiscal Years 2019-2021 Rates	PA	Philadelphia Large Users Group	Philadelphia Water Department	Cost and revenue allocation
8/18	18-0974-TF	VT	Vt. Dept. of Public Service	Green Mountain Power	Return on equity, cost of debt, weighted cost of capital
8/18	48401	TX	Cities Served by Texas-New Mexico Power Company	Texas-New Mexico Power Co.	Return on equity, capital structure
8/18	18-05-16	CT	Connecticut Industrial Energy Consumers	Connecticut Natural Gas Co.	Cost and revenue allocation
9/18	9484	MD	Maryland Energy Group	Baltimore Gas & Electric	Cost and revenue allocation, rate design
9/18	2017-370-E	SC	South Carolina Office of Regulatory Staff	South Carolina Electric & Gas, Dominion Resources, SCANA	Return on equity, service quality standards, credit quality conditions
10/18	18-1115-G-390P	WV	West Va. Energy Users Group	Mountaineer Gas Company	Customer protections for Infrastructure Replacement and Expansion Program
12/18	R-2018-3003558, R-2018-3003561	PA	Aqua Large Users Group	Aqua Pennsylvania, Inc.	Cost and revenue allocation
02/19	UD-18-07	CCNO	Crescent City Power Users' Gp.	Entergy New Orleans, LLC	Return on equity, Reliability Incentive Mechanism, other proposed riders
03/19	2018-00358	KY	Office of the Attorney General	Kentucky American Water Co.	Return on equity, Qualified Infrastructure Program rider

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Date	Case	Jurisdiction	Party	Utility	Subject
05/19	19-E-0065 19-G-0066	NY	City of New York	Consolidated Edison Co.	Cost and revenue allocation, rate design, tariff issues, fast-charging station incentives
05/2019	19-0513-TF	VT	Vt. Dept. of Public Service	Vermont Gas Systems	Return on equity, capital structure
06/2019	5-TG-100	WI	Wisconsin Industrial Energy Group	WEPCO, Wisconsin Gas, Wisconsin PS	Transportation and balancing issues
07/2019	49494	TX	Cities Served by AEP Texas	AEP Texas, Inc.	Return on equity, capital structure
08/2019	19-G-0309 19-G-0310	NY	City of New York	Brooklyn Union Gas Co., KeySpan Gas East Corp.	Cost and revenue allocation, rate design, tariff issues and modifications
08/2019	19-0316-G-42T	WV	West Virginia Energy Users Gp.	Mountaineer Gas Company	Cost and revenue allocation
8/2019	5-UR-109	WI	Wisconsin Industrial Energy Gp.	Wisconsin Electric Power Co., Wisconsin Gas, LLC	Cost Allocation, Class cost of service study
8/2019	6690-UR-126	WI	Wisconsin Industrial Energy Gp.	Wisconsin Public Service Corp.	Cost Allocation, Class cost of service study
9/2019	9610	MD	Maryland Energy Group	Baltimore Gas and Electric Co.	Cost and revenue allocation, rate design
12/2019	2019-00271	KY	Office of the Attorney General	Duke Energy Kentucky, Inc.	Return on equity
2/2020	49831	TX	Texas Industrial Energy Consumers	Southwestern Public Service Co.	Return on equity, capital structure, rate of return
2/2020	E-7. Sub 1214	NC	NC Attorney General's Office	Duke Energy Carolinas	Return on equity, capital structure, rate of return, economic conditions
2/2020	E-2. Sub 1219	NC	NC Attorney General's Office	Duke Energy Progress	Return on equity, capital structure, rate of return, economic conditions
5/2020	R-2019-3015162	PA	Industrial Energy Consumers of Pennsylvania	UGI Utilities, Inc.	Return on equity, cost of debt, revenue allocation, rate design
6/2020	20-G-0101	NY	Multiple Intervenors	Corning Natural Gas Corp.	Cost and revenue allocation
9/2020	R-2020-2019369	PA	AK Steel	Pennsylvania-American Water Company	Cost and revenue allocation, rate design
9/2020	20-035-04	UT	The Kroger Co.	Rocky Mountain Power	Cost and revenue allocation, rate design
10/2020	2020-00174	KY	Ky. Office of the Attorney General, Ky. Industrial Utility Customers	Kentucky Power Co.	Return on equity
3/2021	2020-00349	KY	Ky. Office of the Attorney General, Ky. Industrial Utility Customers	Kentucky Utilities Co.	Return on equity

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Date	Case	Jurisdct.	Party	Utility	Subject
3/2021	2020-00350	KY	Ky. Office of the Attorney General, Ky. Industrial Utility Customers	Louisville Gas and Electric Co.	Return on equity
3/2021	20-0746-G-42T	WV	West Va. Energy Users Group	Dominion Energy West Va.	Cost and revenue allocation, cost of equity
4/2021	17-12-03RE11	CT	Connecticut Industrial Energy Consumers	PURA Investigation Into Distribution System Planning	Economic development rates
6/2021	U-20940	MI	Dearborn Industrial Generation, LLC	DTE Gas Company	Cost and revenue allocation, rate design
7/2021	21-0043-G-PC	WV	West Va. Energy Users Group	Mountaineer Gas Co., UGI Corporation	Hold harmless conditions for utility acquisition
07/2021	U-35441	LA	Louisiana Public Service Commission	Southwestern Electric Power Company	Return on equity, cost of capital, service quality
08/2021	51802	TX	Texas Industrial Energy Consumers	Southwestern Public Service Company	Return on equity
09/21	2021-00190	KY	Kentucky Office of the Attorney General	Duke Energy Kentucky, Inc.	Return on equity, cost of debt
09/21	2021-00183	KY	Kentucky Office of the Attorney General	Columbia Gas of Kentucky, Inc.	Return on equity, cost of debt, capital structure
09/21	21-0369-W-42T	WV	West Va. Energy Users Group	West Virginia-American Water Company	Revenue stabilization mechanism
09/21	2021-00185	KY	Kentucky Office of the Attorney General	Delta Natural Gas Company, Inc.	Return on equity, cost of debt, capital structure
09/21	2021-00214	KY	Kentucky Office of the Attorney General	Atmos Energy Corporation	Return on equity, common equity ratio
11/21	R-2021-3027385, R-2021-3027386	PA	Aqua Large Users Group	Aqua Pennsylvania, Inc.	Cost and revenue allocation, Rate design
11/21	21-G-0394	NY	Multiple Intervenors	Corning Natural Gas Corp.	Cost and revenue allocation
06/22	21-G-0577	NY	Multiple Intervenors	Liberty Utilities (St. Lawrence Gas) Corp.	Cost of revenue allocation, rate design
07/22	2022-89-G	SC	South Carolina Office of Regulatory Staff	Piedmont Natural Gas Co.	Return on equity, capital structure cost of capital
07/22	R-2022-3031672, R-2022-3031673	PA	Cleveland-Cliffs Steel	Pennsylvania American Water Company	Cost and revenue allocation, rate design



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Date	Case	Jurisdct.	Party	Utility	Subject
10/22	2022-00147	KY	Kentucky Office of the Attorney General and the City of Clinton	Water Service Corporation of Kentucky	Cost of equity
12/22	2022-254-E	SC	South Carolina Office of Regulatory Staff	Duke Energy Progress	Cost of equity
12/22	22-08-08	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Cost and revenue allocation, rate design, economic development rates
03/23	2022-00372	KY	Kentucky Office of the Attorney General	Duke Energy Kentucky, Inc.	Cost of equity, capital structure, weighted cost of capital
08/23	23-0280-G-42-T	WV	West Va. Energy Users Group	Mountaineer Gas Co.	Cost and revenue allocation, Rate design
09/23	6680-UR-124	WI	Wisconsin Industrial Energy Group	Wisconsin Power and Light Co.	Cost and revenue allocation, rate design
09/23	6690-UR-127	WI	Wisconsin Industrial Energy Group	Wisconsin Public Service Corp.	Revenue allocation, rate design
09/23	5-UR-110	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Co.	Cost and revenue allocation, rate design
09/23	2023-00191	KY	Kentucky Office of the Attorney General	Kentucky-American Water Co.	Return on equity, capital structure, and weighted cost of capital
10/23	2023-00159	KY	Ky. Office of the Attorney General, Kentucky Industrial Utility Customers	Kentucky Power Co.	Return on equity
11/23	23-0460-E-42T	WV	West Virginia Energy Users Group	Monongahela Power Co. and The Potomac Edison Company	Return on equity, cost of capital
02/24	R-2023-3043189 C-2023-3044289 C-2023-3044375 PA		Cleveland-Cliffs Steel	Pennsylvania American Water Co.	Cost and revenue allocation, rate design, revenue decoupling rider
03/24	R-2023-3044549 PA		Peoples Industrial Intervenor	Peoples Natural Gas Company	Cost and revenue allocation, rate design
08/24	2024-00092	KY	Kentucky Office of the Attorney General	Columbia Gas of Kentucky	Return on equity, Cost of capital
09/2024	R-2024-3047822 R-2024-3047824 PA		Aqua Large Users Group	Aqua Pennsylvania, Inc.	Revenue allocation
01/2025	2024-00276	KY	Kentucky Office of the Attorney General	Atmos Energy Corp.	Return on equity, capital structure
02/2025	2024-00346	KY	Kentucky Office of the Attorney General	Delta Natural Gas Co.	Return on equity, capital structure

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
03/25	2024-00354	KY	Kentucky Office of the Attorney General	Duke Energy Kentucky, Inc.	Cost of equity, capital structure, cost of debt
05/25	Fiscal Years 2026-2027	PA	Philadelphia Large Users Group	Philadelphia Water Department	Cost of service and revenue allocations, rate design

PHILADELPHIA WATER DEPARTMENT  
Response to PA Interrogatory

**PA-III-6.** FOR EACH OF THE PAST FIVE FISCAL YEARS, PLEASE PROVIDE FOR  
THE WATER SYSTEM:

A. SYSTEM AVERAGE DAY PRODUCTION;

B. SYSTEM MAXIMUM DAY PRODUCTION; AND

C. SYSTEM MAXIMUM HOUR PRODUCTION.

**RESPONSE:**

System Average Day and Maximum Day Production reflect the Total Water Treatment Plant Output presented in the WCOS model provided to the Public Advocate and PWD Exhibit-6: Black & Veatch Management Consulting, LLC, Calculations Supporting Schedules BV-1 and BV-2 WCOS25\_26, Wpltallo Worksheet (page 849).

System Maximum Hour is recorded based on the Total System Water Delivered (Total Districts) presented in PWD Exhibit-6: Black & Veatch Management Consulting, LLC, Calculations Supporting Schedules BV-1 and BV-2, WCOS25\_26, Wpltallo Worksheet (page 850). Note that the Maximum Hour Demand Factors are based on the Total System Water Delivered (Total Districts) presented in PWD Exhibit-6: Black & Veatch Management Consulting, LLC, Calculations Supporting Schedules BV-1 and BV-2, WCOS25\_26, Wpltallo Worksheet (page 850).

A. SYSTEM AVERAGE DAY PRODUCTION

FY 2020 – 220.3 MGD

FY 2021 – 226.6 MGD

FY 2022 – 226.7 MGD

FY 2023 – 230.0 MGD

FY 2024 – 228.4 MGD

## 1 B. SYSTEM MAXIMUM DAY PRODUCTION; AND

2 FY 2020 – 259.7 MGD

3 FY 2021 – 251.7 MGD

4 FY 2022 – 257.9 MGD

5 FY 2023 – 278.4 MGD

6 FY 2024 – 260.3 MGD

## 8 C. SYSTEM MAXIMUM HOUR PRODUCTION

9 FY 2020 – 326.0 MGD

10 FY 2021 – 472.7 MGD

11 FY 2022 – 370.2 MGD

12 FY 2023 – 324.9 MGD

13 FY 2024 – 316.1 MGD

14  
15 MGD = Millions of gallons per day16  
17  
18  
19 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC.  
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PHILADELPHIA WATER DEPARTMENT  
Response to PA Interrogatory

1 **PA-III-21.** PLEASE PROVIDE A COMPARISON OF REVENUES AT PRESENT RATES  
2 AND AT PROPOSED RATES FOR EACH RATE CLASS INCLUDED IN THE  
3 COST OF SERVICE STUDIES FOR WATER, WASTEWATER, AND STORM  
4 WATER SERVICE. INCLUDE THE SUPPORTING CALCULATIONS FOR  
5 PROPOSED REVENUES IN EXCEL FORMAT WITH ALL FORMULAS  
6 INTACT.

7 **RESPONSE:**

8 See response attachment PA-III-21 which provides the FY 2026 and FY 2027 projected  
9 revenue under existing and proposed rates. These results are developed with the model file  
10 (Finplan25\_26.xlsx) previously provided to the Public Advocate, utilizing the projected  
11 revenue under existing rates sections and revising the rates to reflect the proposed rate  
12 schedules.

13  
14 These revenue projections reflect the anticipated collections of projected and historical  
15 billings based on the proposed and existing rate schedules and their respective effective  
16 dates. Note that the total revenue for FY 2026 of \$400.4 million is consistent with the FY  
17 2026 Total Water Service Revenue presented on Line 8 of Table 3-13 of Schedule BV-2.  
18 In addition, note that Table 4-12 of Schedule BV-2 presents the cost of service based  
19 annual net revenue requirement of \$410.2 million. This is consistent with the Total Water  
20 Service Revenue presented on Line 4 of Table 4-1 Test Year 1 (FY 2026) Annualized  
21 Revenue and Revenue Requirements and Total Cost of Service to be Derived from Rates  
22 presented on Line 13, Column 3 of Table 4-2. Since PWD's revenues are collections-  
23 based and the estimated FY 2026 revenue reflects collections on billings from FY 2026,  
24 FY 2025 and FY 2024 it is not appropriate to compare the projected collections based  
25 revenues to the cost of service by class. That is because such collections based revenue  
26 reflects the collection of billings based on rates established by prior cost of service  
27 distributions. Consistent with prior cost of service studies, the retail class based cost of  
28 service is compared to the retail billings by customer class prior to the lag factor

1 adjustment. This comparison is provided on pages 894 to 898 (WCOS, RATES-3) of  
2 PWD Exhibit 6. Note that this response is similar to our responses to PA-IV-37 during the  
3 2023 General Rate Proceeding (for the FY 2025 and FY 2026 rates) and PA-VII-19 during  
4 the 2021 General Rate Proceeding (for the FY 2023 and FY 2024 rates).

5  
6 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC.

**PROJECTED WATER RECEIPTS**  
(in thousands of dollars)

LINE  NO.		Table 3-7		Proposed Rates		2026 Pct.  Increase	2027 Pct.  Increase
		Existing Rates					
		2026	2027				
Water System (\$000s)							
1	Residential	\$ 203,528	\$ 200,729	\$ 222,416	\$ 232,615	9.3%	15.9%
2	Senior Citizens	6,564	6,538	7,172	7,568	9.3%	15.8%
3	Commercial	97,538	98,045	106,396	115,901	9.1%	18.2%
4	Industrial	4,086	3,992	4,455	4,729	9.0%	18.5%
5	Public Utilities	817	853	895	1,014	9.5%	19.0%
6	Subtotal General Customers	312,534	310,156	341,334	361,829	9.2%	16.7%
7	Housing Authority	7,774	7,815	8,461	9,153	8.8%	17.1%
8	Charities and Schools	6,159	6,652	6,730	7,880	9.3%	18.5%
9	Hospitals and Universities	5,191	5,589	5,656	6,447	8.9%	15.4%
10	Hand Billed	15,535	14,541	16,867	17,286	8.6%	18.9%
11	Scheduled (Flat Rate)	1	1	1	1	9.4%	15.8%
Fire Protection							
12	Private	5,495	5,495	6,470	7,576	17.7%	37.9%
13	Public	8,248	8,248	10,363	13,286	25.6%	61.1%
14	Subtotal Retail Customers	360,937	358,497	395,882	423,459	9.7%	18.1%
15	Aqua Pennsylvania	4,376	4,376	4,980	5,554		
16	Total Water System Sales	\$ 365,313	\$ 362,873	\$ 400,862	\$ 429,013		

Note: Tables developed using Finplan25\_26.xls model file and proposed base rate schedules.

Source: Supplemental PA-III-21

## CURRENT AND PROPOSED SANITARY SEWER RATES

### METER BASED SERVICE CHARGE

	(1)	(2)	(3)	(4)	(5)
	Current	FY 2026	FY 2027	FY 2026	FY 2027
	Monthly	Monthly	Monthly	Percentage	Percentage
Meter Size	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>	<u>Increase</u>	<u>Increase</u>
Inches					
5/8	\$7.64	\$8.22	\$8.84	7.6%	15.7%
3/4	\$9.79	\$10.52	\$11.36	7.5%	16.0%
1	\$14.43	\$15.47	\$16.77	7.2%	16.2%
1 1/2	\$25.53	\$27.30	\$29.74	6.9%	16.5%
2	\$39.44	\$42.16	\$45.98	6.9%	16.6%
3	\$71.26	\$76.09	\$83.12	6.8%	16.6%
4	\$120.98	\$129.24	\$141.07	6.8%	16.6%
6	\$238.64	\$254.85	\$278.34	6.8%	16.6%
8	\$377.82	\$403.41	\$440.78	6.8%	16.7%
10	\$545.20	\$582.16	\$636.00	6.8%	16.7%
12	\$992.49	\$1,059.17	\$1,158.44	6.7%	16.7%

### QUANTITY CHARGE

	Current	FY 2026	FY 2027	FY 2026	FY 2027
	Charge	Charge	Charge	Percentage	Percentage
	<u>per Mcf</u>	<u>per Mcf</u>	<u>per Mcf</u>	<u>Increase</u>	<u>Increase</u>
All billable water usage	\$41.11	\$47.39	\$50.66	15.3%	23.2%
Groundwater Charge	\$14.81	\$16.33	\$17.47	10.3%	18.0%

### SURCHARGE RATES

	Current	FY 2026	FY 2027	FY 2026	FY 2027
	Charge	Charge	Charge	Percentage	Percentage
	<u>per lb</u>	<u>per lb</u>	<u>per lb</u>	<u>Increase</u>	<u>Increase</u>
BOD (excess of 250 mg/l)	\$0.45	\$0.51	\$0.54	14.2%	19.3%
SS (excess of 350 mg/l)	\$0.46	\$0.54	\$0.56	16.8%	21.2%