

BEFORE THE
PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

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| Philadelphia Water Department's Proposed Changes in Rates and Charges | 2025 TAP-R Adjustment Proceeding |
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**PUBLIC ADVOCATE RESPONSES TO
PHILADELPHIA WATER DEPARTMENT'S
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
SET II (Morgan)**

1. Please provide the justification and supporting calculations for using -0.08% as the average monthly growth rate applied to monthly TAP participation.

Response:

See page 9, lines 4-6 of my testimony. The -0.08% growth rate reflects the actual rate of change of TAP participation from May 2024 through November 2024. The calculation of this rate can be found in the Excel spreadsheet provided in response to I-2 (tab "TRR_Projections").

Responsible witness: Lafayette K. Morgan, Jr.

2. Please describe how the Public Advocate accounts for rate changes to water and sewer rates when applying his recommended approach to calculating the average TAP discount per participant based on the most recent 12-months of available data.

Response:

As is true with PWD's methodology in this and prior TAP-R proceedings, the Public Advocate's recommended approach to calculating the average discount per TAP participant utilizes the average historical discounts provided to TAP participants over a selected period utilizing data provided by PWD. An approach to calculating historical discounts that would, for example, increase TAP-R rates to account for future changes in rates and charges has not been approved by the Rate Board and would constitute a different methodology than that approved via the TAP-R rider.

Responsible witness: Lafayette K. Morgan, Jr.

3. Please confirm that Mr. Morgan's recommended average TAP discount per participant is based only on the most recent 12-months of available data. If Mr.

Morgan's recommended average TAP discount per participant is adjusted for other factors, please describe them in detail.

Response:

I intended to reflect the most recent 12 months of available data for purposes of determining the average TAP discount per participant. My calculations inadvertently included the most recent eleven months of data available as shown in the Tab "TRR Projections" in the Excel spreadsheet provided in response to I-2. Consistent with my testimony, I continue to recommend the use of twelve months of data, resulting in an average TAP discount of \$47.72. An errata to my testimony, starting at page 11, line 10, to resolve this ambiguity should read:

Based upon the foregoing discussion, I recommend the Board reduce PWD's requested Water TAP-R rate from \$3.87 to \$2.98/MCF and reduce the requested Sewer TAP-R rate 12 from \$5.67/MCF to \$4.37/MCF.

Revised Schedules LKM-1 through LKM-6, and updated Excel workbooks "2025 PA Modified Schedule-RFC-3 REVISED 4 29 2025" and "2025-PA Modified TAP-Rate-Rider-Recon revised 4 29 25" are included as attachments to this response.

Responsible witness: Lafayette K. Morgan, Jr.

4. Confirm or deny: The most reliable method for calculating TAP participation and participant discount values is to base the analysis on the most recent known and measurable data available. If your response is anything other than an unqualified "confirm," please provide a detailed explanation and reasoning for the response.

Response:

"Confirm," with qualification. As with any data set, there can be legitimate bases for departing from the use of recent known and measurable data, for example, when such data, although accurate, nonetheless results from conditions that are not expected to recur in the future.

Responsible witness: Lafayette K. Morgan, Jr.