

BEFORE THE
PHILADELPHIA WATER, SEWER, AND STORM WATER RATE BOARD

In the Matter of the Philadelphia	:	
Water Department's Proposed	:	2025 TAP-R Reconciliation
Tiered Assistance Program Rate	:	Proceeding
Rider Surcharge Rates	:	

MAIN BRIEF OF THE PUBLIC ADVOCATE

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I. INTRODUCTION, BACKGROUND AND PROCEDURAL HISTORY

The Philadelphia Water Department (PWD) filed its Advance Notice of proposed changes in its Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R) on February 19, 2025. PWD's Formal Notice in the TAP-R proceeding was filed on April 2, 2025 and included the following statement:

There have been no substantive changes since the Advance Notice was filed. Only the headers and dates have been changed to indicate the Formal Notice filing.

Accordingly, and as discussed more fully in Section III.E hereof, PWD's requested TAP-R rates are \$3.87/MCF for water usage and \$5.67/MCF for sewer billed volumes. Following the filing of the Formal Notice and a prehearing conference on April 8, 2025, the Hearing Officer issued the Prehearing Conference Order establishing the procedural schedule, addressing discovery, and encouraging settlement and stipulation, to the extent possible.

The Public Advocate, representing the interests of Small User Customers in this proceeding, issued two sets of discovery, Public Advocate Set 1, consisting of five questions, designated PA-TAP 1-1 through PA-TAP 1-5 (including subparts), and Public Advocate Set 3, designated PA-TAP-3-1 through 3-5 (including subparts). There was no Set 2. Likewise, PWD issued two sets of discovery, Set I numbered 1-5 (including subparts) and Set II numbered 1-4 (including subparts). Responses to both participants' discovery requests were timely served with the exception of PA-TAP-1-2 (concerning TAP participation and discounts for the months December 2024-January 2025), which was provided after PWD's consultants obtained the responsive data from PWD's billing system.

The Public Advocate's witness testimony (Public Advocate Statement No. 1, or PA St. 1) was filed on April 21, 2025 and PWD's responsive rebuttal testimony (Philadelphia Water Department TAP Rebuttal Statement No. 1, Rebuttal Testimony, or PWD St. 1R) was filed on May 2, 2025. The compressed timeframe imposed on the participants due to the requirements of the Philadelphia Code provisions governing the Philadelphia Water, Sewer, and Storm Water Rate Board (Board) make it challenging to accommodate surrebuttal or written rejoinder.¹

¹ Phila. Code §13-101(4)(b)(.4).

A public hearing and technical hearing in this matter were held consecutively on May 8, 2025. The Public Advocate's witness, Lafayette K. Morgan, Jr., as well as PWD witnesses Henrietta Locklear, Jon Davis, Dave Jagt and Brian Merrit appeared and were subjected to examination. PWD introduced three Hearing Exhibits, with no objection. A transcript of the public and technical hearing was circulated to the participants on May 15, 2025.

The Public Advocate and PWD were able to enter into a stipulation narrowing the issues for the Board's resolution in this proceeding. Remaining for the Board's consideration are certain assumptions relevant to determination of the "C" factor, namely: the average discount of TAP participants; the average usage of TAP participants; and, the average number of TAP participants. For the reasons discussed herein:

- Average TAP discounts should be calculated utilizing the most recent twelve months of available data. Accordingly, the average TAP discount for projection purposes should be set at \$48.95.
- Average TAP usage should be calculated utilizing the most recent twelve months of available data. Accordingly, average TAP usage for projection purposes should be set at 647 cf/mo.
- Average TAP participation should be calculated utilizing the most recent twelve months of available data. Accordingly, average TAP participation for projection purposes should be set at 58,796.
- The Board should not consider higher requested rate amounts identified by PWD in the rebuttal phase, which were not identified in its Advance and Formal Notices.

As set forth in PWD Hearing Exhibit 2, the resulting TAP-R rates (as calculated by PWD) would be \$3.44/MCF for water and \$5.02/MCF for sewer. Note, however that the Public Advocate has proposed an alternative calculation for purposes of projecting higher potential TAP participation, in the event the Board finds that the data supports enrollment higher than shown by the twelve-month average.

II. OVERVIEW OF TAP-R RATES

As set forth in the 2018 Rate Determination of the Board,² the TAP-R rider was established to track revenue losses resulting from application of the TAP rate and permit annual reconciliation of such costs in order to prevent either over or under-recovery.³ As explained by Mr. Morgan,⁴ TAP-R rates are determined by the following equation:

$$\text{TAP-R} = \frac{(\text{C})-(\text{E}+\text{I})}{\text{S}}$$

For purposes of this proceeding, “C” is equal to the projected number of monthly TAP participants for the 12-month period beginning September 1, 2025 multiplied by the average discount per TAP participant. “E” represents the actual discounts provided in the twelve-month period beginning September 1, 2024 minus the TAP-R revenues collected during such period. “I” represents the interest rate on any over- or under-recovery of TAP-R revenues reflected in the “E” factor. “S” represents the projected non-TAP customer sales volumes for the twelve-month period beginning September 1, 2025.

TAP-R rates are adjusted annually in order to take into consideration past TAP revenues and discounts, as well as expectations for future rate periods.

III. ARGUMENT

As a result of the stipulation entered into between the Public Advocate and PWD, the main issues in dispute in this proceeding pertain to the determination of the “C” factor. Namely, the Public Advocate and PWD disagree as to the average discount, average usage, and average number of TAP-R participants to be utilized for the balance of the current rate period and the rate period beginning September 1, 2025. The Public Advocate submits that the most recent twelve months of actual TAP participation and actual TAP discounts should be utilized for all purposes. This constitutes the most reliable information available to the Board and is reflective of known conditions.

² The 2018 Rate Determination was the subject of extensive appellate review with regard to matters that are irrelevant to the calculation of TAP-R rates. TAP-R rates have been subject to annual reconciliation consistent with the 2018 Rate Determination since 2019.

³ 2018 Rate Determination at 81.

⁴ PA St. 1 at 6.

A. Twelve Months of Actual Data Should be Used to Calculate the Average TAP Discount.

In this proceeding, PWD's Advance Notice utilized only three months of TAP participation rates and TAP discount amounts to determine the average discount to apply in projecting future TAP-R rates. This proposal had the effect of skewing the TAP-R discounts significantly and is inconsistent with prior proceedings. As recommended in Mr. Morgan's testimony,⁵ the Public Advocate maintains that the most recent twelve months of actual data should be used to determine average TAP discounts.

PWD's proposed average discounts in this proceeding are calculated based on actual discounts and TAP participation for September-November 2024. Based on this exceedingly small data set, PWD utilized an average of 58,665 TAP participants with total discounts of \$9,612,362 to derive the average discount of \$54.62.⁶ This approach stands in stark contrast to past TAP-R proceedings.⁷ For example, in the 2024 TAP-R proceeding, PWD proposed to calculate the average discount based on a twelve-month period, January 2023-December 2023, which included eight months of actual data.⁸ In the 2023 TAP-R proceeding, PWD proposed to calculate the average discount based on an eleven-month period, January 2022-November 2022, which likewise included eight months of actual data.⁹ As Mr. Morgan testified, PWD's use of a three-month period lacks consistency, and "it is more appropriate to use a longer period of time to calculate the average monthly discount."¹⁰

Use of only three months of actual data fails to capture the apparent seasonal variation in TAP participant water usage, most readily observed by comparing the first six months of each rate period with the last six months of such period. As the Public Advocate demonstrated, the

⁵ PA St. 1 at 10.

⁶ See RFC-3. $(\$9,612,362 / 58,665) / 3 = \54.62 .

⁷ The use of a three-month period is inconsistent with the agreement between the Public Advocate and PWD in the 2018 Rate Proceeding, endorsed in the Board's 2018 Rate Determination:

PWD will use actual TAP revenues and expenses data from approximately the first 9 to 10 months of the current period, and annualized/projected revenues and expenses for the remaining months of the current period in order to estimate the full 12-month period of TAP revenue loss and surcharge revenues....

⁸ 2024 TAP-R Advance Notice, Sched. RFC-3 at 3, available at:

<https://www.phila.gov/media/20240305095150/TAP-R-Advance-Notice-2024-02-28.pdf>.

⁹ 2023 TAP-R Advance Notice, Sched. RFC-3 at 3: <https://www.phila.gov/media/20230124153640/TAP-R-Reconciliation-Proceeding-Advance-Notice-2023-01-24.pdf>

¹⁰ PA St. 1 at 10.

average discounts are higher during the first six months of every rate period and lower in the last six months, as follows:

- September 2021-February 2022: \$50.45.
- March 2022-August 2022: \$47.40.
- September 2022-February 2023: \$54.42.
- March 2023-August 2023: \$51.91
- September 2023-February 2024: \$58.35
- March 2024-August 2024: \$41.96.¹¹

PWD confirmed the discount averages described above but asserted that, in some years, the average discount in the second half of the rate period may be higher than the average discount in the first half of *another* rate period.¹² However, this observation is inconsistent with the most recent past rate period, which reflects a significant increase in TAP participation. Indeed, with increased TAP participation, the data indicates TAP discounts are even more significantly lower in the second half of the rate period.

Furthermore, it is readily apparent that the overall average TAP discount has declined as participation has increased due to IDEA prequalification. Although IDEA prequalification began to significantly impact TAP participation mid-year, in February and March of 2024, the average discount for the period September 2023-August 2024 declined from the prior period's average of \$53.04 to \$46.62.¹³ It is reasonable to conclude that use of the most recently available twelve month data, which reflects high participation levels due to IDEA prequalification for much of the year, is the best indicator of future TAP discount levels.

By way of Rebuttal Testimony, PWD fundamentally modified its rate request, submitting that the new data it made available on April 29, 2025, supported even higher TAP-R rates than it requested in the Advance Notice and retained in its Formal Notice. As discussed more fully below, the Board should not approve rates and charges in excess of those requested via PWD's Advance and Formal Notice. With regard to the average discount, PWD submitted that the most recent seven months of data, September 2024-March 2025 should be utilized, yielding an average discount of \$53.50. Although this revision, alone, supports the Public Advocate's

¹¹ Response to PA-TAP-3-5.

¹² Tr. at 45-48, 53-54.

¹³ Response to PA-TAP-3-4; Tr. at 44.

position that using more months of data is preferable, PWD's suggestion to use seven months of data remains problematic.

As discussed during the Technical Hearing, PWD's use of seven months of data fails to recognize the demonstrably lower average discounts actually experienced by TAP participants during the second six months of each rate period. Indeed, in the most recent period available, March 2024-August 2024, the disparity is significant – as shown above, average discounts in this period were \$41.96. PWD's proposal, which would utilize only one month (March 2025) of the second half of the rate period, overstates the discounts that will actually be necessary during the March 2025-August 2025 timeframe, and by extension, the next rate period. Based on the available data, PWD's overestimation is likely to be very large. As is plainly demonstrated by PWD's Hearing Exhibit I, the monthly average discount amount can range from as low as \$36.62 to as high as \$60.29, yet PWD's approach would simply disregard all of the months in which the discount is lower than \$50. This is simply unreasonable.

Finally, the Public Advocate implores the Board to reject PWD's assertion that a higher "C" factor should be reached based on its assertion that it is in "recovery mode."¹⁴ PWD's past TAP-R revenues provide no justification for disregarding the known and measurable data concerning TAP discounts. The extent to which PWD is or is not collecting sufficient TAP-R revenues¹⁵ provides no support for disregarding known data and distorting the projection of average discounts to inflate the "C" factor in the TAP formula. Indeed, past collections experience is not even relevant to the determination of the "C" factor. The TAP-R formula addresses past recovery by calculating the net over- or under-recovery plus interest, which are reflected in the "E" and "I" factors, respectively, not by unreasonably forecasting future TAP discounts.

For all of the foregoing reasons, the Public Advocate submits that the average discount utilized for the balance of the current rate period and to determine the "C" factor for the twelve months beginning September 1, 2025 should be set at \$48.95.

¹⁴ Tr. at 77, 79 (statements of PWD counsel).

¹⁵ See, e.g., Tr. at 77, 79 (statements of PWD counsel).

B. Twelve Months of Actual Data Should be Used to Project TAP Usage

In its Advance Notice, PWD projects TAP usage, like TAP discounts, based on three months of actual data, utilizing water consumption and total participants over the period September 2024-November 2024. On this basis, PWD projected average TAP usage at 679 cf/month, and predicted usage would be stable for the months January 2025 through August 2026.¹⁶ As with average TAP discounts, utilization of this narrow data set overstates TAP usage. As PWD recognizes, in its Rebuttal Testimony, utilization of data over a more extensive period demonstrates that PWD's Advance Notice projection was overstated. As Schedule RFC-4 to PWD's Rebuttal Testimony demonstrates, expanding the data set to use the most recent seven months of actual usage reduces the average usage estimate to 654 cf/month.¹⁷

For the same reasons discussed above, regarding the average discount, the Public Advocate submits that a full twelve months of actual data should be utilized to calculate the average usage of TAP participants. PWD has not produced any evidence to support a proposition that average TAP usage will exceed historic usage. The table below shows the average TAP usage per month over the most recent twelve months for which PWD has provided actual data:

TAP Usage (CF/mo)	
Apr 2024	570
May 2024	632
Jun 2024	650
Jul 2024	649
Aug 2024	684
Sep 2024	710
Oct 2024	681
Nov 2024	636
Dec 2024	635
Jan 2025	716
Feb 2025	617
Mar 2025	590

¹⁶ PWD Advance Notice, Schedule RFC-3 (identified as "PDF Page 77 of 94").

¹⁷ PWD St. 1R, Schedule RFC-4 at 3.

The data above shows seasonal usage variation which neither PWD's original proposal (utilizing three months of data) nor PWD's revised proposal (utilizing seven months of data) adequately captures. Indeed, PWD's calculated average usage, as presented in its rebuttal position, is higher than four (April, May, June and July) months of the five months of the twelve month period that PWD selectively omits from its calculation. PWD has presented no clear argument in favor of this omission. For these reasons, the Public Advocate urges the Board to utilize a consistent methodology to calculating discounts and usage, availing itself of the most recent twelve months of actual data. Average TAP usage should be set at 647 cf/mo.¹⁸

C. Twelve Months of Actual Data Should be Used to Project TAP Participation

In its Advance Notice, PWD projected TAP participation fluctuating up and down each month from December 2024 through August 2025 and then remaining stable with projected enrollment of 60,827. The Public Advocate, utilizing the data available at the time of its testimony, concluded that PWD's proposed fluctuation in participation was not supported by any discernable trend in the data and PWD's rate of fluctuation in each month was simply manually typed into the underlying spreadsheets without any supporting calculations or disclosed source.¹⁹ Accordingly, PWD's projected stable enrollment of 60,827 was not reflective of the data available.

In contrast, based on the actual TAP participation data from May 2024 through November 2024, Mr. Morgan projected that TAP participation would decline slightly over time.²⁰ Mr. Morgan explained that his recommendation was related to the increased enrollment associated with IDEA prequalification, and his selection of the month of April for a starting period coincided with a drop off in the number of new participants.²¹ With the new data PWD made available on April 29, 2025, Mr. Morgan's recommendation can be updated and adjusted to reflect actual TAP participation from the months of December 2024-March 2025. When these months are included, the average rate of TAP participation over the most recent twelve months increases to 58,796.²²

¹⁸ Due to fractional usage not shown in the table, average usage rounds to 647 cf/mo.

¹⁹ PA St. 1 at 8.

²⁰ PA St. 1 at 9.

²¹ PA St. 1 at 9-10.

²² PWD Hearing Exhibit 1.

There is no dispute that the data shows monthly variation in enrollment. Notwithstanding this fact, however, through its Rebuttal Testimony, PWD now proposes that the single highest month in TAP participation, 64,283 reported for March 2025, be utilized for all future months in the projection period, including the future rate period. As with PWD's use of three months of data to calculate TAP discounts, the use of a single month of participation data, to the exclusion of all other participation data, is unreasonable. PWD's approach significantly overstates TAP enrollment for future months and fails to reflect the majority of actual data available. In addition, as PWD acknowledges, each time it retrieves TAP data from the billing system, the level of participation in past months decreases. The decreases in past months are consistently higher in more recent months, revealing that March 2025's level of participation is likely to be adjusted downward more than any other past month.²³

The Public Advocate submits that the Board should project TAP participation at 58,796 for purposes of establishing TAP-R rates. As shown in the table provided in the following subsection, this sets average TAP participation at a level that represents both a mean and median level of enrollment with respect to the twelve-month period examined. Together with the Public Advocate's calculation of the average TAP discount, the resulting TAP-R rates would be \$3.44/MCF for water and \$5.02/MCF for sewer.

D. Potential Methodology to Project Higher TAP Enrollment

As discussed more fully below, if the Board desires to reflect the possibility of increased TAP enrollment, it should still base its determination on the most recent twelve months of data. If the Board concludes that monthly participation in more recent months may support a higher assumption of enrollment going forward, the Public Advocate still submits that average participation should be lower than the 60,827 originally proposed by PWD in this proceeding. As an alternative to its recommendation to utilize the twelve-month average TAP participation, the Public Advocate has developed a methodology the Board could utilize to support projected enrollment for TAP-R for the next rate period at 60,634.

Consistent with its proposal to utilize twelve months of actual data for purposes of the TAP discount, the Public Advocate submits that utilization of the twelve-month rate of participation is appropriate. However, because a simple average may not reflect increasing

²³ Tr. at 42-43 ("In general, the more recent months will show more movement.").

participation that may be supportable based on the data, and because March 2025 enrollment is not representative of any past months, the Public Advocate has identified a methodology different from that utilized in testimony.²⁴

When comparing levels of monthly TAP participation over the twelve most recent months for which data is available, April 2024-March 2025, participation ranges from 54,155 (June 2024) to 64,283 (March 2025). However, as stated above, the average over this time period is 58,796, which is roughly the mid-point in this range. This indicates that the rate of growth based on the lowest and highest single months would overstate the projection for future enrollment. Likewise a rate of growth based on the first and last months would not be supportable due to the outsized impact of the March 2025 enrollment level. Instead, in order to utilize the full twelve months of most recent data, the Public Advocate has identified the average rate of TAP participation in the lowest six months in this period, as well as the average rate of participation for the highest six months in this period, as shown below.

Month	TAP Participation		Average
Jun 2024	54,155	}	Six lowest 57,013
Nov 2024	56,340		
Apr 2024	57,132		
May 2024	57,574		
Jul 2024	58,308		
Aug 2024	58,568		
Feb 2025	59,037	}	Six highest 60,578
Sep 2024	59,251		
Oct 2024	60,118		
Dec 2024	60,300		
Jan 2025	60,481		
Mar 2025	64,283		

58,796 Mean/Median
(Recommended)

In order to account for growth in TAP participation, the Public Advocate projects an average increase of 3.12% above the twelve-month average of 58,796. This represents half of the approximate 6.25% average higher level of participation reflected in the six highest months TAP participation data. Utilization of half of the approximate 6.25% higher level of

²⁴ As discussed above, the schedule for this proceeding did not accommodate any opportunity to update Mr. Morgan's recommendations, as set forth in his April 21, 2025 testimony. Accordingly, the Public Advocate has updated its recommendations to reflect the April 29, 2025 new data in this Main Brief.

participation consistently for forecast purposes produces the mathematical equivalent level of TAP participants as would be produced if the rate of TAP enrollment (starting from the average level of enrollment the Public Advocate recommends, above) actually increased incrementally to reach 6.25% over a twelve-month period. This mathematical equivalence is shown in the table below (minor difference attributed to rounding).

Comparison of Fixed and Increasing Enrollment (Public Advocate Alternative)													TOTAL (12Mos)
	Month1	Month2	Month3	Month4	Month5	Month6	Month7	Month8	Month9	Month10	Month11	Month12	
<i>Increasing</i>	0.00%	0.57%	1.14%	1.70%	2.27%	2.84%	3.41%	3.98%	4.55%	5.11%	5.68%	6.25%	
Participants	58796	59130	59464	59798	60132	60466	60800	61134	61469	61803	62137	62471	727601
<i>Fixed</i>	-	-	-	-	-	-	-	-	-	-	-	-	
Participants	60634	60634	60634	60634	60634	60634	60634	60634	60634	60634	60634	60634	727608

The Public Advocate submits that a fixed level of TAP participation for the forecast period is appropriate and notes that PWD’s rebuttal position withdraws its suggested fluctuation in enrollment as originally set forth in its Advance Notice. Moreover, the Public Advocate’s alternative proposal, if the Board finds increased average enrollment reasonable for the next rate period, suitably accounts for the demonstrated fluctuation in participation and sets average participation at a level that is higher than eleven of the twelve months of actual data utilized. Accordingly, for purposes of the months April 2025 through August 2026, the Board could reasonably forecast TAP participation at 60,634 per month utilizing the Public Advocate’s alternative methodology.

If the Hearing Officer recommends the Board utilize this methodology or adopt TAP-R rates based on factors other than those set forth in PWD Hearing Exhibit 2, then PWD should be ordered to calculate the TAP-R rates and supply the associated workpapers to the participants in advance of the Board’s Final Determination. This will enable the participants to submit timely and meaningful comments and/or exceptions and identify whether PWD’s calculations present any discrepancies requiring correction.

E. TAP-R Rates Should Not Be Higher Than the Rates Proposed in the Advance Notice

As discussed above, PWD’s requested TAP-R rates set forth in the Advance Notice were unchanged by its Formal Notice. As a consequence, at all times leading up to the submission of PWD’s Rebuttal Testimony, PWD’s requested TAP-R rates were \$3.87/MCF for water and \$5.67/MCF for sewer. In its Rebuttal Testimony, however, PWD presents, for the first time, what appears on its face to be a request for *higher* TAP-R rates than those set forth in its

Advance and Formal Notice. PWD's witnesses specifically state that the TAP-R rates set forth in Schedule BV-6 of \$4.17/MCF for water and \$6.10/MCF for sewer now constitute PWD's "overall request"²⁵ based on a "C" factor utilizing an average discount of \$53.10 and forecasted TAP-R participation levels of 64,283 per month.²⁶ The Public Advocate submits that, although the Board and the participants may permissibly consider and update their positions to reflect data that becomes available after the initial rate filing, the Board may not entertain PWD's request for higher rates and charges than those set forth in its Advance and Formal Notice.

PWD has exclusive and complete control of the amount and nature of its requested increase or change in rates in a proceeding before the Board. Likewise, PWD has exclusive and complete control of the timing of any submission of a request for an increase or change in rates made to the Board. Finally, PWD has exclusive and complete control of the data available from its billing system, and utilized by its experts in formulating any forecasted changes in its rates and charges.²⁷ Making a request to the Board, and identifying the amount of rates and charges requested, commences a rate proceeding in which multiple participants are afforded the right, pursuant to the Board's regulations and fundamental principles of due process, to examine PWD's request and the bases for it, to present testimony regarding PWD's rates and charges (frequently proposing alternatives to PWD's requested rates and charges), to examine witnesses for PWD and other participants on the record of the rate proceeding, and otherwise to seek to appropriately influence the Board's final rate determination. By seeking to increase its requested rates and charges, via Rebuttal Testimony, PWD attempts to impermissibly modify its Advance and Formal Notice, without commencing a new proceeding. Permitting it to charge such higher rates would undermine the rights of all other participants to challenge those rates PWD has requested and which have been the subject of consideration for the overwhelming majority of this proceeding.

It is worth observing that, in rate proceedings before the Pennsylvania Public Utility Commission (PUC), applicable regulations make clear that the PUC will not authorize rates higher than those sought in the public utility's tariff filing. PUC regulation Section 53.45,

²⁵ PWD St. 1R at 16.

²⁶ PWD St. 1R at 19-20.

²⁷ It should be noted that PWD did not, at any time prior to April 29, 2025, seek to update TAP-R data for December 2024-March 2025. PWD was able to file its Advance Notice on February 19, 2025, 81 days after November 30, 2024, the last day of actual data reflected in PWD's filed Schedule RFC-3. Why then could PWD not provide updated information for December 2024 until April 29, 2025, 119 days after December 31, 2024?

regarding notice of new tariffs and tariff changes, requires that utility customers be provided the following information:

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce the existing rates.

By analogy, in this proceeding, the Board should find that its authority to “approve, modify or reject *the proposed rates and charges*”²⁸ does not allow it to approve rates and charges introduced at the rebuttal phase which are higher than those sought in PWD’s Advance and Formal Notices. PWD, like any PUC regulated utility, has the obligation to support the reasonableness of the rates it seeks when it initiates a rate proceeding. Rates in excess of PWD’s request are inherently unreasonable and approving them would undermine the integrity of the rate setting process administered by the Board.

IV. CONCLUSION

The Public Advocate respectfully submits that the Hearing Officer should recommend, and the Board should approve TAP-R rates consistent with the Public Advocate’s recommendations set forth in this Main Brief, to ensure just and reasonable rates for the Small User Customers.

²⁸ Phila. Code §13-101(4)(b)(.4).