

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

Philadelphia Water Department Proposed Changes in Rates and Charges	2025 TAP-R Reconciliation Proceeding
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**REPLY BRIEF OF THE
PHILADELPHIA WATER DEPARTMENT**

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Date: May 23, 2025

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*Appendices A and B were attached to the Department's [Main Brief](#).

I. INTRODUCTION

In its [Main Brief](#), Philadelphia Water Department (“PWD” or “Department”)¹ advanced its proposal to implement the annual reconciliation adjustment to the Tiered Assistance Program (“TAP”) Rate Rider (“TAP-R”) so as to charge revised TAP-R surcharge rates in accordance with the rider approved in this proceeding by the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board” or “Board”).

The Department previously indicated that its preferred or primary position was its amended proposal as shown in column 1 in the table below. The amended proposal can also be found in Schedule RFC-4 and Schedule BV-6 and is summarized in [PWD Hearing Exhibit 2](#) (column 5). Also in its [Main Brief](#), the Department identified the proposal based on the 12-month average of the most recent months of data as an alternate (tertiary) position. *See*, [PWD Hearing Exhibit 2](#) (column 3).

In its [Main Brief](#), the Public Advocate identified the PWD alternate position (based on the 12-month average of the most recent months of data) as a reasonable outcome in this case. *See*, Table 1 below (column 3). In doing so, the Advocate also advanced its first and second alternative methodologies. These alternative methodologies are discussed below (Section III.A.2). Please note that the results of the Advocate’s second alternative methodology for determining the number of participants for the Next Rate Period is more agreeable than the first alternative, which results in the same outcome as calculating the 12-month averages based upon the most recently available data. While the Water Department questions the Public Advocate’s

¹ The Department and Water Revenue Bureau are referred to collectively in this brief, unless the context indicates otherwise.

methodology herein, the resulting figure of 60,634 participants per month, is preferable to participation levels of 58,796 (based upon the 12-month average of the most recent months of data) as it more closely aligns with recent TAP participation levels that are expected to continue for the Next Rate Period.

Table 1 summarizes the relevant positions of the participants at this point in the proceeding.

Table 1: Comparison of Participant Positions				
	Column 1	Column 2	Column 3	Column 4
	Department's Primary Proposal With Modified Cost Allocation	Department's Alternate Proposal With Modified Cost Allocation	Department's Tertiary Proposal (12-Month Average of Most Recent Data)	Public Advocate's Original Proposal Amended Proposal*
Water TAP-R Surcharge	\$4.26 /MCF	\$3.59 /MCF	\$3.44 /MCF	\$2.93 /MCF \$2.98 /MCF*
Wastewater TAP-R Surcharge	\$6.03 /MCF	\$5.07 /MCF	\$5.02 /MCF	\$4.30 /MCF \$4.37 / MCF*
Cost Allocation Between Utilities	43% Water 57% Wastewater		42% Water 58% Wastewater	

The Department's alternate proposal (hereafter referred to as "Department's Alternate Proposal") is that the proposed rates shown in Table 1 (column 2) above present a reasonable resolution for this proceeding based on the Public Advocate's second alternative methodology for determining the number of participants for the Next Rate Period and the 12-month average of the

most recent months of data for the average discount and usage per TAP participant and water and wastewater billed volumes for non-TAP customers (S-Factor).

Simply stated, the Department proposes that the Rate Board accept PWD's Alternate Proposal for service rendered on and after September 1, 2025, as modified by the Stipulation. The effect is an increase in water and wastewater TAP-R surcharges, as summarized in Table 2 below.

The Department's position is that the proposed rates contained in the Department's Alternate Proposal present a potential resolution for this proceeding that is based on 12-months of the most recent months of data. That potential resolution (i) provides a fair, just and reasonable TAP-R reconciliation adjustment; (ii) is supported by the record; (iii) is in compliance with all applicable ordinances; and (iv) is in the best interest of the Department and its customers.

Specifically, the Department proposes that the Rate Board accept, without modification, the proposed TAP-R rates contained in the Department's Alternate Proposal for service rendered on and after September 1, 2025 as modified by the Stipulation. The effect is an increase in water and wastewater TAP-R surcharges, as summarized in Table 2 below.

Table 2: Current TAP-R Rates and Proposed TAP-R Rates		
	Current	Department's Alternate Proposal With Modified Cost Allocation
	2025 TAP Rate Determination	Appendix C
Water TAP-R Surcharge	\$3.08 /MCF	\$3.59 /MCF
Wastewater TAP-R Surcharge	\$4.40 /MCF	\$5.07 /MCF
Cost Allocation Between Utilities	42% Water 58% Wastewater	43% Water 57% Wastewater

II. LEGAL STANDARDS

Section II of the Department's [Main Brief](#) is incorporated herein by reference.

III. THE PROPOSED TAP-R ADJUSTMENT

A. Annual Adjustment Issues Raised by the Public Advocate

Following submission of the PWD and the Public Advocate [main briefs](#), a clear path of potential resolution emerged. That path recognizes utilization of 12-months of the most recent months of data is central to a resolution of this matter. This Reply Brief supports the use of the most recent 12-months of data, as discussed below.

1. Points of Potential Resolution

Without waiver of the Department's prior positions, PWD's Alternate Proposal shown in Table 1 (column 2) presents a potential resolution of this reconciliation proceeding. Please note that the Advocate's [Main Brief](#) utilizes averages of the most recent twelve months. See PA [Main](#)

[Brief](#) at 2, 4-9. The Advocate’s proposed averages are the same as column 3 in Table 1 above. The data shown in column 3 is based on PWD Hearing Exhibit 2 for the same (1) Projected Number of TAP Participants, (2) projected Average Discount Per TAP Participant; (3) Projected Usage Per TAP Participant, all as set forth in [PWD Hearing Exhibit 2](#) (column 3). See PA [Main Brief](#) at 2, 4-9. PWD’s Alternate Proposal shown in Table 1 (column 2) builds on this alignment and incorporates the Public Advocate’s alternate approach for projected average TAP participants since it better aligns with actual TAP participation in the most recent months of the Department’s actual experience.

Note that the [stipulated resolutions](#) (agreed to by the Advocate and the Department) **require** adjustment to the surcharges presented by both the Department and the Public Advocate (as presented in columns 3 and 4 of Table 1). Those surcharges do not reflect the impact of the stipulated resolutions on the projected cost allocation between water and wastewater.

Assuming (i) the Public Advocate’s alternate approach for projected average TAP participants; (ii) the 12-month average of the most recent months of data for the average discount and usage per TAP participant and water and wastewater billed volumes for non-TAP customers (S-Factor); and (iii) the [Stipulation](#) are accepted by the Rate Board, the final surcharge rates using the stipulated cost allocation are shown in Appendix C and are summarized in Table 3 below.

Table 3: PWD Alternative Proposal	
Source: Appendix C Adjusted for Cost Allocation Between Utilities	
Water TAP-R Surcharge	\$3.59 /MCF
Sewer TAP-R Surcharge	\$5.07 /MCF
Average TAP Participants	60,634
Average monthly discount per TAP Participant	\$48.95

Cost allocation between utilities	43% water 57% wastewater
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Please also note that the Public Advocate’s testimony and exhibits in this proceeding did not propose any changes to the Department’s projected water and wastewater billed volumes for the Next Rate Period which are included in the TAP-R Formula as the S-Factor.² During the technical hearings, the basis of the S-Factor projections was discussed, whereupon the Public Advocate witness indicated “If I were doing the update today, I would use the most recent updated numbers, which would capture 12 months.” Transcript at page 75 lines 1 to 3. There is no disagreement between the participants as to this issue.

2. The Advocate’s Proposed Alternative Methodologies for Projecting the Number of TAP Participants in the Next Rate Period

The Advocate’s primary position utilizes averages of the most recent twelve months. *See* PA [Main Brief](#) at 2, 4-9. That primary position projects **58,796** as the fixed number of TAP Participants in the Next Rate Period, as discussed above.

In addition to that position, Part II.D of the Advocate’s [Main Brief](#) advances two alternative methodologies for the projection of the fixed number of TAP Participants in the Next Rate Period (September 2025 to August 2026).

The Advocate’s **first alternative methodology projects 58,796** as the fixed number of TAP Participants in the Next Rate Period. [PA Main Brief](#) at 9-11. This first alternative arranges the data and uses averages as well as a median to project the fixed number of TAP Participants in the Next Rate Period. [PA Main Brief](#) at 9-11. The Advocate desires to arrange the most recent

² The Department utilized 12 months of actual data for the basis of the S-Factor in both PWD’s original filing (see Schedule BV-1) and its updated version submitted with rebuttal (see Schedule BV-6). The S Factor should be based upon the most currently available data. PWD’s methodology and position, as to this issue, are uncontested in the record.

twelve months of data from lowest to highest levels of TAP participation. The Advocate then calculates averages for the “six lowest” months and the “six highest” months. The Advocate then determines the median between the two averages, to reach 58,796.

The need for the Advocate’s first alternative methodology is unclear. The Advocate expresses concern that the March 2025 enrollment is not representative of any past months. [PA Main Brief](#) at 9-10. So, the Advocate is looking for ways to mitigate “the outsized impact” of the March 2025 enrollment level. The Advocate’s first alternative does not do that, because it uses the March 2025 enrollment and reaches the same result column 3 of [PWD Hearing Exhibit 2](#).

The Advocate’s **second alternative methodology projects 60,634** as the fixed number of TAP Participants in the Next Rate Period. [PA Main Brief](#) at 9-11. This second alternative methodology incrementally increases TAP enrollment for the Next Rate Period. The suggested increments are shown in a table on page 11 of the Advocate’s [Main Brief](#). The end result (60,634) is a higher result than the Advocate’s first alternative methodology (58,796) and is the nearly the same as the Department’s original position in this proceeding (60,827).

The need for Advocate’s second alternative methodology is unclear. The second methodology reaches the same results as the Department’s projections in column 4 of [PWD Hearing Exhibit 2](#). That projection was based on 3 months of actual data. The testimony submitted on behalf of the Advocate rejected those results from column 4 of PWD Hearing Exhibit 2. It is unclear why that same result is acceptable because a different methodology was used to reach that result. It is also unclear why the Public Advocate supports this second methodology over the projections based on the 12-month averages of data that were presented in its testimony.

The Advocate did not calculate the impacts of either of its alternative methodologies. The Advocate recommends that if the Hearing Officer recommends the use of either of its alternative methodologies, the Hearing Officer should order the Department 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.

PWD notes that the results of the Public Advocate's second alternative methodology for determining the number of participants for the Next Rate Period is preferable to its first alternative methodology. Although the Department questions the Advocate's second alternative methodology (per discussion above), the resulting figure of 60,634 participants per month more closely aligns with PWD's original proposal as well as better reflects recent participation levels that are expected to continue for the Next Rate Period.

3. Limits on Reconciliation Proposed by the Advocate

The Advocate argues against the adoption of the Department's amended proposal (advanced as our preferred position in the [PWD Main Brief](#)). The reasons supporting PWD's preferred position were addressed in our [Main Brief](#). Those reasons are incorporated herein by reference.

The Advocate's [Main Brief](#) reliance on 52 Pa.Code § [53.45](#) (notice of new tariffs and tariff changes) is misplaced. The quotation provided does not create an apt analogy to this reconciliation proceeding. The quotation is an excerpt from the customer notice required for general rate increases under 52 Pa.Code § 53.45(b)(1)(i). It does not relate to the notice of other (non-general) rate proceedings, which are governed under 52 Pa.Code § 53.45(g). Nothing in

either of those requirements limits the final rate request to the original amount requested.³ The Advocate cited no legal authority applicable to the Rate Board or the Department to create a “ceiling” on proposed rates and charges, other the Rate Board’s power to modify the rates and charges proposed by the Department. The evidence can drive a different result,⁴ especially in a reconciliation proceeding to prevent potential under-recovery that will need to be paid by (future) customers for discounts provided to (current) customers.

B. Annual Adjustment Issues Raised by Other Participants

None of the Non-Advocate Participants (i.e., PLUG, Mr. Haver and Mr. Skiendzielewski) filed main briefs.

IV. CONCLUSION

For all of the reasons stated in this Reply Brief (together with the facts and information contained in the record), the Department respectfully requests that the Hearing Officer recommend that (1) the Rate Board find that the rates and charges proposed by the Department are supported by the record, are in compliance with the Rate Ordinance and other applicable requirements and therefore should be permitted to be placed in effect for service rendered on and after September 1, 2025; (2) the Rate Board reject any remaining issues, proposals, modifications and/or adjustments by the other participants hereto; and (3) the Rate Board authorize the Department to file revised TAP-R rates and charges as contained in the Department’s Alternate

³ Utilities have voluntarily limited their requests to their original filings. *See, e.g., Potomac Elec. Power Co.*, D.C. P.S.C., Order entered February 27, 1990, 11 D.C. P.S.C. 1379443; 8891990 WL 509763.

⁴ *Investigation into Green Mountain Power Corporation's tariff filing requesting an overall rate increase in the amount of 4.98%, to take effect January 1, 2018*, Vermont Public Utility Commission Case No. 17-3112-INV, Order entered December 21, 2017; 2017 WL 6730085 (Vt.P.S.B.)

Proposal as set forth in Table 2 after adjustment for service rendered on and after September 1, 2025.

Respectfully submitted,

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Dated: May 23, 2025

Counsel to Philadelphia Water Department

Table 1 - Calculation of TAP Rider Rates Effective September 01, 2025 (FY 2026)

		TOTAL	Water	Wastewater
		Amount	Amount	Amount
(1)	C = Projected TAP Billing Loss ^a	\$ 35,615,662	\$ 15,314,734	\$ 20,300,927
(2)	E = Experienced & Estimated Net Over/Under Collection ^b	\$ (8,387,623)	\$ (3,538,857)	\$ (4,848,766)
(3)	I = Interest on Experienced & Estimated Net Over/Under Collection ^c	\$ (184,034)	\$ (77,685)	\$ (106,349)
(4)	Net Recoverable Costs ^d : (C) - (E + I)	\$ 44,187,318	\$ 18,931,276	\$ 25,256,042
(5)	S = Projected Non-TAP Sales for Next Rate Period (MCF) ^e		5,274,429	4,976,897
(6)	TAP-R Surcharge^f: (4)/(5)		\$ 3.59 /MCF	\$ 5.07 /MCF

- Notes:
- ^a Recoverable TAP Billing Loss for the Next Rate Period. Refer to Table 2 for additional information.
 - ^b Actual TAP Discounts versus TAP Revenue Collection for the Most Recent Period. Refer to Tables 3-W and 3-WW for further information.
 - ^c Simple Annual Interest on Net Over/Under Collection for the Most Recent Period. Refer to Tables 4-W and 4-WW for further information. Interest rate of 4.17% as of January 02, 2025.
 - ^d Net Recoverable Costs.
 - ^e Estimated water and sewer sales for Non-TAP Customers for the Next Rate Period based upon the average monthly Non-TAP sales volume for the 12 month period of April 2024 to March 2025. Next Rate Period is assumed to be September 01, 2025 to August 31, 2026.
 - ^f TAP-R Surcharge for the Next Rate Period.

Philadelphia Water Department
Table 2 - Projected TAP Lost Revenue (C-Factor) for Next Rate Period

Period	September 01, 2025 through August 31, 2026				Water 43%	Wastewater 57%
(1)	Projected TAP Billing Loss ^a	\$	35,615,662	\$	15,314,734	\$ 20,300,927

Notes:

^a Projected TAP Billing Loss based upon the Projected Average Monthly Number of TAP Participants of 60,634 and the Average TAP Discount per Participant of \$48.95.

^b Allocation between Water and Wastewater per PWD Regulations - Rates and Charges Effective September 1, 2024 Section 10.1(a)(i) and Section 10.1(a)(ii).

Philadelphia Water Department								
Table 3-W - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period								
Billing Period	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants \$ 3.080 (3) = (2) * \$ 3.080/Mcf	Adjusted Actual TAP Discounts (Credits) \$ 96.99% (4) = [(1) - (3)] * 0.9699	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales \$ 3.080 (6) = (5) * \$ 3.080/Mcf	Estimated TAP-R Revenues Experienced 96.99% (7) = (6) * 0.9699	Over/(Under) Collection (8) = (7) - (4)
(1)	(2)				(5)			
Prior E & I Factor Adjustments								\$ (5,189,622)
(a) Sep-24	\$ 1,337,050	42,054	\$ 129,528	\$ 1,171,175	490,922	\$ 1,512,040	\$ 1,466,528	\$ 295,352
(a) Oct-24	\$ 1,423,249	40,944	\$ 126,106	\$ 1,258,099	458,133	\$ 1,411,049	\$ 1,368,576	\$ 110,478
(a) Nov-24	\$ 1,251,489	35,813	\$ 110,303	\$ 1,106,836	424,734	\$ 1,308,181	\$ 1,268,805	\$ 161,968
(a) Dec-24	\$ 1,337,359	38,296	\$ 117,952	\$ 1,182,703	428,038	\$ 1,318,356	\$ 1,278,673	\$ 95,970
(a) Jan-25	\$ 1,531,585	43,310	\$ 133,396	\$ 1,356,103	446,982	\$ 1,376,703	\$ 1,335,264	\$ (20,839)
(a) Feb-25	\$ 1,257,333	36,414	\$ 112,155	\$ 1,110,708	389,904	\$ 1,200,903	\$ 1,164,756	\$ 54,048
(a) Mar-25	\$ 1,295,616	37,906	\$ 116,750	\$ 1,143,382	394,954	\$ 1,216,459	\$ 1,179,844	\$ 36,462
(e) Apr-25	\$ 1,208,753	38,067	\$ 117,247	\$ 1,058,652	439,536	\$ 1,353,770	\$ 1,313,022	\$ 254,370
(e) May-25	\$ 1,208,753	38,067	\$ 117,247	\$ 1,058,652	439,536	\$ 1,353,770	\$ 1,313,022	\$ 254,370
(e) Jun-25	\$ 1,208,753	38,067	\$ 117,247	\$ 1,058,652	439,536	\$ 1,353,770	\$ 1,313,022	\$ 254,370
(e) Jul-25	\$ 1,208,753	38,067	\$ 117,247	\$ 1,058,652	439,536	\$ 1,353,770	\$ 1,313,022	\$ 254,370
(e) Aug-25	\$ 1,208,753	38,067	\$ 117,247	\$ 1,058,652	439,536	\$ 1,353,770	\$ 1,313,022	\$ 254,370
Total	\$ 15,477,445	465,072	\$ 1,432,425	\$ 13,622,265	5,231,344	\$ 16,112,541	\$ 15,627,554	\$ (3,184,333)
Adjustment for Prior Estimates								\$ (354,524)

From Table 3-W-A

Notes:

- (a) - Actuals
(e) - Estimated

(1) - TAP Actual Discounts reflect water's 42.0% allocated portion of the Total TAP Discount.

(2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Rafterlis. Refer to RFC-3.

(3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2024 Section 10.3(a)(1).

(4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2024 Section 10.1(b)(3).

(5) - Estimated Non-TAP water sales volumes for April 2025 through August 2025 are based upon average sales for prior 12 month period.

(8) - Over/(Under) Collection is based upon Rates that are inclusive of Prior E-Factor and I-Factor. The presented "Prior E & I Factor Adjustments" includes these amounts from 2024 Annual Rate Adjustment.

Total E-Factor Recovery \$ (3,538,857)

Line 2 in Summary Table

Philadelphia Water Department								
Table 3-WW - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period								
Billing Period	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants \$ 4.400 (3) = (2) * \$ 4.400/Mcf	Adjusted Actual TAP Discounts (Credits) \$ 96.99% (4) = [(1) - (3)] * 0.9699	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales \$ 4.400 (6) = (5) * \$ 4.400/Mcf	Estimated TAP-R Revenues Experienced 96.99% (7) = (6) * 0.9699	Over/(Under) Collection (8) = (7) - (4)
(1)	(2)				(5)			
Prior E & I Factor Adjustments								\$ (6,713,206)
(a) Sep-24	\$ 1,846,402	42,020	\$ 184,887	\$ 1,611,503	461,020	\$ 2,028,486	\$ 1,967,429	\$ 355,925
(a) Oct-24	\$ 1,965,439	40,906	\$ 179,986	\$ 1,731,711	430,672	\$ 1,894,958	\$ 1,837,920	\$ 106,209
(a) Nov-24	\$ 1,728,247	35,778	\$ 157,425	\$ 1,523,540	401,299	\$ 1,765,716	\$ 1,712,568	\$ 189,028
(a) Dec-24	\$ 1,846,830	38,263	\$ 168,355	\$ 1,627,953	406,659	\$ 1,789,301	\$ 1,735,443	\$ 107,490
(a) Jan-25	\$ 2,115,046	43,280	\$ 190,431	\$ 1,866,684	424,665	\$ 1,868,527	\$ 1,812,284	\$ (54,399)
(a) Feb-25	\$ 1,736,316	36,386	\$ 160,097	\$ 1,528,775	374,138	\$ 1,646,207	\$ 1,596,656	\$ 67,881
(a) Mar-25	\$ 1,789,184	37,877	\$ 166,658	\$ 1,573,688	373,030	\$ 1,641,334	\$ 1,591,930	\$ 18,242
(e) Apr-25	\$ 1,669,230	38,067	\$ 167,495	\$ 1,456,533	414,741	\$ 1,824,862	\$ 1,769,934	\$ 313,401
(e) May-25	\$ 1,669,230	38,067	\$ 167,495	\$ 1,456,533	414,741	\$ 1,824,862	\$ 1,769,934	\$ 313,401
(e) Jun-25	\$ 1,669,230	38,067	\$ 167,495	\$ 1,456,533	414,741	\$ 1,824,862	\$ 1,769,934	\$ 313,401
(e) Jul-25	\$ 1,669,230	38,067	\$ 167,495	\$ 1,456,533	414,741	\$ 1,824,862	\$ 1,769,934	\$ 313,401
(e) Aug-25	\$ 1,669,230	38,067	\$ 167,495	\$ 1,456,533	414,741	\$ 1,824,862	\$ 1,769,934	\$ 313,401
Total	\$ 21,373,614	464,844	\$ 2,045,314	\$ 18,746,519	4,945,191	\$ 21,758,839	\$ 21,103,898	\$ (4,355,827)
Adjustment for Prior Estimates								\$ (492,939)

From Table 3-WW-A

Notes:

- (a) - Actuals
(e) - Estimated

(1) - TAP Actual Discounts reflects water's 58.0% allocated portion of the Total TAP Discount.

(2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Rafterlis. Refer to RFC-3.

(3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2024 Section 10.3(b)(1).

(4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2024 Section 10.1(b)(3).

(5) - Estimated Non-TAP water sales volumes for April 2025 through August 2025 are based upon average sales for prior 12 month period.

(8) - Over/(Under) Collection is based upon Rates that are inclusive of Prior E-Factor and I-Factor. The presented "Prior E & I Factor Adjustments" includes these amounts from 2024 Annual Rate Adjustment.

Total E-Factor Recovery \$ (4,848,766)

Line 2 in Summary Table

TAP Rate Rider
Effective September 1, 2025

TAP Rider Reconciliation Calculations

Philadelphia Water Department									
Table 3-W-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period									
Prior Reconciliation Period with Updated Actuals									
Billing Period	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants \$ 0.150	Adjusted Actual TAP Discounts (Credits) 96.99%	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced 96.99%	Over/(Under) Collection	
	(1)	(2)	(3) = (2) * \$ 0.150/Mcf	(4) = [(1) - (3)] * 0.9699	(5)	(6) = (5) * \$ 0.150/Mcf	(7) = (6) * 0.9699	(8) = (7) - (4)	
Prior E & I Factor Adjustments								\$ 3,134,517	
Sep-23	\$ 519,366	15,848	\$ 2,377	\$ 501,427	523,650	\$ 78,548	\$ 76,183	\$ (425,244)	\$ 3,134,517
Oct-23	\$ 501,703	14,421	\$ 2,163	\$ 484,504	441,095	\$ 66,164	\$ 64,173	\$ (420,331)	\$ (425,244) \$ (0)
Nov-23	\$ 532,517	15,244	\$ 2,287	\$ 514,270	443,823	\$ 66,573	\$ 64,570	\$ (449,700)	\$ (420,331) \$ 0
Dec-23	\$ 540,734	15,420	\$ 2,313	\$ 522,214	442,897	\$ 66,435	\$ 64,435	\$ (457,779)	\$ (449,701) \$ 0
Jan-24	\$ 561,600	16,008	\$ 2,401	\$ 542,367	454,930	\$ 68,239	\$ 66,185	\$ (476,182)	\$ (457,779) \$ (0)
Feb-24	\$ 640,224	19,370	\$ 2,905	\$ 618,135	436,223	\$ 65,433	\$ 63,464	\$ (554,671)	\$ (476,182) \$ 0
Mar-24	\$ 848,599	30,047	\$ 4,507	\$ 818,685	404,940	\$ 60,741	\$ 58,913	\$ (759,772)	\$ (554,672) \$ 0
Apr-24	\$ 878,597	32,580	\$ 4,887	\$ 847,411	394,676	\$ 59,201	\$ 57,419	\$ (789,992)	\$ (759,772) \$ (0)
May-24	\$ 993,605	36,384	\$ 5,458	\$ 958,404	438,491	\$ 65,774	\$ 63,794	\$ (894,610)	\$ (841,464) \$ 51,473
Jun-24	\$ 986,801	35,178	\$ 5,277	\$ 951,980	436,156	\$ 65,423	\$ 63,454	\$ (888,526)	\$ (841,464) \$ (53,145)
Jul-24	\$ 1,065,360	37,847	\$ 5,677	\$ 1,027,786	494,715	\$ 74,207	\$ 71,974	\$ (955,813)	\$ (841,464) \$ (47,061)
Aug-24	\$ 1,146,993	40,079	\$ 6,012	\$ 1,106,637	506,792	\$ 76,019	\$ 73,731	\$ (1,032,907)	\$ (841,464) \$ (114,348)
Total	\$ 9,216,096	308,425	\$ 46,264	\$ 8,893,820	5,418,386	\$ 812,758	\$ 788,294	\$ (4,971,009)	\$ (841,464) \$ (191,442)
Total								\$ (4,971,009)	\$ (4,616,485) \$ (354,524)

Notes:

- (1) - TAP Actual Discounts reflect water's 42.0% allocated portion of the Total TAP Discount.
- (2) - Updated TAP Discounts and billed sales volume to reflect actuals for April 2024 through August 2024 as provided by Raffelis. Refer to Schedule RFC-3.
- (3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.1(b)(3).
- (5) - Billed Non-TAP Water Sales, updated to reflect actual billed water sales volumes for April 2024 through August 2024.
- (8) - Updated Over/(Under) Collection
- (9) - Over/(Under) Collection for September 2023 to August 2024 as calculated during the prior TAP-R Reconciliation Determination.
- (10) - Difference between Updated Over/(Under) Collection and Original Estimates.

Philadelphia Water Department									
Table 3-WW-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period									
Prior Reconciliation Period with Updated Actuals									
Billing Period	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants \$ 0.240	Adjusted Actual TAP Discounts (Credits) 96.99%	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced 96.99%	Over/(Under) Collection	
	(1)	(2)	(3) = (2) * \$ 0.240/Mcf	(4) = [(1) - (3)] * 0.9699	(5)	(6) = (5) * \$ 0.240/Mcf	(7) = (6) * 0.9699	(8) = (7) - (4)	
Prior E & I Factor Adjustments								\$ 4,689,002	
Sep-23	\$ 717,219	15,844	\$ 3,802	\$ 691,943	492,841	\$ 118,282	\$ 114,722	\$ (577,221)	\$ 4,689,002
Oct-23	\$ 692,828	14,414	\$ 3,459	\$ 668,618	420,550	\$ 100,932	\$ 97,894	\$ (570,724)	\$ (577,222) \$ 0
Nov-23	\$ 735,380	15,239	\$ 3,657	\$ 709,698	422,652	\$ 101,437	\$ 98,384	\$ (611,314)	\$ (570,725) \$ 0
Dec-23	\$ 746,727	15,415	\$ 3,700	\$ 720,663	423,419	\$ 101,621	\$ 98,562	\$ (622,100)	\$ (611,315) \$ 0
Jan-24	\$ 775,543	16,003	\$ 3,841	\$ 748,474	423,003	\$ 101,521	\$ 98,465	\$ (650,009)	\$ (622,100) \$ (0)
Feb-24	\$ 884,118	19,362	\$ 4,647	\$ 852,999	417,931	\$ 100,303	\$ 97,284	\$ (755,715)	\$ (650,008) \$ (0)
Mar-24	\$ 1,171,875	30,027	\$ 7,207	\$ 1,129,612	385,257	\$ 92,462	\$ 89,679	\$ (1,039,933)	\$ (755,715) \$ (0)
Apr-24	\$ 1,213,300	32,552	\$ 7,812	\$ 1,169,203	374,328	\$ 89,839	\$ 87,135	\$ (1,082,068)	\$ (1,039,932) \$ (0)
May-24	\$ 1,372,121	36,354	\$ 8,725	\$ 1,322,358	413,180	\$ 99,163	\$ 96,178	\$ (1,226,180)	\$ (1,152,032) \$ 69,964
Jun-24	\$ 1,362,725	35,146	\$ 8,435	\$ 1,313,526	410,207	\$ 98,450	\$ 95,487	\$ (1,218,039)	\$ (1,226,180) \$ (74,148)
Jul-24	\$ 1,471,211	37,805	\$ 9,073	\$ 1,418,127	464,045	\$ 111,371	\$ 108,019	\$ (1,310,109)	\$ (1,152,032) \$ (66,007)
Aug-24	\$ 1,583,943	40,037	\$ 9,609	\$ 1,526,947	473,601	\$ 113,664	\$ 110,243	\$ (1,416,704)	\$ (1,310,109) \$ (158,077)
Total	\$ 12,726,990	308,197	\$ 73,967	\$ 12,272,167	5,121,013	\$ 1,229,045	\$ 1,192,051	\$ (6,391,114)	\$ (1,416,704) \$ (264,672)
Total								\$ (6,391,114)	\$ (5,898,175) \$ (492,939)

Notes:

- (1) - TAP Actual Discounts reflects sewer's 58.0% allocated portion of the Total TAP Discount.
- (2) - Updated TAP Discounts and billed sales volume to reflect actuals for April 2024 through August 2024 as provided by Raffelis. Refer to Schedule RFC-3.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.1(b)(3).
- (5) - Updated to reflect actual billed water sales volumes for April 2024 through August 2024.
- (8) - Updated Over/(Under) Collection
- (9) - Over/(Under) Collection for September 2023 to August 2024 as calculated during the prior TAP-R Reconciliation Determination.
- (10) - Difference between Updated Over/(Under) Collection and Original Estimates.

Philadelphia Water Department						
Table 4 -W - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period						
Billing Period	Difference in Collection Water Portion From Table 3-W (1)	Billed Non-TAP Water Sales (Mcf) From Table 3-W (2)	Anticipated E+I Recovery Water Portion \$ (0.969) (3) = (2) * \$ -0.969/Mcf	Remaining E+I Recovery Water Portion (4) = (3) + (1)	Cumulative Over/(Under) Collection Relative to Revenue Requirements Water Portion (5)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (6) = (5) * [4.17% / 12]
Sep-24	\$ 295,352	490,922	\$ (475,913)	\$ (180,560)	\$ (180,560)	\$ (627.45)
Oct-24	\$ 110,478	458,133	\$ (444,126)	\$ (333,648)	\$ (514,209)	\$ (1,786.88)
Nov-24	\$ 161,968	424,734	\$ (411,748)	\$ (249,780)	\$ (763,989)	\$ (2,654.86)
Dec-24	\$ 95,970	428,038	\$ (414,951)	\$ (318,981)	\$ (1,082,969)	\$ (3,763.32)
Jan-25	\$ (20,839)	446,982	\$ (433,316)	\$ (454,155)	\$ (1,537,124)	\$ (5,341.51)
Feb-25	\$ 54,048	389,904	\$ (377,983)	\$ (323,935)	\$ (1,861,059)	\$ (6,467.18)
Mar-25	\$ 36,462	394,954	\$ (382,879)	\$ (346,417)	\$ (2,207,476)	\$ (7,670.98)
Apr-25	\$ 254,370	439,536	\$ (426,097)	\$ (171,728)	\$ (2,379,204)	\$ (8,267.73)
May-25	\$ 254,370	439,536	\$ (426,097)	\$ (171,728)	\$ (2,550,931)	\$ (8,864.49)
Jun-25	\$ 254,370	439,536	\$ (426,097)	\$ (171,728)	\$ (2,722,659)	\$ (9,461.24)
Jul-25	\$ 254,370	439,536	\$ (426,097)	\$ (171,728)	\$ (2,894,387)	\$ (10,057.99)
Aug-25	\$ 254,370	439,536	\$ (426,097)	\$ (171,728)	\$ (3,066,114)	\$ (10,654.75)
Total					\$	\$ (75,618)
Adjustment for Prior Estimates						\$ (2,066)
Total I-Factor Recovery						\$ (77,685)

Line 3 in Summary Table

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-W.
- (2) Billed Water Sales Volume from Column 5 - Table 3-W.
- (3) Anticipated Water Portion of E+I Recovery based upon the rate component of the 2024 TAP-R Determination.
- (4) Remaining E+I to be recovered.
- (6) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 02, 2025.

Philadelphia Water Department						
Table 4 -WW - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period						
Billing Period	Difference in Collection Sewer Portion From Table 3-WW (1)	Billed Non-TAP Sewer Volume (Mcf) From Table 3-WW (2)	Anticipated E+I Recovery Sewer Portion \$ (1.324) (3) = (2) * \$ -1.324/Mcf	Remaining E+I Recovery Sewer Portion (4) = (3) + (1)	Cumulative Over/(Under) Collection Relative to Revenue Requirements Sewer Portion (5)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (6) = (5) * [4.17% / 12]
Sep-24	\$ 355,925	461,020	\$ (610,316)	\$ (254,391)	\$ (254,391)	\$ (884.01)
Oct-24	\$ 106,209	430,672	\$ (570,142)	\$ (463,933)	\$ (718,324)	\$ (2,496.18)
Nov-24	\$ 189,028	401,299	\$ (531,256)	\$ (342,228)	\$ (1,060,552)	\$ (3,685.42)
Dec-24	\$ 107,490	406,659	\$ (538,352)	\$ (430,862)	\$ (1,491,414)	\$ (5,182.66)
Jan-25	\$ (54,399)	424,665	\$ (562,189)	\$ (616,588)	\$ (2,108,002)	\$ (7,325.31)
Feb-25	\$ 67,881	374,138	\$ (495,299)	\$ (427,418)	\$ (2,535,421)	\$ (8,810.59)
Mar-25	\$ 18,242	373,030	\$ (493,833)	\$ (475,591)	\$ (3,011,011)	\$ (10,463.26)
Apr-25	\$ 313,401	414,741	\$ (549,052)	\$ (235,651)	\$ (3,246,662)	\$ (11,282.15)
May-25	\$ 313,401	414,741	\$ (549,052)	\$ (235,651)	\$ (3,482,313)	\$ (12,101.04)
Jun-25	\$ 313,401	414,741	\$ (549,052)	\$ (235,651)	\$ (3,717,964)	\$ (12,919.92)
Jul-25	\$ 313,401	414,741	\$ (549,052)	\$ (235,651)	\$ (3,953,615)	\$ (13,738.81)
Aug-25	\$ 313,401	414,741	\$ (549,052)	\$ (235,651)	\$ (4,189,266)	\$ (14,557.70)
Total					\$	\$ (103,447)
Adjustment for Prior Estimates						\$ (2,902)
Total I-Factor Recovery						\$ (106,349)

Line 3 in Summary Table

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-WW.
- (2) Billed Water Sales Volume from Column 5 - Table 3-WW.
- (3) Anticipated Sewer Portion of E+I Recovery based upon the rate component of the 2024 TAP-R Determination.
- (4) Remaining E+I to be recovered.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 02, 2025.

Philadelphia Water Department					
Table 4 -W-A - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period					
Billing Period	Prior Reconciliation Period with Updated Actuals			Original Estimates	Adjustment
	Difference in Collection Water Portion From Table 3-W-A (1)	Cumulative Over/(Under) Collection Water Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (3) = (2) * [4.80% / 12]	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (4)	Cumulative Over/(Under) Collection Water Portion (5) = (3) - (4)
Sep-23	\$ (425,244)	\$ (425,244)	\$ (1,700.98)	\$ (1,700.97)	\$ (0.00)
Oct-23	\$ (420,331)	\$ (845,575)	\$ (3,382.30)	\$ (3,382.30)	\$ (0.00)
Nov-23	\$ (449,700)	\$ (1,295,275)	\$ (5,181.10)	\$ (5,181.10)	\$ 0.00
Dec-23	\$ (457,779)	\$ (1,753,055)	\$ (7,012.22)	\$ (7,012.22)	\$ (0.00)
Jan-24	\$ (476,182)	\$ (2,229,236)	\$ (8,916.94)	\$ (8,916.95)	\$ 0.00
Feb-24	\$ (554,671)	\$ (2,783,907)	\$ (11,135.63)	\$ (11,135.63)	\$ 0.00
Mar-24	\$ (759,772)	\$ (3,543,680)	\$ (14,174.72)	\$ (14,174.72)	\$ 0.00
Apr-24	\$ (789,992)	\$ (4,333,671)	\$ (17,334.69)	\$ (17,540.58)	\$ 205.89
May-24	\$ (894,610)	\$ (5,228,281)	\$ (20,913.12)	\$ (20,906.44)	\$ (6.69)
Jun-24	\$ (888,526)	\$ (6,116,807)	\$ (24,467.23)	\$ (24,272.29)	\$ (194.93)
Jul-24	\$ (955,813)	\$ (7,072,620)	\$ (28,290.48)	\$ (27,638.15)	\$ (652.33)
Aug-24	\$ (1,032,907)	\$ (8,105,526)	\$ (32,422.11)	\$ (31,004.01)	\$ (1,418.10)
Total		\$	\$ (174,932)	\$ (172,865)	\$ (2,066)
Total			\$	\$ (172,865)	\$ (2,066)

Adjustment for Prior Estimates
Included in Table 4-W

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-W-A.
 (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 02, 2024.
 (4) Difference in collection from Total of Column 8 - Table 3-W (Prior Reconciliation).

Philadelphia Water Department					
Table 4 -WW-A - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period					
Billing Period	Prior Reconciliation Period with Updated Actuals			Original Estimates	Adjustment
	Difference in Collection Sewer Portion From Table 3-WW-A (1)	Cumulative Over/(Under) Collection Sewer Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (3) = (2) * [4.80% / 12]	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (4)	Delta Prior Period Estimates (5) = (3) - (4)
Sep-23	\$ (577,221)	\$ (577,221)	\$ (2,308.89)	\$ (2,308.89)	\$ 0.00
Oct-23	\$ (570,724)	\$ (1,147,946)	\$ (4,591.78)	\$ (4,591.79)	\$ 0.00
Nov-23	\$ (611,314)	\$ (1,759,260)	\$ (7,037.04)	\$ (7,037.04)	\$ 0.00
Dec-23	\$ (622,100)	\$ (2,381,360)	\$ (9,525.44)	\$ (9,525.44)	\$ 0.00
Jan-24	\$ (650,009)	\$ (3,031,369)	\$ (12,125.48)	\$ (12,125.48)	\$ 0.00
Feb-24	\$ (755,715)	\$ (3,787,084)	\$ (15,148.34)	\$ (15,148.34)	\$ 0.00
Mar-24	\$ (1,039,933)	\$ (4,827,017)	\$ (19,308.07)	\$ (19,308.07)	\$ 0.00
Apr-24	\$ (1,082,068)	\$ (5,909,085)	\$ (23,636.34)	\$ (23,916.20)	\$ 279.86
May-24	\$ (1,226,180)	\$ (7,135,264)	\$ (28,541.06)	\$ (28,524.32)	\$ (16.73)
Jun-24	\$ (1,218,039)	\$ (8,353,304)	\$ (33,413.21)	\$ (33,132.45)	\$ (280.76)
Jul-24	\$ (1,310,109)	\$ (9,663,412)	\$ (38,653.65)	\$ (37,740.58)	\$ (913.07)
Aug-24	\$ (1,416,704)	\$ (11,080,116)	\$ (44,320.46)	\$ (42,348.71)	\$ (1,971.76)
Total		\$	\$ (238,610)	\$ (235,707)	\$ (2,902)
Total			\$	\$ (235,707)	\$ (2,902)

Adjustment for Prior Estimates
Included in Table 4-WW

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-WW-A.
 (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 02, 2024.
 (4) Difference in collection from Total of Column 8 - Table 3-WW (Prior Reconciliation).