

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

Re: Philadelphia Water Department : 2025 TAP-R Reconciliation Proceeding
Proposed Changes in Rates and Charges :

JOINT PETITION FOR SETTLEMENT OF TAP-R PROCEEDING

The Philadelphia Water Department (“PWD” or “Department”) and the Public Advocate (“Advocate”) (collectively, “Joint Petitioners”) submit this Joint Petition for Settlement (“Joint Petition” or “Settlement”) of the Tiered Assistance Program (“TAP”) Rate Rider Surcharge Rates (“TAP-R”) Reconciliation proceeding and request that Hearing Officer Marlane Chestnut (“Hearing Officer”) (i) approve the settlement of this proceeding without modification consistent with this Joint Petition; and (ii) recommend that the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”) approve the Settlement and authorize the Department to file modified rates and charges related to TAP-R to become effective on September 1, 2025. In support of the proposed Settlement, the Joint Petitioners state the following:

I. BACKGROUND

A. TAP Program and TAP-Rate Rider

1. The TAP Program is an assistance program that allows low-income customers to pay reduced bills based on a percentage of their income.

2. The TAP-R is a ratemaking tool that allows PWD to recover lost revenue requirements (costs) or reduce future costs, if actual costs are less than projected.¹ TAP-R rates are charged to retail customers not enrolled in TAP and are intended to recover the revenue losses (i.e., costs) associated with the program.

3. The cost of TAP (recovered via the TAP-R rates) may change over time due to multiple factors, including: (i) the number of low-income households that are accepted into and receive TAP bills in the program (“TAP Participants”); (ii) water usage; (iii) changes in PWD’s non-discounted rates; (iv) the projected number of TAP Participants; and (v) the level of discounts needed to provide affordable bills to TAP Participants.

¹ In the 2018 Rate Proceeding, the Advocate and PWD reached agreement regarding, and the Rate Board subsequently approved, many of the significant aspects of the TAP-R. Simply stated, this rider tracks revenue losses resulting from application of the TAP discounts and permits annual reconciliation of such costs to prevent either over- or under-recovery of TAP revenue losses through TAP-R rates.

4. PWD reviews and proposes adjustments to the TAP-R rates annually to account for changes in actual and projected TAP costs and the extent to which those costs were over- or under-collected during a prior period.

5. The TAP-R Reconciliation filing submitted the Department's proposed annual adjustment to the TAP-R rates; and the modification of related water, sewer and fire connection quantity charges.

6. The following PWD rates and charges will be affected if the Rate Board approves the Joint Settlement:

<u>Rates and Charges</u>	<u>Section Reference</u>
Total Water Quantity Charges	Section 2.1(c)(1)
Total Sewer Quantity Charges	Section 3.1(b)(1)
Total Fire Service Quantity Charges	Section 9.1(d)(1)
TAP-R Surcharge Rates	Section 10.3

B. 2025 TAP-R Proceeding

7. The Department commenced the 2025 TAP-R Reconciliation Proceeding, filing its Reconciliation Statement, by [Advance Notice](#) and [Formal Notice](#) on February 18, 2025² and March 31, 2025,³ respectively. Copies of the Advance Notice and Formal Notice are posted on the Rate Board website and are incorporated by reference.

8. These filings were made consistent with Sections II.A.2 and II.C.1 of the Rate Board's regulations.

9. PWD proposed that changes to TAP-R rates and charges would take effect on September 1, 2025.

10. The participants in the 2024 TAP-R Reconciliation Proceeding were notified by e-mail of the opportunity to participate in the 2025 TAP-R Reconciliation Proceeding.

² <https://www.phila.gov/media/20250218165544/2025-TAP-R-Reconciliation-Proceeding-Advance-Notice.pdf> In addition to the Advance Notice itself, Participants were also provided with copies of (1) [2025 TAP Rate Rider Reconciliation Workbook](#) and (2) [Schedule RFC-3 Rate Rider Reporting Model 2025](#). The above-described documents were posted on the Rate Board's website.

³ <https://www.phila.gov/media/20250401173653/Formal-Notice-of-Proposed-Changes-in-Rates-and-Charges-Annual-Adjustment-of-Tiered-Assistance-Program-Rate-Rider-Surcharge-Rates-TAP-R-Final-Proposed-TAP-R-Reconciliation-Statement.pdf>

11. The general public was notified through information made available on the Rate Board’s website as well as publication in Philadelphia newspapers. Legal notices related to the Advance Notice and Formal Notice were timely published in local newspapers.

12. The Advocate was designated a participant in this proceeding pursuant to the terms of the Board’s regulations. Lance Haver intervened (*pro se*) in this proceeding on February 18, 2025. Michael Skiendzielewski intervened (*pro se*) in this proceeding on February 19, 2025. Susan Morris informed the Board of her desire to participate (*pro se*) in this proceeding. The Philadelphia Large Users Group (“PLUG”), via counsel, confirmed PLUG’s interest in participating in this proceeding on March 20, 2025. All are participants in this proceeding.

13. The Advocate submitted written information requests to the Department by e-mail on: (a) [April 3, 2025](#) to which PWD responded on [April 10, 2025](#) and April 29, 2025⁴; (b) [May 5, 2025](#) to which PWD responded on [May 7, 2025](#). The Department submitted written information requests to the Advocate by email on (a) April 22, 2025 to which the Advocate responded on [April 29, 2025](#);⁵ (b) [April 24, 2025](#) to which the Advocate responded on [April 29, 2025](#).

14. No other participant (other than the Participants described in Paragraph 13) propounded information requests to other participants. Copies of the information requests and responses are posted on the Rate Board’s website.

15. The schedule for this proceeding was established by the [Prehearing Conference Order](#) that was entered by the Hearing Officer after the [prehearing conference](#) of April 8, 2025. The schedule⁶ provided that written testimony in response to the Department’s proposed annual TAP adjustment, if any, would be submitted by April 21, 2025.

16. The Advocate filed [written testimony](#) on April 21, 2025. None of the other non-Department participants (described in Paragraph 12 of this Joint Petition) filed written testimony by the above-stated deadline.

17. In its written testimony, the Advocate recommended that (a) the average projected number of TAP Participants for August 2026 (at the end of the Next Rate Period) be reduced to 56,041 from the Department’s original average projected number of TAP Participants for August 2026 (60,827); (b) the average discount per TAP Participant be reduced to \$47.26 from the Department’s projected average discount per TAP Participant (\$54.62); (c) the collection factor

⁴ Three documents were filed: Response Attachment to [PWD Data Requests Set I Question 1](#); Supplemental Response to [PWD Data Requests Set I Question 2](#); and Supplemental Response Attachment to [PWD Data Requests Set I Question 2](#).

⁵ Four documents were filed: Public Advocate [Responses to PWD Data Requests Set II](#); Public Advocate [Response Attachment PWD-II-3A](#); Public Advocate [Response Attachment PWD-II-3B](#); PA Modified Schedule RFC-3 REVISED; Public Advocate [Response Attachment PWD-II-3C](#).

⁶ <https://www.phila.gov/media/20250411155326/TAP-R-PHC-ORder-2025-FINAL.pdf>

that will be established in the 2025 General Rate Proceeding should be used as opposed to the 96.99% collection factor used by the Department for TAP reconciliation purposes; and, (d) the allocation of TAP costs between the water and wastewater utilities that will be established in the 2025 General Rate Proceeding should be used as opposed to the 42% (water)/58% (wastewater) cost allocation used by the Department for TAP reconciliation purposes. Mr. Morgan (by way of a response to an information request) amended his testimony.⁷ Mr. Morgan's [amended recommendation](#) projects a reduced average discount per TAP Participant of \$47.72 compared to the Department's proposals.

18. The Department's original proposal would result in an average monthly number of TAP participants (for the Next Rate Period, September 2025 to August 2026) being 60,827. The Advocate's original recommendation would result in the average monthly number of TAP participants (for September 2025 to August 2026) being 56,041.

19. In addition to having different projections of average TAP participation for the Next Rate Period in their respective original proposals, PWD and the Advocate had different projected average TAP discounts per TAP participant and different projected average monthly consumption per TAP participant. The TAP-R surcharge rates from the differing original proposals are shown in the table below:

	Department's Original Proposal Schedule BV-1	Advocate's Original Proposal Schedule LKM-1
Water TAP-R Surcharge	\$3.87 /MCF	\$2.93 /MCF
Wastewater TAP R-Surcharge	\$5.67 /MCF	\$4.30 /MCF

20. The Department filed written [rebuttal testimony](#) on May 2, 2025, which supported the Department's average discount, average consumption and which also explained the reasonableness of the collection factor and cost allocation used by the Department for TAP reconciliation purposes.

21. The Department's rebuttal testimony was based on the Department's [supplemental response](#) and [attachment](#) to PA TAP Set I-2. The supplemental response and attachment to PA TAP Set I-2 were provided to all participants on April 29, 2025. That supplemental response and

⁷ See footnote 5.

attachment contained, among other things, updated data through seven months of the Most Recent Rate Period, September 2024 to March 2025.

22. The Hearing Officer scheduled public input and technical hearings for May 8, 2025. All hearings in this proceeding were virtual and telephonic. Transcripts from these hearings are posted on the Rate Board's website and are incorporated herein by reference.

23. Legal notices related to the technical and public input hearings were timely published in local newspapers.

24. The Department and the Advocate have recently conducted negotiations to achieve a settlement of issues contested between them in this proceeding. As a result of said negotiations, Joint Petitioners were able to reach the Settlement set forth herein.

25. Joint Petitioners specifically agree for the Next Rate Period (September 2025 to August 2026) that (a) the projected average monthly number of TAP Participants should be **60,634**; (b) the average discount should be **\$48.95** per TAP Participant; (c) the average monthly consumption should be **647** cf per TAP Participant; (d) that (i) the collection factor established in PWD's 2023 General Rate Proceeding will be used for purposes of reconciliation in this 2025 TAP-R Reconciliation Proceeding as it relates to the determination of the E-Factor and (ii) the collection factor established in PWD's [2025 General Rate Proceeding](#) will be used for purposes of reconciliation in future TAP proceedings (i.e., the 2026 TAP-R Reconciliation Proceeding) as it relates to the determination of the E-Factor;⁸ and (e) the cost allocation (between water and wastewater) established in PWD's current [2025 General Rate Proceeding](#) will be used for purposes of allocating costs associated with the C-Factor to water and sewer in this TAP proceeding.

26. The Department and the Advocate agree to the TAP-R surcharges shown below.

	Settlement Proposal
Water TAP-R Surcharge	\$3.59 /MCF
Wastewater TAP-R Surcharge	\$5.07 /MCF

⁸ It is agreed and understood that the collection factor established in PWD's 2025 general rate proceeding may be different than the agreed-upon collection factor used for TAP reconciliation under this Settlement. Changes in the collection factor from the agreed-upon collection factor, if any, will be utilized in the next TAP-R reconciliation proceeding in context of the E-Factor, consistent with the terms of PWD regulations regarding TAP-R charges.

This agreement does not endorse any of the methodologies or calculation methods employed by any party to project TAP participation, average monthly consumption and discounts for TAP participants, or the calculation of TAP-R rates.

27. The Joint Petitioners have reached agreement on the above surcharge rates together with the terms and conditions identified in Paragraphs 32 through 35 of this Joint Petition (below).

28. Participant briefs were due by May 19, 2025. PWD and the Advocate filed their main briefs on May 19, 2025. No other Participants filed main briefs. Reply briefs were due on May 23, 2025. PWD and the Advocate filed their reply briefs on May 23, 2025.

29. The Joint Petitioners proffer the following Settlement Exhibit in support of the Settlement: Exhibit 1 - Proposed Settlement – TAP-R Reconciliation Calculations.

30. In light of the Settlement and the fact that PWD and the Advocate endorse its terms, the Settlement Exhibit should be accepted into the record. In addition, the Joint Petitioners stipulate to the authenticity of and admission into the evidentiary record in this matter of the Settlement Exhibit listed in Paragraph 29 of this Joint Petition.

31. The Joint Petitioners are in full agreement that this Settlement is in the best interest of the Department and its customers and is therefore in the public interest as well as in compliance with the ordinances governing this proceeding and provides a reasonable basis for recovery of TAP costs in this proceeding.⁹

II. TERMS AND CONDITIONS

The Settlement consists of the following terms and conditions:

32. The Joint Petitioners agree and submit that modified TAP-R rates (set forth in Settlement Exhibit 1) should be approved by the Rate Board.

33. The proposed Settlement will result in an increase in TAP-R rates for PWD customers during the Next Rate Period, as described above, subject to reconciliation in a future proceeding.

34. PWD and the Advocate submit that the TAP-R rates set forth in the Joint Statement should be approved as they are just and reasonable, comply with the ordinances

⁹ Actual recovery will be reconciled consistent with the terms of PWD regulations regarding TAP-R charges.

governing this proceeding and provide a reasonable basis for recovery of TAP costs in this proceeding.¹⁰

III. PUBLIC INTEREST CONSIDERATIONS

35. Joint Petitioners submit that this Settlement is reasonable and in the public interest for the following reasons:

(a) The Settlement provides for an increase of the TAP-R rates in an amount lower than that sought by PWD during the Next Rate Period in accordance with the reconciliation calculations, as modified by the Settlement.

(b) Acceptance of the Settlement will provide certainty and avoid the necessity of further administrative proceedings at substantial cost to Joint Petitioners, other parties and PWD ratepayers.

(c) The Settlement will use a projected number of TAP Participants, average monthly consumption per TAP Participant, and an average projected discount per TAP Participant that are reasonable in light of the actual TAP enrollment, as shown in the data set forth in the Department's supplemental response to PA TAP Set I-2, as well as the average projected TAP enrollment for the Next Rate Period (September 2025 to August 2026).¹¹

(d) The Joint Petitioners arrived at terms of Settlement after submission of the TAP-R filing, conducting discovery, participating in hearings, briefing and engaging in settlement negotiations. The terms and conditions of Settlement constitute a carefully negotiated package representing reasonable compromises as to the issues presented all of which are supported by the record of this proceeding.

IV. ADDITIONAL TERMS AND CONDITIONS

36. This Settlement is proposed by the Joint Petitioners to resolve the issues presented in this proceeding and is made without admission against or prejudice to any position which any Joint Petitioner might adopt during subsequent litigation or in further litigation of this case.

37. Each term and condition set forth in this Joint Petition, whether or not set out in a numbered paragraph, shown in a table or other graphic presentation, bolded, italicized or otherwise emphasized, or set forth in the body, a footnote, or parenthetical, or appendix, is material consideration to the entry into this Settlement by the participants signing below.

¹⁰ See footnote 9. ["Actual recovery will be reconciled ..."]

¹¹ See also footnote 9. ["Actual recovery will be reconciled ..."]

38. This Settlement is conditioned upon the Rate Board's approval of the terms and conditions contained herein without modification. If the Rate Board disapproves the Settlement or modifies the terms and conditions herein, the Settlement may be withdrawn, by a Joint Petitioner, upon written notice to the Rate Board and all active participants in this proceeding communicated within three business days of the entry of the order of the Rate Board disapproving or modifying the Settlement. In the event the Rate Board disapproves the Settlement, or any Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to fully litigate this case. Joint Petitioners agree that while the Settlement, upon Rate Board approval, will be fully enforceable according to its terms, the Joint Petition does not expressly or implicitly represent approval of any specific claims made in this proceeding and the Joint Petitioners agree not to contend otherwise in future proceedings.

39. Joint Petitioners will make reasonable, good faith efforts to obtain approval of the Settlement by the Hearing Officer and the Rate Board without modification. If the Hearing Officer recommends that the Rate Board adopt the Settlement, as proposed herein, the Joint Petitioners agree to waive filing exceptions. Joint Petitioners, however, do not waive their rights to file exceptions (a) with respect to any modification of the terms and conditions of the Settlement or any additional matter proposed by the Hearing Officer in her report (b) to correct an error or misstatement in the Hearing Officer's report, or (c) to any issue not resolved by this Settlement.

V. CONCLUSION

WHEREFORE, Joint Petitioners, by their respective counsel, request the following:

1. That the Hearing Officer admit Settlement Exhibit 1, as described in Paragraph 29 of this Joint Petition, into the record of this proceeding.
2. That the Hearing Officer recommend the approval of the Settlement by the Rate Board, as described in this Joint Petition.
3. That the Rate Board approve the Settlement and find the modified TAP-R rates to be just and reasonable and authorize the Department to file modified rates and charges to reflect the TAP-R rates set forth in Paragraph 26 of this Joint Petition.

4. That the Rate Board enter its final Rate Determination in this matter consistent with the terms and conditions of Settlement.

Respectfully submitted,

/s/ Andre C. Dasent
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For the Philadelphia Water Department

/s/ Robert W. Ballenger
Robert W. Ballenger
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

For the Public Advocate

The Philadelphia Large Users Group does not oppose the Joint Petition for Settlement.

Adeolu A. Bakare
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100 Pine Street, Harrisburg, PA 17101

For the Philadelphia Large Users Group

List of Settlement Exhibits

Exhibit 1 - Proposed Settlement – TAP-R Reconciliation Calculations.

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)	\$ (4,616,485) \$ (354,524)
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 \$ 0.240	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)	\$ (5,898,175) \$ (492,939)
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).