

PHILADELPHIA WATER DEPARTMENT
REBUTTAL STATEMENT NO. 1

BEFORE THE
PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

Re: Philadelphia Water Department Proposed Changes in Rates and Charges	2026 TAP-R Adjustment Proceeding
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Rebuttal Testimony
of
Raftelis Financial Consultants
and
Black & Veatch Management Consulting, LLC
on behalf of
the Philadelphia Water Department

Dated: April 30, 2026

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1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2
3 **1. STATE YOUR NAMES AND POSITIONS.**

4 Our names are Jon Pilkenton Davis (Senior Principal), Henrietta Locklear (Senior Vice
5 President), and Jennifer Tavantzis (Vice President). We are employed by Raftelis
6 Financial Consultants (“Raftelis” or “RFC”) and provide client-specific advisory services
7 for utilities, such as the Philadelphia Water Department (“PWD” or “Department”).
8 Together, we constitute the Raftelis panel testifying on behalf of the Department.¹

9
10 **2. HAVE ANY OTHER MEMBERS OF THE DEPARTMENT’S CONSULTING**
11 **TEAM ASSISTED IN THE PREPARATION OF THIS REBUTTAL TESTIMONY?**

12 Yes, Ann Bui, Dave Jagt and Brian Merritt of Black and Veatch Management Consulting,
13 LLC (“Black & Veatch”) also supported the preparation of this rebuttal testimony on
14 behalf of the Department.²

15
16 **3. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

17 In this rebuttal testimony, we provide the Department’s response to the adjustments,
18 recommendations, and criticisms expressed by Mr. Lafayette Morgan in his direct
19 testimony (PA Statement 1, Schedules LKM-TAP-1 through LKM-TAP-6 and Appendix
20 A) submitted on behalf of the Public Advocate. This rebuttal testimony refers to Mr.
21 Morgan and the Public Advocate (“Advocate”) interchangeably. This testimony
22 specifically addresses the following subject areas of Mr. Morgan’s testimony:

- 23 • Projected number of TAP participants for the Next Rate Period

24

¹ Resumes for panelists from Raftelis Financial Consultants are provided in the 2026 TAP-R rate filing as Schedule PWD-6.

25 ² Resumes for panelists from Black and Veatch Management Consulting are provided in the 2026 TAP-R rate filing as Schedule PWD-6.

- 1 • Average TAP Discount per participant for the Next Rate Period
- 2 • Monthly Consumption Per TAP Participant for the Next Rate Period
- 3 • Inconsistencies in Public Advocate’s Testimony
- 4 • TAP-R Policy Considerations

5
6 In response to Mr. Morgan’s testimony and related schedules, Black & Veatch has also
7 prepared:

- 8 • Updated TAP-R reconciliation calculations based upon the most recently
9 available data sets (Schedule PWD-7); and
- 10 • Responses to Mr. Morgan’s recommendations regarding the overall
11 reasonableness of the Water Department’s proposals; and
- 12 • A discussion of the Department’s overall ability to recover and reconcile costs in
13 context of the TAP-R rates and the associated proposals in this proceeding.

14
15 **4. PLEASE IDENTIFY THE SCHEDULES THAT ACCOMPANY THIS REBUTTAL**
16 **TESTIMONY.**

- 17 • Schedule PWD-7³: Updated PWD-5 Rate Rider Reporting Model revised to
18 reflect static reporting data for January to March 2026;
- 19 • Schedule PWD-8⁴: Updated Rate Rider Reconciliation Model – updated to align
20 with Schedule PWD-7;
- 21 • Schedule PWD-9: Data Sources for Figures 1 to 3.
- 22 • Schedule PWD-10: Comparison of previously proposed TAP-R in context of
23 Over/(Under) Recovery in this proceeding (i.e., E-Factor comparison).

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³ See Supplemental Response to PA-TAP-II-1.

⁴ See Supplemental Response to PA-TAP-II-1.

- Schedule PWD-11: Examples of inconsistencies in the Public Advocate’s testimony, schedules and workpapers.

II. THE DEPARTMENT’S PROPOSED RATES ARE BASED ON THE ORIGINAL TAP-R FILING

5. PLEASE SUMMARIZE THE DEPARTMENT’S INCREASE IN TAP-R RATES PROPOSED TO BECOME EFFECTIVE SEPTEMBER 1, 2026.

The proposed Water TAP-R rate, effective September 1, 2026, is \$5.65 per thousand cubic feet (MCF) of water usage. The proposed Sewer TAP-R rate, effective September 1, 2026, is \$7.90 per MCF of sewer billed volume.

Those requested rates are based on actual data for September 2025 through December 2025. Estimates were developed to cover the months of January 2026 through August 2026.

Projections were made for September 2026 through August 2027. The projections were used to calculate the proposed TAP-R rates.

6. ARE THOSE RATES THE SAME AS PROPOSED IN THE TAP-R ADVANCE NOTICE?

Yes.

7. ARE THERE ANY CHANGES TO THE PROPOSED TAP-R RATES BETWEEN THE ADVANCE NOTICE AND THE FORMAL NOTICE?

1 No. The Formal Notice proposes the same TAP-R rates as the Advance Notice.

2
3 **8. PLEASE SUMMARIZE THE PROJECTIONS FOR THE NEXT RATE PERIOD.**

4 RFC prepared the projections used in the 2026 TAP-R rate filing that show a slightly
5 increasing growth trend in TAP participation over the Most Recent Rate Period, resulting
6 in projected average monthly TAP participation of 70,318 during the Next Rate Period.
7 Refer to Schedule PWD-5 (the initial Rate Rider Reporting Model in the TAP-R filing)
8 for more details.

9
10 Production data⁵ for January 2026 through March 2026 show that TAP participation has
11 not only increased but has done so at a rate higher than anticipated. PWD projected TAP
12 participation would be 68,325 in March 2026. Production data for March 2026 shows
13 TAP Participation of 68,405. This observed growth contradicts the Advocate's
14 assumption of no changes in average participation. This growth is demonstrated in the
15 updated version of the Rate Rider Reporting Model (Schedule PWD-7).

16
17 **9. DOES THIS REBUTTAL TESTIMONY CHANGE THE PROPOSED TAP-R**
18 **RATES?**

19 No. This Rebuttal Testimony supports the same TAP-R rates that were proposed in both
20 the Advance Notice and the Formal Notice.

21
22 **10. DID THE DEPARTMENT PROVIDE MORE RECENT DATA DURING THE**
23 **COURSE OF THIS PROCEEDING?**

24
25 _____
⁵ Production data is subject to restatement.

1 Yes. The Department provided production data and static data for January 2026 through
2 March 2026 to the other participants in this proceeding in response to the Public
3 Advocate’s discovery requests.
4

5 **11. PLEASE EXPLAIN THE DATA FOR JANUARY 2026 TO MARCH 2026.**

6 The data for January 2026 through March 2026 reinforces the trends used for the
7 estimates and projections made in the Advance Notice and the Formal Notice.
8

9 **12. COULD THE DATA FOR JANUARY 2026 TO MARCH 2026 BE USED TO**
10 **SUPPORT HIGHER PROPOSED TAP-R RATES?**

11 Yes. Similarly, the data for September 2025 through March 2026 could support higher
12 TAP-R rates than the TAP-R rates proposed in the Advance Notice and Formal Notice
13 (which were based on data for September 2025 to December 2025).
14

15 **13. BUT THE DEPARTMENT HAS NOT CHANGED THE TAP-R RATES BEING**
16 **REQUESTED?**

17 That is correct. The Department is still seeking the same TAP-R rates that were proposed
18 in the Advance Notice and the Formal Notice.
19

20 **III. REBUTTAL BY RAFTELIS**

21 **UPDATED DATA FOR JANUARY 2026 THROUGH MARCH 2026**
22

23 **14. PLEASE SUMMARIZE THE DATA USED BY RAFTELIS TO MAKE**
24 **ESTIMATES AND PROJECTIONS FOR THE DEPARTMENT.**
25

1 The projections prepared in the 2026 TAP-R Formal Notice used data from September
2 2025 through December 2025. Those data were used by Raftelis to develop estimates to
3 cover the months of January 2026 through August 2026. Those data were also used to
4 make projections for September 2026 through August 2027.

5
6 The aforesaid projections were utilized by Black & Veatch to calculate the proposed TAP-
7 R rates.

8
9 **15. PLEASE SUMMARIZE THE DEPARTMENT'S PROJECTION OF THE**
10 **NUMBER OF TAP PARTICIPANTS IN THE NEXT RATE PERIOD.**

11 TAP participants are defined as customers who receive a TAP bill in a given month.
12 The projections prepared in the 2026 TAP-R Formal Notice reflected minor growth in
13 TAP participation throughout the projected period. This resulted in a projected TAP
14 participation of 69,356 at the start of the Next Rate Period (September 2026 - August
15 2027), 71,288 at the end of the Next Rate Period, for an average of 70,318 over the Next
16 Rate Period. Refer to schedule PWD-5, the original Rate Rider Reporting Model for
17 2026, for more details.

18
19 Actual data for January through March 2026, as requested by the Public Advocate, can be
20 found in Schedule PWD-7. Observed program participation as of March 2026 exceeded
21 the projections provided in the Department's original filing. Based on these updated data,
22 projection for program participation at the beginning of the Next Rate Period could be
23 adjusted to 69,446. This observed increase contradicts Mr. Morgan's assertion that
24 program participation should not be expected to grow.

1 **16. HAVE YOU EXAMINED THE DIRECT TESTIMONY AND SCHEDULES FILED**
2 **BY THE PUBLIC ADVOCATE?**

3 Yes.

4
5 **17. PLEASE SUMMARIZE THE PUBLIC ADVOCATE’S RECOMMENDATIONS.**

6 The Public Advocate disagrees with the Department’s projection of TAP participation
7 and the calculation of the average discount provided to TAP participants. In his
8 testimony, Mr. Morgan projects no growth in TAP participation and calculates a lower
9 average discount based on the most recent twelve months of actual data, including data
10 from the previously reconciled period.

11
12 As explained below, changes to the number of TAP participants as well as changes to the
13 average TAP discount impact the formula used to calculate the TAP Rate Rider for the
14 Next Rate Period.

15
16 **18. HOW DID MR. MORGAN CALCULATE THE NUMBER OF TAP**
17 **PARTICIPANTS?**

18 Mr. Morgan states that he “removed the .25% growth factor from the projection of the
19 TAP participants during the next plan year.” (PA Direct Testimony at 9) He provides a
20 table that shows the TAP participation was 68,405 in March 2026, which is in agreement
21 with the March participant level documented in the data through March (from the
22 production Basis2 database) provided by the Department in Supplemental Responses to
23 the Public Advocate’s Interrogatories.

24
25

1 It appears that Mr. Morgan carried the level of TAP Participation from March 2026
2 forward for the next 17 months (April 2026 through August 2027). He then created an
3 average for the Next Rate Period (September 2026 to August 2027).
4

5 **19. DO TRENDS IN THE DATA SUPPORT NO GROWTH, ON AVERAGE, UNTIL**
6 **AUGUST 2027?**

7 No. Both production and static data sets through March show growth in program
8 participation month over month. These observed increases contradict Mr. Morgan's
9 assertion that program participation should not be expected to grow.
10

11 **AVERAGE MONTHLY NUMBER OF TAP PARTICIPANTS**

12 **20. DESCRIBE THE LEVEL OF TAP PARTICIPATION BASED ON THE TAP-R**
13 **FILING ASSUMPTIONS AND COMPARE WITH ACTUAL DATA THROUGH**
14 **MARCH 31, 2026.**

15 In the Advance Notice and Formal Notice, the Department projected that TAP
16 participation would grow at an average rate of 0.25 percent per month, resulting in a
17 projected participation of 69,356 at the start of the Next Rate Period, and an average
18 monthly participation of 70,318 throughout the Next Rate Period. After updating its data
19 to reflect the most recently available information, anticipated participation and average
20 participation levels could be adjusted to 69,446 and 70,409, respectively. In short, the
21 most recent data indicates that the Department's projections are realistic (albeit slightly
22 understated).
23
24
25

1 **21. IS THERE POTENTIAL FOR ADDITIONAL TAP PARTICIPANTS?**

2 Yes, there is significant potential for additional TAP participants. Customers continue to
3 be enrolled monthly based on approval of a submitted application. Additionally, the
4 Department has continued its partnership with the City’s Office for Integrated Data for
5 Evidence and Action (“IDEA”), which supports the identification of eligible customers
6 through participation in other means-tested assistance programs. The Department
7 receives regular updates from IDEA including customers prequalified for enrollment in
8 TAP. This relationship is ongoing and remains a contributor to steady increases in
9 program enrollment.

10
11 Despite the trend in TAP participation reported above, Mr. Morgan projected TAP
12 participation of 68,405 at the start of the Next Rate Period, 68,405 at the end of the Next
13 Rate Period, for an average of 68,405 over the Next Rate Period⁶.

14
15 Additionally, proposed legislation (City of Philadelphia Bill No. 251021, introduced
16 November 20, 2025) would increase the maximum income eligibility criteria for TAP
17 from 150 percent of Federal Poverty Level (“FPL”) income to 200 percent of FPL
18 income, thereby expanding the population eligible for program participation. While the
19 program participation projections presented in this filing are based on current program
20 parameters, any such legislative changes would be expected to increase program
21 participation beyond the levels reflected herein.

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23
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⁶ Refer to discovery response attachment PWD-TAP-I-1(a).

1 **22. FOR CLARITY, PLEASE CONFIRM WHERE THE UPDATED DATA**
2 **REGARDING TAP PARTICIPATION AND RELATED INFORMATION CAN BE**
3 **FOUND.**

4 PWD has provided an updated Rate Rider Reporting Model (updating Schedule PWD-5
5 with the proposed TAP-R filing) in response to Set II of the Public Advocate's
6 Interrogatories, utilizing information from a static copy of the Basis2 database from
7 March 31, 2026. It contains updated data for TAP participation, consumption, and
8 discount figures for January through March 2026. It should be noted that TAP
9 participation may vary from month to month due to administrative and calendar-driven
10 factors; these variations do not meaningfully alter the cost trajectory of the program.

11
12 **23. FOR THE NEXT RATE PERIOD, HOW DO THE PROJECTED MONTHLY TAP**
13 **PARTICIPANTS PROPOSED BY THE DEPARTMENT AND THE PUBLIC**
14 **ADVOCATE COMPARE?**

15 As set forth in the Advance Notice and Formal Notice, the Department projects TAP
16 participation at the beginning of the Next Rate Period will total 69,356 and average
17 monthly participation throughout the Next Rate Period will be 70,318. This is based on
18 projected monthly growth in TAP participation of 0.25 percent.

19
20 Mr. Morgan suggests a flat TAP participation of 68,405 for the remainder of the Most
21 Recent Period as well as for the Next Rate Period. As explained in this testimony, the
22 program has already experienced participation above this level.

1 **24. IN LIGHT OF THE NEW DATA, DO YOU AGREE WITH THE PUBLIC**
2 **ADVOCATE’S PROJECTED AVERAGE LEVEL OF TAP PARTICIPANTS FOR**
3 **THE NEXT RATE PERIOD?**

4 No. Actual data for January through March 2026 reflect continued growth in TAP
5 participation. Participation increased from 67,815 in December 2025 to 68,413 in March
6 2026, reflecting an average monthly growth of approximately 0.29 percent over the
7 period. This observed growth slightly exceeds the Department’s projected monthly
8 growth rate of 0.25 percent and is consistent with the Department’s expectation that
9 participation would continue to increase.

10
11 **25. PLEASE STATE THE BASES FOR YOUR DISAGREEMENT WITH THE**
12 **ADVOCATE REGARDING PROJECTED TAP PARTICIPANTS.**

13 The Public Advocate suggests that TAP participation will remain static during the Next
14 Rate Period, projecting a constant participation of 68,405 and asserting that available data
15 do not support continued growth. This assumption is not supported by the data made
16 available in the Formal Notice, nor by the most recently available data for January
17 through March 2026.

18
19 Actual data for January through March 2026 demonstrate a continued increase in
20 participation, as discussed above. These data are consistent with the Department’s
21 projections and do not support the conclusion that participation will not increase during
22 the Next Rate Period. To the contrary, those data reflect continued growth in
23 participation, including an overall increase of more than 3,000 participants between April
24
25

1 2025 and March 2026.⁷ On a compound basis, this amounts to a monthly growth rate
2 exceeding 0.4 percent.

3
4 Mr. Morgan contends that growth would “eventually flatten out,” and uses this to assert
5 that the Department should not expect any growth leading up to and during the Next Rate
6 Period⁸. This contention is baseless. The Department’s projections do not assume
7 participation will continue to grow at the elevated rates observed in recent years –
8 program enrollment increased by more than 45,000 participants from January 2023
9 through January 2025 – PWD does acknowledge that participation growth has attenuated
10 over time, but participation growth has not stopped. This gradual attenuation experienced
11 by the Department is reflected in the moderated growth assumption of 0.25 percent.

12
13 **26. DOES THIS PANEL BELIEVE THAT THE PUBLIC ADVOCATE’S PROJECTED**
14 **NUMBER OF TAP PARTICIPANTS, IF ACCEPTED, WOULD BE GOOD FOR**
15 **PWD OR ITS CUSTOMERS?**

16 No, this panel does not believe that establishing a TAP Rate Rider founded on Mr.
17 Morgan’s projected number of TAP participants, if accepted, would be beneficial to
18 PWD or its customers. The Public Advocate’s projected number of TAP participants
19 reflects no increases to program participation; this is directly contradicted by data in the
20 Formal Notice as well as data from the updated data provided in Schedule PWD-7. We
21 would like to note that TAP enrollment trends have consistently reflected program
22 growth, and there is no reason to believe that program participation would be expected to
23 stop increasing (albeit gradually).

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⁷ Public Advocate Statement 1: Direct Testimony of Lafayette K. Morgan Jr at page 10.

⁸ Public Advocate Statement 1: Direct Testimony of Lafayette K. Morgan Jr at page 9.

In past TAP rate reconciliations, projections provided by both the Department and the Public Advocate have consistently under-projected program participation. Table 1 below compares projected average monthly TAP participation (by PWD and PA) with actual experience.

Table 1. Comparison of Projected Average Monthly TAP Participation to Actual

Rate Period	PWD Original Filing	Advocate Rebuttal	Actual ⁹
Sep 2025 – Aug 2026	60,827	56,041 ¹⁰	65,546 ¹¹
Sep 2024 – Aug 2025	55,974 ¹²	55,974 ¹³	62,162
Sep 2023 – Aug 2024	17,289 ¹⁴	15,483 ¹⁵	38,992

Please note that the under-projection of TAP participation depresses the TAP Rate Rider, resulting in revenue deficiencies that strain the Department’s financial position. Revenue deficiencies necessitate future rate reconciliations to impose higher TAP Rider charges on PWD customers in order to recover previously unrecovered costs.

⁹ Actual figures for Sep 2024 – Aug 2025 and Sep 2023 – Aug 2024 are based on data provided in the supplemental response attachment “PWD-5 Rate Rider Reporting Model 20260401_Revised.xlsx” provided in response to PA-TAP-II-1.

¹⁰ Response Attachment to PWD Interrogatories and Requests for Production of Documents – PWD-II-3B, April 29, 2025 (2025 TAP-R Reconciliation Proceeding).

¹¹ Average monthly participation for the Most Recent Period is estimated using actuals from September 2025 through March 2026.

¹² Formal Notice of Proposed Changes in Rates and Charges, April 1, 2024 (2024 TAP-R Reconciliation Proceeding).

¹³ Response Attachment to PWD Interrogatories and Requests for Production of Documents – Set I Question 1, May 2, 2024 (2024 TAP-R Reconciliation Proceeding).

¹⁴ Formal Notice of Proposed Changes in Rates and Charges, February 23, 2023 (2023 TAP-R Reconciliation Proceeding).

¹⁵ Response Attachment to PWD Interrogatories and Requests for Production of Documents – Set I Question 1A, March 28, 2023 (2023 TAP-R Reconciliation Proceeding).

AVERAGE TAP DISCOUNT PER PARTICIPANT

1
2 **27. THE PUBLIC ADVOCATE SUGGESTS THAT THE AVERAGE MONTHLY TAP**
3 **DISCOUNT IS \$59.47. DO YOU AGREE?**

4 No.

5
6 **28. WHAT AVERAGE MONTHLY TAP DISCOUNT SHOULD BE USED IN THIS**
7 **PROCEEDING?**

8 The Department proposes that an average monthly TAP discount of \$62.82 be used in its
9 Formal Notice. After adjusting this figure for the most recently available data for the
10 Most Recent Period (September 2025 – March 2026), the projected average monthly
11 discount per TAP participant would increase to \$64.50. The foregoing indicates that the
12 average TAP discount will not decrease as Mr. Morgan suggests.

13
14 **29. PLEASE STATE THE BASIS FOR YOUR DISAGREEMENT WITH THE**
15 **AMOUNT OF THE ADVOCATE’S AVERAGE TAP DISCOUNT PER**
16 **PARTICIPANT.**

17 The Public Advocate suggests using the most recent twelve months of data to calculate
18 the average discount per TAP participant. However, this includes data from the
19 Reconciled Period, during which lower base rates were in effect. By incorporating data
20 from months wherein rates other than the current rates were in effect, the calculated
21 average discount per TAP participant is artificially deflated (biased). By limiting
22 calculations for the average TAP discount per participant to the Most Recent Rate Period,
23 the Department’s estimate reflects the most current trends in program participation,
24 consumption and billing. This provides the most accurate, forward-looking basis for
25 setting TAP-R rates.

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30. DOES THIS PANEL BELIEVE THAT THE AMOUNT OF THE ADVOCATE’S AVERAGE DISCOUNT PER TAP PARTICIPANT, IF ACCEPTED, WOULD BE GOOD FOR PWD OR ITS CUSTOMERS?

No, this panel does not believe that establishing a TAP Rate Rider based on the Advocate’s suggested average discount per TAP participant, if accepted, would be beneficial to PWD or its customers. The calculated average discount suggested by Mr. Morgan includes multiple months from the previously reconciled period, during which lower base rates were in effect. As stated earlier, this functions to artificially deflate the average discount per TAP participant, reducing the value of net recoverable costs and leading to under-recovery of program costs. This effect is exacerbated by the Public Advocate’s depressed participation projections. The TAP-R methodology, agreed to by the Public Advocate in 2016, is designed to adequately recover TAP program costs, limiting the financial impacts to the Department. However, this only works if the factors are selected appropriately based on recent, actual experience.

IMPLEMENTATION OF TAP RATES

31. HOW DO THE ADVOCATE’S PROJECTED TAP NET RECOVERABLE COSTS COMPARE WITH THE DEPARTMENT’S PROJECTIONS?

The Public Advocate’s projected TAP net recoverable costs of \$57,978,153 are significantly less than the Department’s projected net recoverable costs of \$67,339,291, as presented in the TAP-R filing. This is driven by significant differences in underlying assumptions regarding (i) projected TAP participation; (ii) average discount per TAP participant; and (iii) experienced and estimated net over/under collection (“E-Factor”).

1 In total, the Advocate’s projected net recoverable costs are approximately 14% lower
2 than those projected by the Department and would result in a corresponding reduction in
3 TAP-R rates for the Next Rate Period. As stated throughout this testimony, the most
4 recent data contradict the Advocate’s assumptions.

5
6 **32. DO YOU HAVE ANY COMMENTS ON THE CALCULATIONS OF THE TAP**
7 **RATES USING THE ADVOCATE’S PROJECTED NUMBER OF TAP**
8 **PARTICIPANTS, AND MONTHLY CONSUMPTION PER TAP PARTICIPANT?**

9 Adopting the Public Advocate’s position would continue the pattern of under-recovery
10 observed in prior periods, in which TAP program costs have not been fully recovered
11 through the TAP-R surcharge. Instead, deficits are temporarily absorbed by the
12 Department before being (partially) recovered in future periods. In the current
13 environment of sustained program participation, it is not reasonable to rely on
14 assumptions that continue to understate costs.

15
16 **IV. REBUTTAL BY BLACK & VEATCH**
17 **UPDATED RECONCILIATION CALCULATIONS**

18
19 **33. HOW DO THE UPDATED RECONCILIATION CALCULATIONS COMPARE**
20 **WITH THE INITIAL TAP-R FILING AND THE ADVOCATE’S**
21 **RECOMMENDATIONS?**

22 As presented in Schedule PWD-8, the updated actuals for January 2026 through March
23 2026, as well as the updated projections for April 2026 through August 2027 included in
24 Schedule PWD-7, show that the initial TAP-R filing understates the overall net recoverable
25 costs and resulting TAP-R surcharges rates. Table 1 in Schedule PWD-8 shows that all

factors would need to be higher in order to establish rates to sufficiently reconcile the existing costs (with respect to the Most Recent Rate Period and Prior Rate Period), and provide better recovery of credits for the Next Rate Period, when compared to Mr. Morgan proposals. A comparison of the initial TAP-R filing, Mr. Morgan’s recommendations, and the updated reconciliation calculations are provided in the table below.

Table 2. Comparison of TAP-R Calculations

<u>Factor</u>	<u>Schedule Reference</u>		
	<u>PWD-1</u> (Dated 3/19/26)	<u>LKM -1</u> (Dated 4/17/26)	<u>PWD-8</u> (Updated 4/30/26)
C - FACTOR	\$ 53,006,249	\$ 47,276,081	\$ 54,498,092
E - FACTOR	\$ (14,109,978)	\$ (10,525,726)	\$ (15,208,175)
<u>I - FACTOR</u>	<u>\$ (223,063)</u>	<u>\$ (176,346)</u>	<u>\$ (239,859)</u>
Net Recoverable Costs: (C) - (E + I)	\$ 67,339,291	\$ 57,978,153	\$ 69,946,127
S - FACTOR Water (MCF)	5,135,239	5,135,239	5,165,721
S - FACTOR Sewer (MCF)	4,854,886	4,854,886	4,885,802
Water TAP-R Surcharge (\$/MCF)	\$ 5.65	\$ 4.86	\$ 5.83
Sewer TAP-R Surcharge (\$/MCF)	\$ 7.90	\$ 6.80	\$ 8.15

Based upon the Public Advocate’s recommendations, Mr. Morgan understates key factors and his proposed TAP-R rates would lead to continued under-recovery of costs.

1 **34. DO YOU HAVE ANY ADDITIONAL COMMENTS REGARDING THE PWD**
2 **RECONCILIATION CALCULATIONS?**

3 Yes. As shown in the preceding table, it is clear that the Department's original request as
4 set forth in the Advance Notice and Formal Notice is reasonable as it is more closely
5 aligned with the actual data.

6
7 **ADDITIONAL ISSUES**

8 **35. PLEASE IDENTIFY THE PERIOD OF TIME THAT EACH RESPECTIVE**
9 **FACTOR IN THIS TAP-R PROCEEDING IS MEANT TO REPRESENT (I.E.,**
10 **COVER).**

11 As identified in Schedule PWD-1 and further explained in Schedule PWD-3:

12 The **C-Factor** is meant to represent the dollar in estimated TAP Billing Loss for the
13 Projected Period (also referred to as the Next Rate Period). In this proceeding, the
14 Projected Period would cover **September 1, 2026 through August 31, 2027**. The
15 Projected Period, cited in the C-Factor definition included in Section 10 of the Water
16 Department's Rates and Charges and Next Rate Period are one and the same in this
17 proceeding.

18
19 The **E-Factor** is meant to represent the net over or under collection of the TAP-R
20 surcharge amount for the Most Recent Period. In this proceeding, the Most Recent Period
21 would cover **September 1, 2025 through August 31, 2026**. The E-Factor includes any
22 over/under-recovery from the prior reconciliation period. In this proceeding, that would
23 cover September 1, 2024 through August 31, 2025.

24
25 The I-Factor is meant to represent the interest on any over or under recovery of the TAP-

1 R amount during the Most Recent Period. This is the period covered by the E-Factor in
2 this proceeding.

3
4 **36. PLEASE IDENTIFY THE RATES IN EFFECT DURING THE PROJECTED**
5 **PERIOD AND THE MOST RECENT PERIOD.**

6 The rates in effect during the Projected Period, will be the base rates effective September
7 1, 2026, as approved by the Rate Board in the 2025 Rate Determination.

8
9 The rates in effect during the Most Recent Period, are the base rates effective September
10 1, 2025, as approved by the Rate Board in the 2025 Rate Determination.

11
12 **37. HOW ARE TAP DISCOUNTS DETERMINED?**

13 TAP Discounts are the difference between a customer's fixed income-based bill and their
14 actual bill, as calculated under the rates in effect at that time of billing.

15
16 **38. IF ALL OTHER FACTORS ARE HELD EQUAL (E.G. INCOME LEVEL, METER**
17 **SIZE, USAGE, ETC.), WOULD THE TOTAL DISCOUNT ASSOCIATED WITH A**
18 **TAP CUSTOMER'S BILL INCREASE FROM THE MOST RECENT PERIOD TO**
19 **THE PROJECTED PERIOD?**

20 Yes. If a TAP customer's income-based bill remains fixed, and all other factors are the
21 same, the discount associated with that customer's bill would increase from the Most
22 Recent Period to the Projected Period.

23
24 **39. AT LINES 4 TO 5 ON PAGE 5 OF PA STATEMENT 1, MR. MORGAN STATES**
25 **THAT THE DEPARTMENT HAS OVERSTATED EACH FACTOR AND IN**

1 **DOING SO, PRODUCES UNREASONABLE PROPOSED TAP-R RATES FOR**
2 **THE NEXT PLAN YEAR. DO YOU AGREE?**

3 No. For the purposes of this response, we will assume that Mr. Morgan’s reference to the
4 “next plan year” refers to the next rate period or the period for which the proposed TAP-
5 R rates will be in effect. This period would be September 1, 2026 through August 31,
6 2027. As previously noted, this coincides with the Projected Period utilized in
7 establishing the C-Factor for TAP-R rates in this proceeding.

8
9 Mr. Morgan appears overly focused on the individual factors utilized in the TAP-R
10 reconciliation calculations, their basis and whether or not the methodology had been
11 previously applied. In his testimony, he provides no commentary on the overall
12 performance of the TAP-R surcharge rates and whether or not there are effectively
13 recovering costs and reconciling prior periods. He provides no basis for his opinion that
14 the Department’s proposed rates are unreasonable, beyond his review of the individual
15 factors. In other words, Mr. Morgan is focused on factors and not outcomes.

16
17 **40. WHAT CONCERNS DO YOU HAVE WITH MR. MORGAN’S APPROACH TO**
18 **DETERMINING THE C-FACTOR?**

19 Mr. Morgan claims that TAP Participation and TAP Customer Usage has a direct impact
20 on the TAP billing loss in the projection of the lost revenue. While we agree these are
21 factors which can influence TAP Billing Loss (i.e. TAP Discounts), we also recognize
22 that adopted rates will also have an influence.

23
24 Stated differently, the C-Factor itself is inherently prospective. PWD’s compliance filing
25 in the 2025 General Rate Proceeding reflects the base rates, and associated customer

1 impacts that can be anticipated with rates effective September 1, 2025 and September 1,
2 2026.

3
4 A primary reason the Department proposed using the average of the most recent 4-
5 months of TAP Discounts, in estimating overall TAP discounts for the Projected Period,
6 is that the rates in effect during this time, and are more representative of the discounts
7 that may be anticipated with that time frame (i.e. September 1, 2026 through August 31,
8 2027). If anything, the overall projected TAP Billing Loss (i.e., discounts) may still be
9 understated.

10
11 Mr. Morgan insists on using a 12-month average to determine the average TAP billing
12 loss, this includes months during which rates effective September 1, 2024 were in place.
13 This period is prior to both the Most Recent Period and the Projected Period.

14
15 In our opinion, it is reasonable to consider the circumstances, including what base rates
16 will be in effect, as well as other factors that have an influence on the Projected Period or
17 C-Factor used in establishing TAP-R rates.

18
19 **41. DO THE TAP-R RATES ESTABLISHED IN THE 2025 TAP-R PROCEEDING**
20 **SUFFICIENTLY RECOVER THE NET RECOVERABLE COSTS?**

21 No. As evidenced by the E-Factor, TAP-R rates did not sufficiently recover TAP-R costs.
22 While TAP-R is reconcilable, this is the third TAP-R proceeding in which TAP-R rates
23 have not recovered the net recoverable costs.

24
25 This presents a growing concern to the Department, as the intent of TAP-R is to address

1 both under and over-recovery of TAP related discounts via the TAP-R rates. For the third
2 filing in a row, TAP-R is clearly under recovering. The E-Factor in this filing represents
3 over 18% of the net recoverable costs both in the Department's and Mr. Morgan's
4 calculations. Comparing the E-Factor in this proceeding, to the net recoverable costs from
5 the settlement in the 2025 TAP-R proceeding, the E-Factor represents over 24% of the
6 net recoverable costs.

7
8 This in and of itself suggests that the factors utilized in the TAP-R calculations should be
9 more closely considered and not simply rely on past settlements or past methodology for
10 that matter. Focusing on individual factors, or prior year averages, ignores and risks the
11 overall outcomes.

12
13 We discuss whether the Water Department's proposal, specifically the overall factors
14 proposed TAP-R rates, should be considered reasonable in this proceeding further below.

15
16 **42. PLEASE EXPLAIN WHY CURRENT TAP-R RATES ARE UNDER**
17 **RECOVERING COSTS.**

18 For the purposes of this response, we will refer to Schedule PWD-1, Page 3, Table 3-W
19 and 3-WW from the Formal Notice as well as Schedule LKM-TAP-3. Both sets of tables
20 present the overall Net Over/(Under Collection) i.e., the E-Factor for the Most Recent
21 Period (i.e., September 1, 2025 to August 31, 2026).

22
23 As shown in both tables, the Prior E&I Factor Adjustments were (\$3,616,542) for Water
24 and (\$4,955,115) for Sewer. In order to sufficiently recover these costs, along with the
25 discounts currently being provided, on average each month would need to result in a

1 positive balance of \$301,378.50 and \$412,926.12 for water and sewer respectively.

2 Neither PWD nor Mr. Morgan's calculations show that this will be achieved during the
3 Most Recent Period. In fact, in both PWD's and Mr. Morgan's calculations, the Total E-
4 Factor in this proceeding is negative. In other words, the previously established TAP-R
5 rates are not sufficiently recovering costs, including reconciling the costs from prior
6 proceedings.

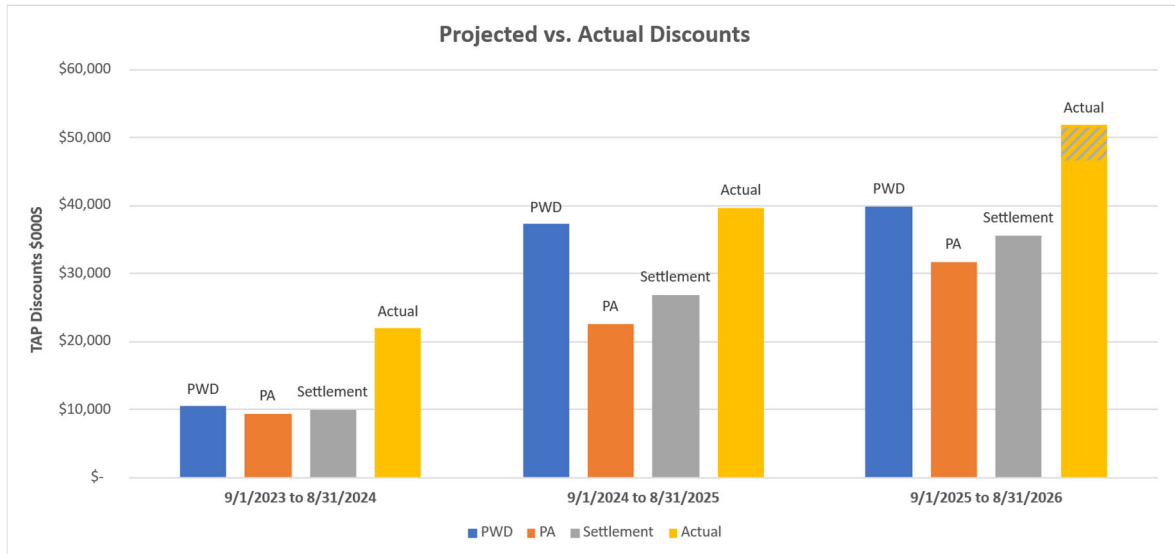
7
8 This is further reinforced by the updated reconciliation calculations, which incorporate
9 actual data for TAP and Non-TAP customers for the months of January to March 2026.
10 We will note that Mr. Morgan's analysis fails to update the actual information for Non-
11 TAP customers during these months. His calculations for these months are in error and
12 show a positive amount for these months (See Column 8 for each table presented on
13 Schedule LKM-TAP-3. Schedule PWD-8 shows the updated reconciliation of costs for
14 these months based upon updated actual information, which shows even greater under-
15 recovery. That said, in the instant proceeding the Water Department has not revised its
16 original request set forth in the Advance Notice and Formal Notice.

17
18 **43. PLEASE COMPARE HOW PARTICIPANT PROPOSALS IN RECENT TAP-R**
19 **PROCEEDINGS ALIGN WITH ACTUAL EXPERIENCE?**

20 Yes. In each TAP-R filing, the C-Factor and the underlying assumptions utilized in
21 determining the Total Billing Loss for the Next Rate Period from the prior proceeding
22 can be compared to the actual discounts provided (or estimated to be provided) during the
23 Most Recent Period. The following graphs compare the various proposals for the Total
24 Billing Loss by the Water Department, the Public Advocate, and those used for
25 settlement purposes against actual experience. Each of the underlying assumptions are

1 presented in subsequent figures for average monthly participation and average TAP
2 discount.

3
4 **Figure 1: Projected vs. Actual Discounts**



13 The above graph shows a comparison of the projected TAP Billing Loss or C-Factor for
14 the prior proceedings compared to the Department's actual experience¹⁶.

15
16
17
18
19
20
21
22
23
24 ¹⁶ For September 1, 2025 to August 31, 2026, the Actual Discounts presented on the graph shows the Department's
25 actual experience for the period of April 2025 through March 2026 in solid color based upon Schedule PWD-7,
while the hatched portion shows the updated estimate accounting for the remainder of the period as presented in
Schedule PWD-7.

Figure 2: Estimated vs. Actual Average Discounts

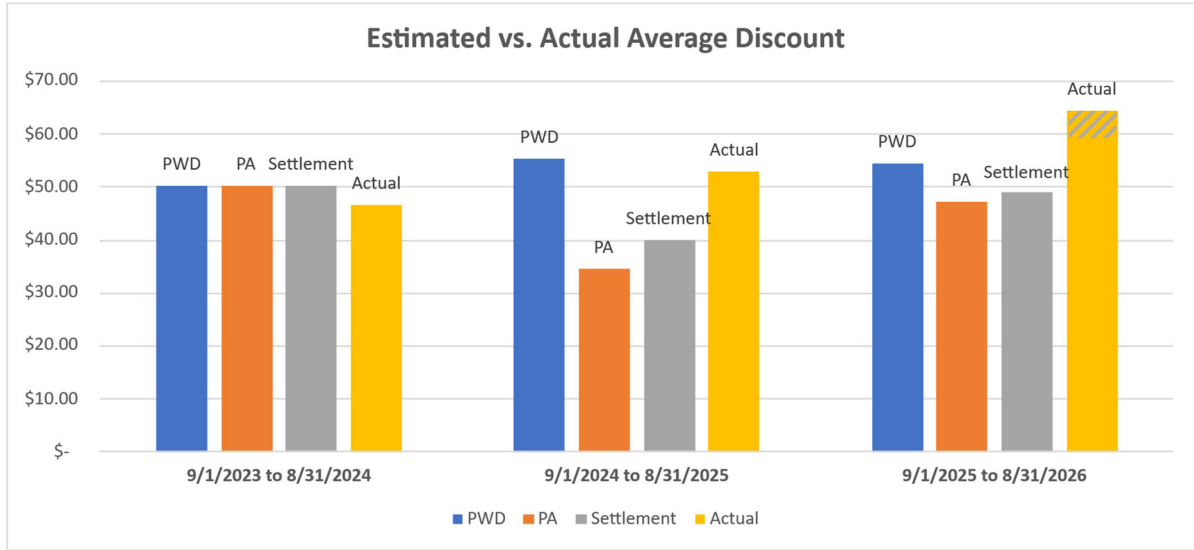


Figure 2 shows a comparison of the estimated average TAP discounts from the prior proceedings compared to the Department’s actual experience¹⁷.

Figure 3: Estimated vs. Actual Average Participants

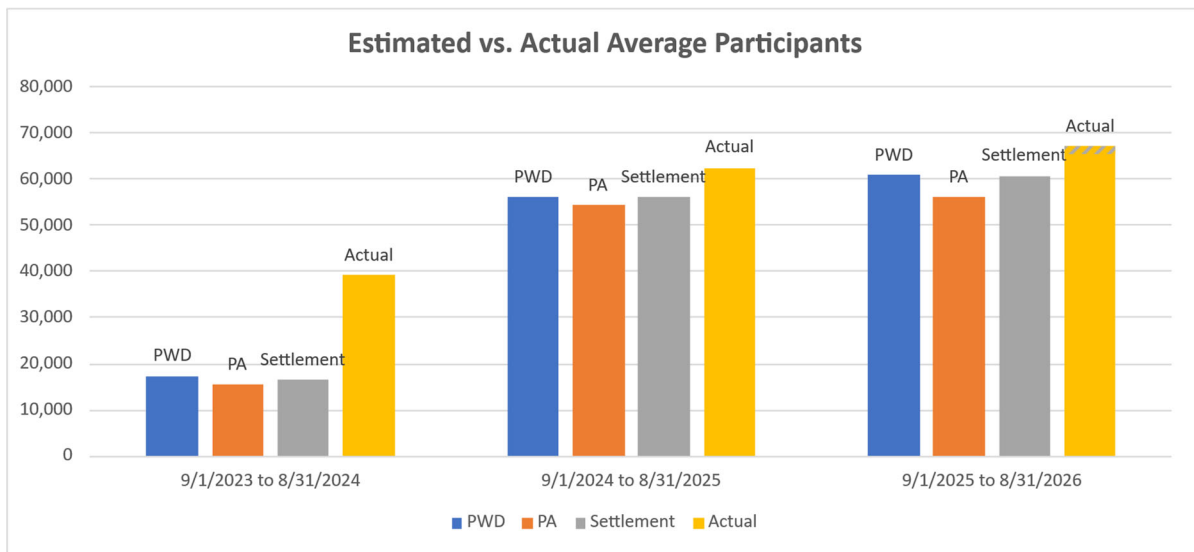


Figure 3 shows a comparison of the estimated average participants from the prior

¹⁷ For September 1, 2025 to August 31, 2026, the Actual Average Discounts presented on the graph show the Department’s actual experience for the period of April 2025 through March 2026 in solid color based upon Schedule PWD-7, while the hatched portion shows the updated estimate accounting for the remainder of the period as presented in Schedule PWD-7.

1 proceedings compared to the Department's actual experience¹⁸.

2
3 In each of the above graphs comparing PA and PWD assumptions and projections, it is
4 clear that PWD's proposals in each proceeding are closer to actual. With the exception of
5 the Average TAP Discount for 9/1/2023 to 8/31/2024, the Public Advocate's
6 recommendations understate each factor and more importantly without exception the
7 understate overall TAP Billing Loss.

8
9 While we acknowledge that with each settlement, the Department agreed to utilize a
10 lower factor or compromise position, it is clear that Mr. Morgan's positions do not
11 support cost recovery and do not align with actual experience for overall costs.

12 Essentially, his recommendations understate the PWD's cost recovery needs and serve
13 only to reduce the TAP-R rate increase.

14
15 It is important to note that in each of the prior proceedings the Water Department was
16 faced with a combination of a growing program as well as increasing base rates. TAP-R
17 has not kept pace with the cost recovery, and the prior TAP-R rates are leading to a
18 chronic under-recovery of costs.

19
20 If Mr. Morgan's recommendations are adopted, we anticipate that TAP-R will continue to
21 under recover the overall reconcilable costs.

22
23
24 _____
25 ¹⁸ For September 1, 2025 to August 31, 2026, the Average Participants presented on the graph shows the
Department's actual experience for the period of April 2025 through March 2026 in solid color based upon Schedule
PWD-7, while the hatched portion shows the updated estimate accounting for the remainder of the period as
presented in Schedule PWD-7.

44. IS THERE ANOTHER WAY TO EVALUATE PRIOR PROPOSALS AND THEIR REASONABLENESS?

Yes, by applying the TAP-R rates recommended by both the Water Department and the Public Advocate in the prior proceeding, we can assess what influence they would have had on the E-Factor, in this proceeding, if adopted as initially proposed. PWD Schedule-10 presents the application of both the Water Department’s and Public Advocate’s proposed rates, in context of determining the E-Factor in this proceeding.

Proposed TAP-R Rates

Proposed TAP-R	Water Department¹⁹	Public Advocate²⁰
Water (\$/MCF)	\$3.87	\$2.93
Sewer (\$/MCF)	\$5.67	\$4.30

E-Factor Performance Check

E-Factor Performance	Water Department	Public Advocate
Proposed Rates	(\$9,888,927)	(\$21,025,061)
Actual Rates*	(\$14,109,978)	(\$14,109,978)
Delta	\$4,221,051	(\$6,915,083)

*Based on the adopted TAP-R rates from the 2025 TAP Proceeding.

PWD Schedule-10 presents the application of both the Water Department’s and Public Advocate’s proposed rates, in context of determining the E-Factor in this proceeding.

¹⁹ See Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, March 31, 2025; Schedule BV-1, p.1.

²⁰ Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, April 21, 2025; Schedule LKM-TAP-1.

1 As summarized in the table above, had the Water Department's originally proposed rates
2 been adopted in the 2025 TAP-R Proceeding, the E-Factor would decrease by over \$4M
3 in the current filing. This would in turn result in a lower calculated TAP-R rate compared
4 to the Water Department's original filing in this proceeding. By contrast, Mr. Morgan's
5 recommended proposed rates would have resulted in another estimated \$6.9M in under
6 recovery (nearly \$21M in under recovery in total), which would increase the requested
7 TAP-R rates in this proceeding.

8
9 Put simply, the Water Department's proposal would have resulted in better cost recovery
10 overall. The Water Department's requested rates would actually be lower in this filing,
11 had their recommendations been adopted.

12
13 It is important to note that in the prior proceeding, the Water Department initially
14 proposed utilizing the average discount based upon the most recent 4 months to help
15 establish the TAP-R rates. From the information presented in the prior responses, it is
16 clear that this approach provides a more reasonable approximation of what the Water
17 Department can anticipate experiencing compared to Mr. Morgan's proposal(s).

18
19 **45. WHAT DO YOU CONCLUDE REGARDING THE REASONABLENESS OF**
20 **PWD'S AND MR. MORGAN'S PROPOSED RATES?**

21 As demonstrated in the prior responses, as well as actual performance, PWD's proposed
22 rates are more than reasonable and provided for better cost recovery overall than Mr.
23 Morgan's proposals.

24
25 Mr. Morgan's proposals are unreasonable as they fail to recognize current conditions,

1 known future conditions such as increasing base rates, and are shown to understate costs,
2 leading to the ongoing under-recovery of costs. Further, his proposals do not align with
3 the spirit of reconciliation, where both the customers and the Water Department should
4 be “made whole.”

5
6 **46. DO YOU HAVE ANY FURTHER OBSERVATIONS REGARDING MR.**
7 **MORGAN’S PROPOSALS AND HIS SUPPORTING DOCUMENTATION? HAVE**
8 **YOU REVIEWED MR. MORGAN’S RESPONSES TO DISCOVERY AND**
9 **COMPARED THEM TO HIS TESTIMONY? WHAT OBSERVATIONS DO YOU**
10 **HAVE?**

11 Yes, we’ve reviewed Mr. Morgan’s discovery responses, workpapers and testimony.
12 We observed a number of inconsistencies in Mr. Morgan’s written testimony, his
13 workpapers and the resulting schedules provided.

14
15 For example, on Page 6 of his testimony, Mr. Morgan’s table shows a total C-Factor of
16 \$47.2M for the Projected Period, while on page 9 of his testimony he states that he
17 recommends a total estimated TAP discount (or C-Factor) of \$48.8M for the “next plan
18 year that begins on September 1, 2026” (i.e., the Projected Period).

19
20 Mr. Morgan’s workpapers provided in PWD-TAP-I-1(a), show a projection of \$48.8M
21 while the workpapers provided in PWD-TAP-I-1(b) show the \$47.2M. Mr. Morgan does
22 not substantiate the \$47.2M utilized in the development of his recommended TAP-R rates
23 as shown in his table

24
25 Based upon Mr. Morgan’s PWD-TAP-I-1(a), the total discounts for the Most Recent

1 Period (i.e., September 2025 to August 2026) are projected to be \$49.9M. This projection
2 appears to align with Mr. Morgan’s recommended average TAP discount of \$59.47 per
3 participant and the “removal of the .25% growth factor” used in projecting TAP
4 participants. However, Mr. Morgan’s workpapers provided in PWD-TAP-I-1(b) show a
5 total discount for the Most Recent Period of \$47.0 M²¹. Note – the \$49.9M in discounts
6 provided during the Most Recent Period appears to be in line with Mr. Morgan’s written
7 assumptions as stated in his testimony. We observe that the \$49.9M for the most recent
8 period is more than his proposed C-Factor for the next rate period or Projected Period.
9

10 We also note that Mr. Morgan states that his “*recommended TAP-R rate is primarily the*
11 *result of changes I made to the C-Factor.*”²² While Mr. Morgan has made adjustments to
12 the C-Factor, his changes have, in fact, made significant changes to the overall E-Factor
13 (a difference of \$4M in recoverable costs when compared to the Department’s filing). He
14 has not clearly stated what changes he has made to the E-Factor calculations nor justified
15 varied assumptions and factors which appear to differ from the ones he recommends in
16 his testimony. If anything, his written testimony is incomplete and/or his calculations are
17 in error. While Mr. Morgan may cite that he used the model(s) provided by the Water
18 Department in this proceeding, he has made changes to the way the assumptions, inputs
19 and calculations interact. He also appears to have linked to various versions of his
20 workpapers which were not provided in his discovery responses.
21

22 Similarly, the summary of the number of participants by month, presented on page 10 of
23 Mr. Morgan’s testimony, don’t align with either of his workpapers nor do they align with
24

25 ²¹ Calculated by adding the totals presented in column (1) of the tables provided on Schedule LKM-3.
\$20,189,079 + \$26,762,267 = \$46,951,346.

²² See PA Statement 1 at 7 Lines 14 to 15.

1 the actual data provided in this proceeding. We assume this a presented in error.

2
3 Note – Mr. Morgan has provided no explanation as to why he has changed or varied the
4 basis of his assumptions in his schedules and supporting workpapers. Therefore, his
5 approach is unsubstantiated in the record.

6
7 Mr. Morgan’s application of the more recent data for January 2026 to March 2026 only
8 appears to be utilized for the development of his TAP assumptions. He does not use the
9 actual Non-TAP billed volume data from January to March 2026 to update the estimated
10 usage, utilized in calculating both the E-Factor and the S-Factor.

11
12 Mr. Morgan’s approach is inconsistent, his calculations in error and therefore the results
13 and recommendations are questionable at best. Please see Schedule PWD-11 for a
14 summary of inconsistencies and errors in Mr. Morgan’s testimony.

15
16 **V. CONCLUSION**

17 **47. WHAT IS YOUR OVERALL RECOMMENDATION WITH RESPECT TO 2026**
18 **TAP ADJUSTMENT?**

19 Both Raftelis and Black & Veatch recommend that the Rate Board adopt the Water
20 Department’s proposed TAP-R rates as filed. While the Department’s proposed rates may
21 still under recover costs, they are demonstrably more reasonable than the Public’s
22 Advocate’s proposal in this proceeding.

23
24 We reserve the right to update our rebuttal testimony in the event the Public Advocate
25 and/or Mr. Morgan submit revised or corrected testimony, discovery responses,

1 workpapers, etc.

2
3 **48. DO YOU HAVE ANY OBSERVATIONS OR CONCERNS REGARDING THE**
4 **OVERALL RECOMMENDATION WITH RESPECT TO MAINTAINING THE**
5 **DEPARTMENT’S PROPOSED RATES AS REFLECTED IN THE FORMAL**
6 **NOTICE?**

7 Yes. Although in this current proceeding the Department has maintained its recommended
8 proposed TAP-R rates as reflected in the Advance and Formal Notices, the Department
9 suggests that the initial request reflected in the Formal Notice should not be treated as a
10 ceiling for the potential adopted rates for a TAP-R reconciliation proceeding. TAP-R
11 reconciliation proceedings are the application of the TAP-R formula based on actual data
12 experienced. The TAP-R formula is established during general rate proceedings and
13 documented in the Department’s rate and charges. If actual data experienced subsequent to
14 the advance or formal notice is introduced into the Hearing Record which supports a higher
15 TAP-R rate, the Department should be able to adjust the proposed TAP-R rates. This
16 approach allows the final adopted TAP-R rates to be established based on the most recent
17 data in a documented and transparent manner, minimizes the projection period in the most
18 recent period reconciliation, and should result in improved cost recovery.

19
20 Additionally, and as reflected in Figures 1 to 3, in recent proceedings, PWD’s proposed
21 total discount, average discount and participants have been closer to the actual experience
22 than the PA’s proposals and estimates used for settlement purposes have been. Any
23 significant reduction in PWD proposals is likely to result in understating the provided
24 discounts to TAP customers and further contribute to ongoing under-recovery of costs.

1 **49. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

2 Yes.

3

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2026 TAP Reconcilable Rider Reports and Projection Model - Update Jan-March2026 with

For: **Philadelphia Water Department**

By:  **RAFTELIS**

2026 TAP Reconcilable Rider Reports and Projection Model: Table of Contents

<u>Sheet Name</u>	<u>Description</u>
Table of Contents	List of each sheet in the workbook
TRR_Summary	Summary of assumptions and results by period of major variables requested of Raftelis
TRR_Projections	Results by month of major variables requested of Raftelis
Data Source	Description of data source for Combined Data and reports DR-1, DR-2
DR_1	Water Monthly Retail Billed Volume
DR_2	Sewer Monthly Retail Billed Volume

<u>Assumptions used to develop the Results below</u>							
Assumption or scenario type	Scenario						
TAP Subscription Projection	Increasing	due to continued prequalification					
Monthly Cost per TAP Participant*	\$	64.50	and projected to be stable over time				
Monthly Consumption per TAP Participant*		669 CF	and projected to be stable over time				
<i>*Per Participant Data (Most Recent Period - Actual Data)</i>							
			Average Monthly Number of TAP Participants	Total Number of TAP Participants	Total TAP Discount	Total TAP Water Consumption (CCF)	Total TAP Sewer Consumption (CCF)
Reconciled Period - Actual	April 2025 to	August 2025	65,476	327,379	\$ 17,162,078	2,071,880	2,070,258
Most Recent Period - Actual	September 2025 to	March 2026	65,546	458,821	\$ 29,594,989	3,067,984	3,065,714
Most Recent Period - Projected	April 2026 to	August 2026	68,928	344,639	\$ 22,229,996	2,304,487	2,304,487
Most Recent Period - Entire	September 2025 to	August 2026	66,955	803,460	\$ 51,824,986	5,372,471	5,370,201
Next Rate Period	September 2026 to	August 2027	70,409	844,902	\$ 54,498,092	5,649,581	5,649,581

2026 TAP Reconcilable Rider Reports and Projection Model: TRR_Projections

	Reconciled Period				
Data Type	Actual	Actual	Actual	Actual	Actual
Projected Increase in Participants					
	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
Total Participants	64,762	65,114	65,257	65,853	66,393
Discount	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
Total Discounts	\$ 3,128,342.41	\$ 3,243,724.07	\$ 3,486,841.07	\$ 3,526,644.22	\$ 3,776,526.48
Water Consumption	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
Total TAP Water Consumption (CCF)	382,353	395,758	419,696	423,997	450,076
Sewer Consumption	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
Total TAP Sewer Consumption (CCF)	382,075	395,427	419,359	423,626	449,771

2026 TAP Reconcilable Rider Reports and Projection Model: TRR_Projections

	Most Recent Perio				
Data Type	Actual	Actual	Actual	Actual	Actual
Projected Increase in Participants					
	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026
Total Participants	66,827	67,155	56,281	67,815	67,690
Discount	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026
Total Discounts	\$ 3,997,140.20	\$ 4,545,754.26	\$ 3,282,881.90	\$ 4,386,029.19	\$ 4,713,244.12
Water Consumption	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026
Total TAP Water Consumption (CCF)	444,157	466,827	340,206	453,729	474,833
Sewer Consumption	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026
Total TAP Sewer Consumption (CCF)	443,876	466,528	339,938	453,388	474,455

2026 TAP Reconcilable Rider Reports and Projection Model: TRR_Projections

Data Type	Actual	Actual	Projected	Projected	Projected
Projected Increase in Participants			0.25%	0.25%	0.25%
	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Total Participants	64,640	68,413	68,584	68,755	68,927
Discount	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Total Discounts	\$ 4,147,911.73	\$ 4,522,028.08	\$ 4,423,824.80	\$ 4,434,884.37	\$ 4,445,971.58
Water Consumption	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Total TAP Water Consumption (CCF)	423,591	464,641	458,599	459,745	460,895
Sewer Consumption	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Total TAP Sewer Consumption (CCF)	423,265	464,264	458,599	459,745	460,895

2026 TAP Reconcilable Rider Reports and Projection Model: TRR_Projections

			Next Rate Period		
Data Type	Projected	Projected	Projected	Projected	Projected
Projected Increase in Participants	0.25%	0.25%	0.25%	0.25%	0.25%
	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026
Total Participants	69,100	69,272	69,446	69,619	69,793
Discount	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026
Total Discounts	\$ 4,457,086.51	\$ 4,468,229.22	\$ 4,479,399.80	\$ 4,490,598.29	\$ 4,501,824.79
Water Consumption	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026
Total TAP Water Consumption (CCF)	462,047	463,202	464,360	465,521	466,685
Sewer Consumption	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026
Total TAP Sewer Consumption (CCF)	462,047	463,202	464,360	465,521	466,685

2026 TAP Reconcilable Rider Reports and Projection Model: TRR_Projections

Data Type	Projected		Projected		Projected	
Projected Increase in Participants	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	
Total Participants	69,968	70,143	70,318	70,494	70,670	
Discount	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	
Total Discounts	\$ 4,513,079.35	\$ 4,524,362.05	\$ 4,535,672.96	\$ 4,547,012.14	\$ 4,558,379.67	
Water Consumption	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	
Total TAP Water Consumption (CCF)	467,851	469,021	470,194	471,369	472,547	
Sewer Consumption	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	
Total TAP Sewer Consumption (CCF)	467,851	469,021	470,194	471,369	472,547	

2026 TAP Reconcilable Rider Reports and Projection Model: TRR_Projections

Data Type				
	Projected	Projected	Projected	Projected
Projected Increase in Participants	0.25%	0.25%	0.25%	0.25%
	May 2027	Jun 2027	Jul 2027	Aug 2027
Total Participants	70,847	71,024	71,201	71,379
Discount	May 2027	Jun 2027	Jul 2027	Aug 2027
Total Discounts	\$ 4,569,775.62	\$ 4,581,200.06	\$ 4,592,653.06	\$ 4,604,134.69
Water Consumption	May 2027	Jun 2027	Jul 2027	Aug 2027
Total TAP Water Consumption (CCF)	473,729	474,913	476,100	477,291
Sewer Consumption	May 2027	Jun 2027	Jul 2027	Aug 2027
Total TAP Sewer Consumption (CCF)	473,729	474,913	476,100	477,291

2026 TAP Reconcilable Rider Reports and Projection Model: DR_1

April 2025 - March 2026

DR-1: Water Billed Volume		2025	2025	2025	2025	2025
		4	5	6	7	8
Customer Group	Discount Group	April 2025 Water Billed Volume (CCF)	May 2025 Water Billed Volume (CCF)	June 2025 Water Billed Volume (CCF)	July 2025 Water Billed Volume (CCF)	August 2025 Water Billed Volume (CCF)
TAP	All Groups	382,353	395,758	419,696	423,997	450,076
Non-TAP	Senior Discount*	47,494	47,241	47,522	47,557	49,689
Non-TAP	PHA Discount	103,127	120,137	106,380	112,691	113,145
Non-TAP	Non-PHA Discount (Other discount)	128,264	141,544	151,644	157,139	167,773
Non-TAP	No Additional Discount	3,768,623	3,942,518	4,123,420	4,307,512	4,456,512
PWD (not subject to reconciliation)	PWD	199,603	200,095	190,575	207,729	231,646

Water Billed Volume Subtotals, by Customer Group		April 2025 Water Billed Volume (CCF)	May 2025 Water Billed Volume (CCF)	June 2025 Water Billed Volume (CCF)	July 2025 Water Billed Volume (CCF)	August 2025 Water Billed Volume (CCF)
Customer Group						
TAP		382,353	395,758	419,696	423,997	450,076
Non-TAP		4,047,508	4,251,440	4,428,966	4,624,899	4,787,119
PWD (not subject to reconciliation)		199,603	200,095	190,575	207,729	231,646

*Senior Citizen Discount figures represent only those Senior Citizen Discount customers not enrolled in TAP. Senior Citizen Discount customers enrolled in TAP are included in the TAP Customer Group.

2026 TAP Reconcilable Rider Reports and Projection Model: DR_1

April 2025 - March 2026

DR-1: Water Billed Volume		2025	2025	2025	2025	2026
		9	10	11	12	1
Customer Group	Discount Group	September 2025 Water Billed Volume (CCF)	October 2025 Water Billed Volume (CCF)	November 2025 Water Billed Volume (CCF)	December 2025 Water Billed Volume (CCF)	January 2026 Water Billed Volume (CCF)
TAP	All Groups	444,157	466,827	340,206	453,729	474,833
Non-TAP	Senior Discount*	47,307	49,343	34,367	47,086	50,022
Non-TAP	PHA Discount	111,990	107,777	98,283	106,611	116,765
Non-TAP	Non-PHA Discount (Other discount)	162,033	181,080	131,467	139,021	144,798
Non-TAP	No Additional Discount	4,324,158	4,440,404	3,355,146	4,051,393	4,167,807
PWD (not subject to reconciliation)	PWD	244,653	352,472	68,383	241,737	291,038

Water Billed Volume Subtotals, by Customer Group		September 2025 Water Billed Volume (CCF)	October 2025 Water Billed Volume (CCF)	November 2025 Water Billed Volume (CCF)	December 2025 Water Billed Volume (CCF)	January 2026 Water Billed Volume (CCF)
Customer Group						
TAP		444,157	466,827	340,206	453,729	474,833
Non-TAP		4,645,488	4,778,604	3,619,263	4,344,111	4,479,392
PWD (not subject to reconciliation)		244,653	352,472	68,383	241,737	291,038

*Senior Citizen Discount figures represent only those Senior Citizen Discount customers not enrolled in TAP. Senior Citizen Discount customers enrolled in TAP are included in the TAP Customer Group.

2026 TAP Reconcilable Rider Reports and Projection Model: DR_1

April 2025 - March 2026

DR-1: Water Billed Volume		2026	2026
		2	3
Customer Group	Discount Group	February 2026 Water Billed Volume (CCF)	March 2026 Water Billed Volume (CCF)
TAP	All Groups	423,591	464,641
Non-TAP	Senior Discount*	46,333	52,917
Non-TAP	PHA Discount	101,742	103,320
Non-TAP	Non-PHA Discount (Other discount)	132,498	129,786
Non-TAP	No Additional Discount	3,744,346	3,988,059
PWD (not subject to reconciliation)	PWD	244,141	235,121

Water Billed Volume Subtotals, by Customer Group		February 2026 Water Billed Volume (CCF)	March 2026 Water Billed Volume (CCF)
Customer Group			
TAP		423,591	464,641
Non-TAP		4,024,919	4,274,082
PWD (not subject to reconciliation)		244,141	235,121

*Senior Citizen Discount figures represent only those Senior Citizen Discount customers not enrolled in TAP. Senior Citizen Discount customers enrolled in TAP are included in the TAP Customer Group.

2026 TAP Reconcilable Rider Reports and Projection Model: DR_2

April 2025 - March 2026

DR-2: Sewer Billed Volume		2025	2025	2025	2025	2025
		4	5	6	7	8
Customer Group	Discount Group	April 2025 Sewer Billed Volume (CCF)	May 2025 Sewer Billed Volume (CCF)	June 2025 Sewer Billed Volume (CCF)	July 2025 Sewer Billed Volume (CCF)	August 2025 Sewer Billed Volume (CCF)
TAP	All Groups	382,075	395,427	419,359	423,626	449,771
Non-TAP	Senior Discount*	47,466	47,208	47,485	47,519	49,640
Non-TAP	PHA Discount	103,076	120,074	106,299	112,615	113,065
Non-TAP	Non-PHA Discount (Other discount)	127,647	140,608	150,750	155,946	166,612
Non-TAP	No Additional Discount	3,580,867	3,702,734	3,879,586	4,015,717	4,163,784
PWD (not subject to reconciliation)	PWD	199,603	200,095	190,575	207,729	231,646

Sewer Billed Volume Subtotals, by Customer Group		April 2025 Sewer Billed Volume (CCF)	May 2025 Sewer Billed Volume (CCF)	June 2025 Sewer Billed Volume (CCF)	July 2025 Sewer Billed Volume (CCF)	August 2025 Sewer Billed Volume (CCF)
Customer Group						
TAP		382,075	395,427	419,359	423,626	449,771
Non-TAP		3,859,056	4,010,624	4,184,120	4,331,797	4,493,101
PWD (not subject to reconciliation)		199,603	200,095	190,575	207,729	231,646

*Senior Citizen Discount figures represent only those Senior Citizen Discount customers not enrolled in TAP. Senior Citizen Discount customers enrolled in TAP are included in the TAP Customer Group.

DR-2: Sewer Billed Volume		2025	2025	2025	2025	2026
		9	10	11	12	1
Customer Group	Discount Group	September 2025 Sewer Billed Volume (CCF)	October 2025 Sewer Billed Volume (CCF)	November 2025 Sewer Billed Volume (CCF)	December 2025 Sewer Billed Volume (CCF)	January 2026 Sewer Billed Volume (CCF)
TAP	All Groups	443,876	466,528	339,938	453,388	474,455
Non-TAP	Senior Discount*	47,240	49,276	34,334	47,051	49,990
Non-TAP	PHA Discount	111,914	107,701	98,204	106,537	116,676
Non-TAP	Non-PHA Discount (Other discount)	161,087	177,711	130,613	138,255	143,851
Non-TAP	No Additional Discount	4,045,984	4,168,231	3,149,891	3,868,382	3,957,613
PWD (not subject to reconciliation)	PWD	244,653	352,472	68,383	241,737	291,038

Sewer Billed Volume Subtotals, by Customer Group		September 2025 Sewer Billed Volume (CCF)	October 2025 Sewer Billed Volume (CCF)	November 2025 Sewer Billed Volume (CCF)	December 2025 Sewer Billed Volume (CCF)	January 2026 Sewer Billed Volume (CCF)
Customer Group						
TAP		443,876	466,528	339,938	453,388	474,455
Non-TAP		4,366,225	4,502,919	3,413,042	4,160,225	4,268,130
PWD (not subject to reconciliation)		244,653	352,472	68,383	241,737	291,038

*Senior Citizen Discount figures represent only those Senior Citizen Discount customers not enrolled in TAP. Senior Citizen Discount customers enrolled in TAP are included in the TAP Customer Group.

2026 TAP Reconcilable Rider Reports and Projection Model: DR_2

April 2025 - March 2026

DR-2: Sewer Billed Volume		2026	2026
		2	3
Customer Group	Discount Group	2026 Sewer Billed Volume (CCF)	March 2026 Sewer Billed Volume (CCF)
TAP	All Groups	423,265	464,264
Non-TAP	Senior Discount*	46,303	52,873
Non-TAP	PHA Discount	101,668	103,249
Non-TAP	Non-PHA Discount (Other discount)	132,016	129,241
Non-TAP	No Additional Discount	3,558,771	3,789,898
PWD (not subject to reconciliation)	PWD	244,141	235,121

Sewer Billed Volume Subtotals, by Customer Group		February	March 2026
Customer Group		2026 Sewer Billed Volume (CCF)	Sewer Billed Volume (CCF)
TAP		423,265	464,264
Non-TAP		3,838,758	4,075,261
PWD (not subject to reconciliation)		244,141	235,121

*Senior Citizen Discount figures represent only those Senior Citizen Discount customers not enrolled in TAP. Senior Citizen Discount customers enrolled in TAP are included in the TAP Customer Group.

2026 TAP Reconcilable Rider Reports and Projection Model: Data Source

Data through Dec 2025 are from reports run on static copy of basis2 on 12/31/2025

Data Jan to Mar 2026 are from reports run on static copy of basis2 on 3/31/2026

Table 1 - Calculation of TAP Rider Rates Effective September 01, 2026 (FY 2027)

		TOTAL	Water	Wastewater
		Amount	Amount	Amount
(1)	C = Projected TAP Billing Loss ^a	\$ 54,498,092	\$ 23,434,180	\$ 31,063,913
(2)	E = Experienced & Estimated Net Over/Under Collection ^b	\$ (15,208,175)	\$ (6,603,094)	\$ (8,605,082)
(3)	I = Interest on Experienced & Estimated Net Over/Under Collection ^c	\$ (239,859)	\$ (104,485)	\$ (135,374)
(4)	Net Recoverable Costs ^d : (C) - (E + I)	\$ 69,946,127	\$ 30,141,758	\$ 39,804,369
(5)	S = Projected Non-TAP Sales for Next Rate Period (MCF) ^e		5,165,721	4,885,802
(6)	TAP-R Surcharge^f: (4)/(5)		\$ 5.83 /MCF	\$ 8.15 /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 3.47% as of January 02, 2026.
 - ^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 2025 to March 2026. Next Rate Period is assumed to be September 01, 2026 to August 31, 2027.
 - ^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, 2026 through August 31, 2027			Water 43%	Wastewater 57%		
(1)	Projected TAP Billing Loss ^a	\$	54,498,092	\$	23,434,180	\$	31,063,913

Notes:

^a Projected TAP Billing Loss based upon the Projected Average Monthly Number of TAP Participants of 70,409 and the Average TAP Discount per Participant of \$64.50.

^b Allocation between Water and Wastewater per PWD Regulations - Rates and Charges Effective September 1, 2025 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	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
	(1)	(2)	3.590 96.93% (3) = (2) * \$ 3.590/Mcf	96.93% (4) = [(1) - (3)] * 0.9693	(5)	\$ 3.590 (6) = (5) * \$ 3.590/Mcf	96.93% (7) = (6) * 0.9693	(8) = (7) - (4)
Prior E & I Factor Adjustments								
(a) Sep-25	\$ 1,718,770	44,416	\$ 159,452	\$ 1,511,447	458,755	\$ 1,646,932	\$ 1,596,371	\$ 84,924
(a) Oct-25	\$ 1,954,674	46,683	\$ 167,591	\$ 1,732,220	471,561	\$ 1,692,904	\$ 1,640,932	\$ (91,288)
(a) Nov-25	\$ 1,411,639	34,021	\$ 122,134	\$ 1,249,917	357,289	\$ 1,282,668	\$ 1,243,290	\$ (6,627)
(a) Dec-25	\$ 1,885,993	45,373	\$ 162,889	\$ 1,670,204	429,225	\$ 1,540,919	\$ 1,493,613	\$ (176,591)
(a) Jan-26	\$ 2,026,695	47,483	\$ 170,465	\$ 1,799,244	442,485	\$ 1,588,521	\$ 1,539,753	\$ (259,490)
(a) Feb-26	\$ 1,783,602	42,359	\$ 152,069	\$ 1,581,445	397,512	\$ 1,427,070	\$ 1,383,259	\$ (198,186)
(a) Mar-26	\$ 1,944,472	46,464	\$ 166,806	\$ 1,723,092	422,324	\$ 1,516,143	\$ 1,469,597	\$ (253,494)
(a) Apr-26	\$ 1,902,245	45,860	\$ 164,637	\$ 1,684,263	430,477	\$ 1,545,412	\$ 1,497,968	\$ (186,295)
(e) May-26	\$ 1,907,000	45,975	\$ 165,049	\$ 1,688,473	430,477	\$ 1,545,412	\$ 1,497,968	\$ (190,506)
(e) Jun-26	\$ 1,911,768	46,089	\$ 165,461	\$ 1,692,695	430,477	\$ 1,545,412	\$ 1,497,968	\$ (194,727)
(e) Jul-26	\$ 1,916,547	46,205	\$ 165,875	\$ 1,696,927	430,477	\$ 1,545,412	\$ 1,497,968	\$ (198,959)
(e) Aug-26	\$ 1,921,339	46,320	\$ 166,289	\$ 1,701,170	430,477	\$ 1,545,412	\$ 1,497,968	\$ (203,202)
Total	\$ 22,284,744	537,247	\$ 1,928,717	\$ 19,731,097	5,131,536	\$ 18,422,217	\$ 17,856,655	\$ (5,490,984)
Adjustment for Prior Estimates								\$ (1,112,110)

Notes:

- (a) - Actuals
- (e) - Estimated
- (1) - TAP Actual Discounts reflect water's 43.0% allocated portion of the Total TAP Discount.
- (2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Rafetlis. Refer to the updated PWD-5.
- (3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for April 2026 through August 2026 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 2025 Annual Rate Adjustment.

Total E-Factor Recovery **\$ (6,603,094)** 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	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
	(1)	(2)	5.070 96.93% (3) = (2) * \$ 5.070/Mcf	96.93% (4) = [(1) - (3)] * 0.9693	(5)	\$ 5.070 (6) = (5) * \$ 5.070/Mcf	96.93% (7) = (6) * 0.9693	(8) = (7) - (4)
Prior E & I Factor Adjustments								
(a) Sep-25	\$ 2,278,370	44,388	\$ 225,045	\$ 1,990,288	430,855	\$ 2,184,434	\$ 2,117,372	\$ 127,084
(a) Oct-25	\$ 2,591,080	46,653	\$ 236,530	\$ 2,282,265	444,079	\$ 2,251,479	\$ 2,182,359	\$ (99,907)
(a) Nov-25	\$ 1,871,243	33,994	\$ 172,349	\$ 1,646,738	336,690	\$ 1,707,016	\$ 1,654,611	\$ 7,873
(a) Dec-25	\$ 2,500,037	45,339	\$ 229,868	\$ 2,200,474	410,857	\$ 2,083,046	\$ 2,019,096	\$ (181,378)
(a) Jan-26	\$ 2,686,549	47,446	\$ 240,549	\$ 2,370,908	421,384	\$ 2,136,415	\$ 2,070,827	\$ (300,081)
(a) Feb-26	\$ 2,364,310	42,327	\$ 214,595	\$ 2,083,718	378,909	\$ 1,921,071	\$ 1,862,094	\$ (221,624)
(a) Mar-26	\$ 2,577,556	46,426	\$ 235,382	\$ 2,270,269	402,457	\$ 2,040,457	\$ 1,977,815	\$ (292,454)
(a) Apr-26	\$ 2,521,580	45,860	\$ 232,510	\$ 2,218,796	407,150	\$ 2,064,251	\$ 2,000,878	\$ (217,917)
(e) May-26	\$ 2,527,884	45,975	\$ 233,091	\$ 2,224,343	407,150	\$ 2,064,251	\$ 2,000,878	\$ (223,464)
(e) Jun-26	\$ 2,534,204	46,089	\$ 233,674	\$ 2,229,904	407,150	\$ 2,064,251	\$ 2,000,878	\$ (229,025)
(e) Jul-26	\$ 2,540,539	46,205	\$ 234,258	\$ 2,235,478	407,150	\$ 2,064,251	\$ 2,000,878	\$ (234,600)
(e) Aug-26	\$ 2,546,891	46,320	\$ 234,843	\$ 2,241,068	407,150	\$ 2,064,251	\$ 2,000,878	\$ (240,189)
Total	\$ 29,540,242	537,020	\$ 2,722,694	\$ 25,994,249	4,860,981	\$ 24,645,173	\$ 23,888,566	\$ (7,060,798)
Adjustment for Prior Estimates								\$ (1,544,284)

Notes:

- (a) - Actuals
- (e) - Estimated
- (1) - TAP Actual Discounts reflects water's 57.0% allocated portion of the Total TAP Discount.
- (2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Rafetlis. Refer to the updated PWD-5.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for April 2026 through August 2026 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 2025 Annual Rate Adjustment.

Total E-Factor Recovery **\$ (8,605,082)** Line 2 in Summary Table

Philadelphia Water Department
Table 3-W-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period

Billing Period	Prior Reconciliation Period with Updated Actuals								Original Estimates	Adjustment
	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection	Over/(Under) Collection	Delta
(1)	(2)	(3) = (2) * \$ 3.080/Mcf	(4) = [(1) - (3)] * 0.9699	(5)	(6) = (5) * \$ 3.080/Mcf	(7) = (6) * 0.9699	(8) = (7) - (4)	(9)	(10) = (8) - (9)	
Prior E & I Factor Adjustments								\$ (5,189,622)	\$ (5,189,622)	
Sep-24	\$ 1,337,050	42,054	\$ 129,528	\$ 1,171,175	490,922	\$ 1,512,040	\$ 1,466,527	\$ 295,352	\$ (0)	
Oct-24	\$ 1,423,249	40,944	\$ 126,106	\$ 1,258,099	458,133	\$ 1,411,049	\$ 1,368,576	\$ 110,477	\$ (0)	
Nov-24	\$ 1,251,489	35,813	\$ 110,303	\$ 1,106,836	424,734	\$ 1,308,181	\$ 1,268,804	\$ 161,968	\$ (0)	
Dec-24	\$ 1,337,359	38,296	\$ 117,952	\$ 1,182,703	428,038	\$ 1,318,356	\$ 1,278,673	\$ 95,970	\$ (0)	
Jan-25	\$ 1,531,585	43,310	\$ 133,396	\$ 1,356,103	446,982	\$ 1,376,703	\$ 1,335,265	\$ (20,839)	\$ 0	
Feb-25	\$ 1,257,333	36,414	\$ 112,155	\$ 1,110,708	389,904	\$ 1,200,903	\$ 1,164,756	\$ 54,048	\$ (0)	
Mar-25	\$ 1,295,616	37,906	\$ 116,750	\$ 1,143,382	394,954	\$ 1,216,459	\$ 1,179,843	\$ 36,462	\$ (0)	
Apr-25	\$ 1,313,904	38,235	\$ 117,765	\$ 1,160,135	399,841	\$ 1,231,511	\$ 1,194,442	\$ 34,307	\$ (220,062)	
May-25	\$ 1,362,364	39,576	\$ 121,893	\$ 1,203,133	419,824	\$ 1,293,057	\$ 1,254,136	\$ 51,003	\$ (203,367)	
Jun-25	\$ 1,464,473	41,970	\$ 129,266	\$ 1,295,018	437,386	\$ 1,347,147	\$ 1,306,598	\$ 11,581	\$ (242,789)	
Jul-25	\$ 1,481,191	42,400	\$ 130,591	\$ 1,309,947	456,809	\$ 1,406,972	\$ 1,364,622	\$ 54,675	\$ (199,694)	
Aug-25	\$ 1,586,141	45,008	\$ 138,623	\$ 1,403,948	472,710	\$ 1,455,946	\$ 1,412,122	\$ 8,174	\$ (246,196)	
Total	\$ 16,641,753	481,925	\$ 1,484,328	\$ 14,701,187	5,220,235	\$ 16,078,323	\$ 15,594,366	\$ (4,296,443)	\$ (3,184,333)	\$ (1,112,110)
Total								\$ (4,296,443)	\$ (3,184,333)	\$ (1,112,110)

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 2025 through August 2025 as provided by Rafetelis. Refer to Schedule PWD-5.
 (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) - Billed Non-TAP Water Sales, updated to reflect actual billed water sales volumes for April 2025 through August 2025.
 (8) - Updated Over/(Under) Collection
 (9) - Over/(Under) Collection for September 2024 to August 2025 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

Billing Period	Prior Reconciliation Period with Updated Actuals								Original Estimates	Adjustment
	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection	Over/(Under) Collection	Delta
(1)	(2)	(3) = (2) * \$ 4.400/Mcf	(4) = [(1) - (3)] * 0.9699	(5)	(6) = (5) * \$ 4.400/Mcf	(7) = (6) * 0.9699	(8) = (7) - (4)	(9)	(10) = (8) - (9)	
Prior E & I Factor Adjustments								\$ (6,713,206)	\$ (6,713,206)	
Sep-24	\$ 1,846,402	42,020	\$ 184,887	\$ 1,611,503	461,020	\$ 2,028,486	\$ 1,967,429	\$ 355,925	\$ 0	
Oct-24	\$ 1,965,439	40,906	\$ 179,986	\$ 1,731,711	430,672	\$ 1,894,958	\$ 1,837,920	\$ 106,209	\$ (0)	
Nov-24	\$ 1,728,247	35,778	\$ 157,425	\$ 1,523,540	401,299	\$ 1,765,716	\$ 1,712,568	\$ 189,028	\$ (0)	
Dec-24	\$ 1,846,830	38,263	\$ 168,355	\$ 1,627,953	406,659	\$ 1,789,301	\$ 1,735,443	\$ 107,490	\$ (0)	
Jan-25	\$ 2,115,046	43,280	\$ 190,431	\$ 1,866,684	424,665	\$ 1,868,527	\$ 1,812,284	\$ (54,400)	\$ (0)	
Feb-25	\$ 1,736,316	36,386	\$ 160,097	\$ 1,528,776	374,138	\$ 1,646,207	\$ 1,596,656	\$ 67,881	\$ (0)	
Mar-25	\$ 1,789,184	37,877	\$ 166,658	\$ 1,573,688	373,030	\$ 1,641,334	\$ 1,591,930	\$ 18,242	\$ (0)	
Apr-25	\$ 1,814,439	38,208	\$ 168,113	\$ 1,596,771	381,012	\$ 1,676,455	\$ 1,625,994	\$ 29,223	\$ (284,178)	
May-25	\$ 1,881,360	39,543	\$ 173,988	\$ 1,655,980	395,767	\$ 1,741,373	\$ 1,688,958	\$ 32,977	\$ (280,423)	
Jun-25	\$ 2,022,368	41,936	\$ 184,518	\$ 1,782,531	412,925	\$ 1,816,868	\$ 1,762,180	\$ (20,350)	\$ (333,751)	
Jul-25	\$ 2,045,454	42,363	\$ 186,395	\$ 1,803,101	427,530	\$ 1,881,132	\$ 1,824,510	\$ 21,409	\$ (291,991)	
Aug-25	\$ 2,190,385	44,977	\$ 197,899	\$ 1,932,512	443,338	\$ 1,950,689	\$ 1,891,973	\$ (40,539)	\$ (353,940)	
Total	\$ 22,981,469	481,535	\$ 2,118,752	\$ 20,234,749	4,932,056	\$ 21,701,046	\$ 21,047,845	\$ (5,900,110)	\$ (4,355,827)	\$ (1,544,284)
Total								\$ (5,900,110)	\$ (4,355,827)	\$ (1,544,284)

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 2025 through August 2025 as provided by Rafetelis. Refer to Schedule PWD-5.
 (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective 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) - Updated to reflect actual billed water sales volumes for April 2025 through August 2025.
 (8) - Updated Over/(Under) Collection
 (9) - Over/(Under) Collection for September 2024 to August 2025 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 \$ (0.686) (3) = (2) * \$ -0.686/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) * [3.47% / 12]
Sep-25	\$ 84,924	458,755	\$ (314,557)	\$ (229,633)	\$ (229,633)	\$ (664.02)
Oct-25	\$ (91,288)	471,561	\$ (323,337)	\$ (414,625)	\$ (644,258)	\$ (1,862.98)
Nov-25	\$ (6,627)	357,289	\$ (244,984)	\$ (251,611)	\$ (895,870)	\$ (2,590.56)
Dec-25	\$ (176,591)	429,225	\$ (294,309)	\$ (470,900)	\$ (1,366,770)	\$ (3,952.24)
Jan-26	\$ (259,490)	442,485	\$ (303,401)	\$ (562,891)	\$ (1,929,661)	\$ (5,579.94)
Feb-26	\$ (198,186)	397,512	\$ (272,564)	\$ (470,750)	\$ (2,400,411)	\$ (6,941.19)
Mar-26	\$ (253,494)	422,324	\$ (289,577)	\$ (543,071)	\$ (2,943,482)	\$ (8,511.57)
Apr-26	\$ (186,295)	430,477	\$ (295,167)	\$ (481,462)	\$ (3,424,945)	\$ (9,903.80)
May-26	\$ (190,506)	430,477	\$ (295,167)	\$ (485,673)	\$ (3,910,617)	\$ (11,308.20)
Jun-26	\$ (194,727)	430,477	\$ (295,167)	\$ (489,894)	\$ (4,400,511)	\$ (12,724.81)
Jul-26	\$ (198,959)	430,477	\$ (295,167)	\$ (494,126)	\$ (4,894,637)	\$ (14,153.66)
Aug-26	\$ (203,202)	430,477	\$ (295,167)	\$ (498,369)	\$ (5,393,006)	\$ (15,594.78)
Total					\$	\$ (93,788)

Adjustment for Prior Estimates \$ (10,697)

Total I-Factor Recovery \$ (104,485)

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 2025 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, 2026.

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 \$ (0.996) (3) = (2) * \$ -0.996/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) * [3.47% / 12]
Sep-25	\$ 127,084	430,855	\$ (428,969)	\$ (301,885)	\$ (301,885)	\$ (872.95)
Oct-25	\$ (99,907)	444,079	\$ (442,135)	\$ (542,042)	\$ (843,927)	\$ (2,440.36)
Nov-25	\$ 7,873	336,690	\$ (335,216)	\$ (327,343)	\$ (1,171,270)	\$ (3,386.92)
Dec-25	\$ (181,378)	410,857	\$ (409,059)	\$ (590,437)	\$ (1,761,707)	\$ (5,094.27)
Jan-26	\$ (300,081)	421,384	\$ (419,539)	\$ (719,620)	\$ (2,481,327)	\$ (7,175.17)
Feb-26	\$ (221,624)	378,909	\$ (377,251)	\$ (598,875)	\$ (3,080,202)	\$ (8,906.92)
Mar-26	\$ (292,454)	402,457	\$ (400,696)	\$ (693,150)	\$ (3,773,352)	\$ (10,911.28)
Apr-26	\$ (217,917)	407,150	\$ (405,368)	\$ (623,285)	\$ (4,396,638)	\$ (12,713.61)
May-26	\$ (223,464)	407,150	\$ (405,368)	\$ (628,833)	\$ (5,025,471)	\$ (14,531.99)
Jun-26	\$ (229,025)	407,150	\$ (405,368)	\$ (634,393)	\$ (5,659,864)	\$ (16,366.44)
Jul-26	\$ (234,600)	407,150	\$ (405,368)	\$ (639,968)	\$ (6,299,832)	\$ (18,217.01)
Aug-26	\$ (240,189)	407,150	\$ (405,368)	\$ (645,558)	\$ (6,945,390)	\$ (20,083.75)
Total					\$	\$ (120,701)

Adjustment for Prior Estimates \$ (14,673)

Total I-Factor Recovery \$ (135,374)

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 2025 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, 2026.

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)	Billed Non-TAP Water Sales (Mcf) From Table 3-W-A (2)	Anticipated E+1 Recovery Water Portion (3) = (2) * \$ -0.969/Mcf (0.969)	Remaining E+1 Recovery Water Portion (4) = (3) + (1)	Cumulative Over/(Under) Collection Water Portion (5)	Estimated Monthly Interest Owed/(Interest to be Recouped) Water Portion (6) = (5) * [4.17% / 12]	Estimated Monthly Interest Owed/(Interest to be Recouped) Water Portion (7)	Cumulative Over/(Under) Collection Water Portion (8) = (6) - (7)
Sep-24	\$ 295,352	490,922	\$ (475,913)	\$ (180,561)	\$ (180,561)	\$ (627.45)	\$ (627.45)	\$ (0.00)
Oct-24	\$ 110,477	458,133	\$ (444,126)	\$ (333,648)	\$ (514,209)	\$ (1,786.88)	\$ (1,786.88)	\$ (0.00)
Nov-24	\$ 161,968	424,734	\$ (411,748)	\$ (249,780)	\$ (763,989)	\$ (2,654.86)	\$ (2,654.86)	\$ (0.00)
Dec-24	\$ 95,970	428,038	\$ (414,951)	\$ (318,981)	\$ (1,082,970)	\$ (3,763.32)	\$ (3,763.32)	\$ (0.00)
Jan-25	\$ (20,839)	446,982	\$ (433,316)	\$ (454,154)	\$ (1,537,125)	\$ (5,341.51)	\$ (5,341.51)	\$ (0.00)
Feb-25	\$ 54,048	389,904	\$ (377,983)	\$ (323,935)	\$ (1,861,059)	\$ (6,467.18)	\$ (6,467.18)	\$ (0.00)
Mar-25	\$ 36,462	394,954	\$ (382,879)	\$ (346,417)	\$ (2,207,477)	\$ (7,670.98)	\$ (7,670.98)	\$ (0.00)
Apr-25	\$ 34,307	399,841	\$ (387,617)	\$ (353,309)	\$ (2,560,786)	\$ (8,898.73)	\$ (8,267.73)	\$ (631.00)
May-25	\$ 51,003	419,824	\$ (406,988)	\$ (355,985)	\$ (2,916,771)	\$ (10,135.78)	\$ (8,864.49)	\$ (1,271.29)
Jun-25	\$ 11,581	437,386	\$ (424,013)	\$ (412,432)	\$ (3,329,203)	\$ (11,568.98)	\$ (9,461.24)	\$ (2,107.74)
Jul-25	\$ 54,675	456,809	\$ (442,843)	\$ (388,167)	\$ (3,717,370)	\$ (12,917.86)	\$ (10,057.99)	\$ (2,859.87)
Aug-25	\$ 8,174	472,710	\$ (458,257)	\$ (450,083)	\$ (4,167,454)	\$ (14,481.90)	\$ (10,654.75)	\$ (3,827.16)
Total						\$ (86,315)	\$ (75,618)	\$ (10,697)

Adjustment for Prior Estimates Included in Table 4-W

- Notes:
- (1) Difference in collection from Total of Column 8 - Table 3-W-A.
 - (2) Billed Water Sales Volume from Column 5 - Table 3-W-A.
 - (3) Anticipated Water Portion of E+1 Recovery based upon the rate component of the 2024 TAP-R Determination.
 - (4) Remaining E+1 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.
 - (7) Estimated Monthly Interest Owed/(Interest to be Recouped) from Total of Column 6 - Table 4-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)	Billed Non-TAP Sewer Volume (Mcf) From Table 3-WW-A (2)	Anticipated E+1 Recovery Sewer Portion (3) = (2) * \$ -1.324/Mcf (1.324)	Remaining E+1 Recovery Sewer Portion (4) = (3) + (1)	Cumulative Over/(Under) Collection Sewer Portion (5)	Estimated Monthly Interest Owed/(Interest to be Recouped) Sewer Portion (6) = (5) * [4.17% / 12]	Estimated Monthly Interest Owed/(Interest to be Recouped) Sewer Portion (7)	Delta Prior Period Estimates (8) = (6) - (7)
Sep-24	\$ 355,925	461,020	\$ (610,316)	\$ (254,391)	\$ (254,391)	\$ (884.01)	\$ (884.01)	\$ 0.00
Oct-24	\$ 106,209	430,672	\$ (570,142)	\$ (463,933)	\$ (718,324)	\$ (2,496.18)	\$ (2,496.18)	\$ 0.00
Nov-24	\$ 189,028	401,299	\$ (531,256)	\$ (342,228)	\$ (1,060,552)	\$ (3,685.42)	\$ (3,685.42)	\$ 0.00
Dec-24	\$ 107,490	406,659	\$ (538,352)	\$ (430,862)	\$ (1,491,414)	\$ (5,182.66)	\$ (5,182.66)	\$ 0.00
Jan-25	\$ (54,400)	424,665	\$ (562,189)	\$ (616,589)	\$ (2,108,003)	\$ (7,325.31)	\$ (7,325.31)	\$ (0.00)
Feb-25	\$ 67,881	374,138	\$ (495,299)	\$ (427,419)	\$ (2,535,421)	\$ (8,810.59)	\$ (8,810.59)	\$ (0.00)
Mar-25	\$ 18,242	373,030	\$ (493,833)	\$ (475,591)	\$ (3,011,012)	\$ (10,463.27)	\$ (10,463.26)	\$ (0.00)
Apr-25	\$ 29,223	381,012	\$ (504,400)	\$ (475,177)	\$ (3,486,189)	\$ (12,114.51)	\$ (11,282.15)	\$ (832.36)
May-25	\$ 32,977	395,767	\$ (523,932)	\$ (490,954)	\$ (3,977,144)	\$ (13,820.57)	\$ (12,101.04)	\$ (1,719.54)
Jun-25	\$ (20,350)	412,925	\$ (546,646)	\$ (566,977)	\$ (4,544,140)	\$ (15,790.89)	\$ (12,919.92)	\$ (2,870.96)
Jul-25	\$ 21,409	427,530	\$ (565,982)	\$ (544,572)	\$ (5,088,713)	\$ (17,683.28)	\$ (13,738.81)	\$ (3,944.46)
Aug-25	\$ (40,539)	443,338	\$ (586,910)	\$ (627,449)	\$ (5,716,161)	\$ (19,863.66)	\$ (14,557.70)	\$ (5,305.96)
Total						\$ (118,120)	\$ (103,447)	\$ (14,673)

Adjustment for Prior Estimates Included in Table 4-WW

- Notes:
- (1) Difference in collection from Total of Column 8 - Table 3-WW-A.
 - (2) Billed Water Sales Volume from Column 5 - Table 3-WW-A.
 - (3) Anticipated Water Portion of E+1 Recovery based upon the rate component of the 2024 TAP-R Determination.
 - (4) Remaining E+1 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.
 - (7) Estimated Monthly Interest Owed/(Interest to be Recouped) from Total of Column 6 - Table 4-WW (Prior Reconciliation).

Table 5 - Application of TAP Rate Rider Adjustment Effective September 1, 2026

		Base	TAP-R Surcharge	Total
Rates		Adopted	Proposed	Total
Water Quantity Charges		(\$/Mcf)	(\$/Mcf)	(\$/Mcf)
1	0 to 2 Mcf	\$ 73.13	\$ 5.83	\$ 78.96
2	2.1 to 100 Mcf	\$ 68.72	\$ 5.83	\$ 74.55
3	100.1 to 2,000 Mcf	\$ 53.87	\$ 5.83	\$ 59.70
4	2,000 + Mcf	\$ 52.40	\$ 5.83	\$ 58.23
Sewer Quantity Charges		(\$/Mcf)	(\$/Mcf)	(\$/Mcf)
5	Sewer Volume Rate	\$ 49.53	\$ 8.15	\$ 57.68

Notes:

Approved Base Rates reflect the FY 2027 quantity charges, per the 2025 Rate Determination.

TAP-R Rates are proposed to be effective on September 01, 2026.

The final quantity charges (including the TAP-R surcharge) will be in the final PWD Rates and Charges, if approved.

Schedule PWD-9: Data Sources for Rebuttal Figures 1 to 3.

Figure 1: Projected vs. Actual Discounts

Philadelphia Water Department (PWD):

- 9/1/2023 to 8/31/2024: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, February 23, 2023; Schedule BV-1, p.1.
- 9/1/2024 to 8/31/2025: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, April 1, 2024; Schedule BV-1, p.1.
- 9/1/2025 to 8/31/2026: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, March 31, 2025; Schedule BV-1, p.1.

Public Advocate (PA):

- 9/1/2023 to 8/31/2024: Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, March 21, 2023; Summary and Recommendations, Schedule LKM-1.
- 9/1/2024 to 8/31/2025: Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, April 29, 2024; Schedule LKM-TAP-R-1.
- 9/1/2025 to 8/31/2026: Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, April 21, 2025; Schedule LKM-TAP-1.

Settlement:

- 9/1/2023 to 8/31/2024: TAP-R Joint Settlement Agreement, April 18, 2023, Exhibit 1.
- 9/1/2024 to 8/31/2025: Joint Petition for Settlement of TAP-R Proceeding, May 20, 2024; Exhibit 1.
- 9/1/2025 to 8/31/2026: Joint Petition for Settlement of TAP-R Proceeding, May 29, 2025; Exhibit 1.

Actual:

- 9/1/2023 to 8/31/2024: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, March 31, 2025 (Sum of Actual Discounts for the Period in Schedule BV-1, Tables 3-W-A and 3-WW-A).
- 9/1/2024 to 8/31/2025: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, March 19, 2026 (Sum of Actual Discounts for the Period in Schedule PWD-1, Tables 3-W-A and 3-WW-A).

Schedule PWD-9: Data Sources for Rebuttal Figures 1 to 3.

- 9/1/2025 to 8/31/2026: Supplemental Response to PA-TAP-II-1 / Schedule PWD-7: 2026 TAP Reconcilable Rider Reports and Projection Model.

Schedule PWD-9: Data Sources for Rebuttal Figures 1 to 3.

Figure 2: Estimated vs. Actual Average Discounts

PWD:

- 9/1/2023 to 8/31/2024: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, February 23, 2023; Schedule RFC-3, p.3.
- 9/1/2024 to 8/31/2025: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, April 1, 2024, Schedule RFC-3, p.3.
- 9/1/2025 to 8/31/2026: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, March 31, 2025, Schedule RFC-3, p.3.

PA:

- 9/1/2023 to 8/31/2024: Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, March, 21, 2023 (Mr. Morgan does not object to PWD's calculation).
- 9/1/2024 to 8/31/2025: Average Monthly Discount for the Most Recent period was calculated from Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, April 29, 2024; Schedule LKM-TAP-R-1 and TAP Participants, as calculated in the Joint Petition for Settlement of TAP-R Proceeding, May 20, 2024, p.3, Item 18.
- 9/1/2025 to 8/31/2026: Average Monthly Discount for the Most Recent period was calculated from Direct Testimony of Lafayette K. Morgan on Behalf of the Public Advocate, April 29, 2024; stated in the Joint Petition for Settlement of TAP-R Proceeding, May 20, 2024, p.3, Item 17.

Settlement:

- 9/1/2023 to 8/31/2024: Average Monthly Discount calculated from TAP-R Joint Settlement Agreement, April 18, 2023; p.5, Item 25 and Exhibit 1.
- 9/1/2024 to 8/31/2025: Joint Petition for Settlement of TAP-R Proceeding, May 20, 2024, p.5, Item 25.

Schedule PWD-9: Data Sources for Rebuttal Figures 1 to 3.

- 9/1/2025 to 8/31/2026: Joint Petition for Settlement of TAP-R Proceeding, May 29, 2025, p.5, Item 25.

Actual:

- 9/1/2023 to 8/31/2024: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), March 31, 2025. (Derived from the Sum of Actual Discounts for the Period in Schedule BV-1, Tables 3-W-A and 3-WW-A and divided by actual Average Number of Participants for the period in the Rate Rider Reconciliation Workbook for the 2025 proceeding).
- 9/1/2024 to 8/31/2025: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), March 19, 2026. (Derived from the Sum of Actual Discounts for the Period in Schedule BV-1, Tables 3-W-A and 3-WW-A and divided by actual Average Number of Participants for the period in the Rate Rider Reconciliation Workbook for the 2026 proceeding).
- 9/1/2025 to 8/31/2026: Supplemental Response to PA-TAP-II-1 / Schedule PWD-7: 2026 TAP Reconcilable Rider Reports and Projection Model.

Schedule PWD-9: Data Sources for Rebuttal Figures 1 to 3.

Figure 3: Estimated vs. Actual Average Participants

PWD:

- 9/1/2023 to 8/31/2024: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, February 23, 2023, Schedule RFC-3, p.3.
- 9/1/2024 to 8/31/2025: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, April 1, 2024, Schedule RFC-3, p.3.
- 9/1/2025 to 8/31/2026: Formal Notice of Proposed Rates and Charges; Annual Adjustment of Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R), Final Proposed TAP-R Reconciliation Statement, March 31, 2025, Schedule RFC-3, p.3.

PA:

- 9/1/2023 to 8/31/2024: TAP-R Joint Settlement Agreement, April 18, 2023, p.3, Item 19.
- 9/1/2024 to 8/31/2025: Joint Petition for Settlement of TAP-R Proceeding, May 20, 2024; Item 17.
- 9/1/2025 to 8/31/2026: Joint Petition for Settlement of TAP-R Proceeding, May 29, 2025; p.3, Item 17.

Settlement:

- 9/1/2023 to 8/31/2024: TAP-R Joint Settlement Agreement, April 18, 2023; Item 25.
- 9/1/2024 to 8/31/2025: Joint Petition for Settlement of TAP-R Proceeding, May 20, 2024; Item 25.
- 9/1/2025 to 8/31/2026: Joint Petition for Settlement of TAP-R Proceeding, May 29, 2025; p.5, Item 25.

Actual:

- 9/1/2023 to 8/31/2024: Average Number of Participants for the period calculated in the Rate Rider Reconciliation Workbook for the 2025 proceeding.
- 9/1/2024 to 8/31/2025: Average Number of Participants for the period calculated in the Rate Rider Reconciliation Workbook for the 2026 proceeding.
- 9/1/2025 to 8/31/2026: Supplemental Response to PA-TAP-II-1 / Schedule PWD-7: 2026 TAP Reconcilable Rider Reports and Projection Model.

**Schedule PWD-10: Comparison of Prior TAP-R
Proposals in Context of the E-Factor**

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	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
(1)	(2)	(3) = (2) * \$ 3.590/Mcf	\$ 3.590 96.93%	(4) = [(1) - (3)] * 0.9693	(5)	(6) = (5) * \$ 3.870/Mcf	(7) = (6) * 0.9693	(8) = (7) - (4)
Prior E & I Factor Adjustments								\$ (3,616,542)
(a) Sep-25	\$ 1,718,770	44,416	\$ 159,452	\$ 1,511,447	458,755	\$ 1,775,383	\$ 1,720,879	\$ 209,432
(a) Oct-25	\$ 1,954,674	46,683	\$ 167,591	\$ 1,732,220	471,561	\$ 1,824,941	\$ 1,768,915	\$ 36,695
(a) Nov-25	\$ 1,411,639	34,021	\$ 122,134	\$ 1,249,917	357,289	\$ 1,382,709	\$ 1,340,260	\$ 90,342
(a) Dec-25	\$ 1,885,993	45,373	\$ 162,889	\$ 1,670,204	429,225	\$ 1,661,102	\$ 1,610,106	\$ (60,098)
(e) Jan-26	\$ 1,836,365	44,912	\$ 161,234	\$ 1,623,704	427,937	\$ 1,656,115	\$ 1,605,272	\$ (18,432)
(e) Feb-26	\$ 1,840,956	45,024	\$ 161,637	\$ 1,627,764	427,937	\$ 1,656,115	\$ 1,605,272	\$ (22,492)
(e) Mar-26	\$ 1,845,558	45,137	\$ 162,041	\$ 1,631,833	427,937	\$ 1,656,115	\$ 1,605,272	\$ (26,561)
(e) Apr-26	\$ 1,850,172	45,250	\$ 162,447	\$ 1,635,912	427,937	\$ 1,656,115	\$ 1,605,272	\$ (30,640)
(e) May-26	\$ 1,854,798	45,363	\$ 162,853	\$ 1,640,002	427,937	\$ 1,656,115	\$ 1,605,272	\$ (34,730)
(e) Jun-26	\$ 1,859,435	45,476	\$ 163,260	\$ 1,644,102	427,937	\$ 1,656,115	\$ 1,605,272	\$ (38,830)
(e) Jul-26	\$ 1,864,083	45,590	\$ 163,668	\$ 1,648,212	427,937	\$ 1,656,115	\$ 1,605,272	\$ (42,940)
(e) Aug-26	\$ 1,868,743	45,704	\$ 164,077	\$ 1,652,333	427,937	\$ 1,656,115	\$ 1,605,272	\$ (47,061)
Total	\$ 21,791,187	532,948	\$ 1,913,283	\$ 19,267,652	5,140,323	\$ 19,893,055	\$ 19,282,338	\$ (3,601,856)
Adjustment for Prior Estimates								\$ (1,112,110)

From Table 3-W-A

Notes:

- (a) - Actuals
- (e) - Estimated

- (1) - TAP Actual Discounts reflect water's 43.0% allocated portion of the Total TAP Discount.
- (2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Raftelis. Refer to PWD-5.
- (3) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for January 2026 through August 2026 are based upon average sales for prior 12 month period.
- (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 as proposed by PWD in April, 2025.
- (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 2025 Annual Rate Adjustment.

Total E-Factor Recovery \$ (4,713,965)

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	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Sewer Volume	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
(1)	(2)	(3) = (2) * \$ 5.070/Mcf	\$ 5.070 96.93%	(4) = [(1) - (3)] * 0.9693	(5)	(6) = (5) * \$ 5.670/Mcf	(7) = (6) * 0.9693	(8) = (7) - (4)
Prior E & I Factor Adjustments								\$ (4,955,115)
(a) Sep-25	\$ 2,278,370	44,388	\$ 225,045	\$ 1,990,288	430,855	\$ 2,442,946	\$ 2,367,948	\$ 377,660
(a) Oct-25	\$ 2,591,080	46,653	\$ 236,530	\$ 2,282,265	444,079	\$ 2,517,926	\$ 2,440,626	\$ 158,360
(a) Nov-25	\$ 1,871,243	33,994	\$ 172,349	\$ 1,646,738	336,690	\$ 1,909,029	\$ 1,850,422	\$ 203,684
(a) Dec-25	\$ 2,500,037	45,339	\$ 229,868	\$ 2,200,474	410,857	\$ 2,329,560	\$ 2,258,043	\$ 57,568
(a) Jan-26	\$ 2,434,251	44,912	\$ 227,704	\$ 2,138,806	404,574	\$ 2,293,934	\$ 2,223,510	\$ 84,704
(a) Feb-26	\$ 2,440,337	45,024	\$ 228,273	\$ 2,144,154	404,574	\$ 2,293,934	\$ 2,223,510	\$ 79,357
(a) Mar-26	\$ 2,446,438	45,137	\$ 228,844	\$ 2,149,514	404,574	\$ 2,293,934	\$ 2,223,510	\$ 73,997
(e) Apr-26	\$ 2,452,554	45,250	\$ 229,416	\$ 2,154,887	404,574	\$ 2,293,934	\$ 2,223,510	\$ 68,623
(e) May-26	\$ 2,458,685	45,363	\$ 229,990	\$ 2,160,274	404,574	\$ 2,293,934	\$ 2,223,510	\$ 63,236
(e) Jun-26	\$ 2,464,832	45,476	\$ 230,565	\$ 2,165,675	404,574	\$ 2,293,934	\$ 2,223,510	\$ 57,835
(e) Jul-26	\$ 2,470,994	45,590	\$ 231,141	\$ 2,171,090	404,574	\$ 2,293,934	\$ 2,223,510	\$ 52,421
(e) Aug-26	\$ 2,477,171	45,704	\$ 231,719	\$ 2,176,517	404,574	\$ 2,293,934	\$ 2,223,510	\$ 46,993
Total	\$ 28,885,992	532,829	\$ 2,701,444	\$ 25,380,682	4,859,071	\$ 27,550,933	\$ 26,705,119	\$ (3,630,678)
Adjustment for Prior Estimates								\$ (1,544,284)

From Table 3-WW-A

Notes:

- (a) - Actuals
- (e) - Estimated

- (1) - TAP Actual Discounts reflects water's 57.0% allocated portion of the Total TAP Discount.
- (2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Raftelis. Refer to PWD-5.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for January 2026 through August 2026 are based upon average sales for prior 12 month period.
- (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 as proposed by PWD in April, 2025.
- (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 2025 Annual Rate Adjustment.

Total E-Factor Recovery \$ (5,174,961)

Line 2 in Summary Table

Total E-Factor Recovery \$ (9,888,927)

PWD PROPOSED	TOTAL E-FACTOR REC	\$ (9,888,926.70)
ACTUAL RATES	TOTAL E-FACTOR REC	\$ (14,109,978.12)
	DELTA E-FACTOR REC	\$ 4,221,051.42

**Schedule PWD-10: Comparison of Prior TAP-R
Proposals in Context of the E-Factor**

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 Water Sales (Mcf)	Total TAP-R Billed to TAP Participants 3.590 96.93%	Adjusted Actual TAP Discounts (Credits) 96.93%	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales 2.930 96.93%	Estimated TAP-R Revenues Experienced 96.93%	Over/(Under) Collection	
	(1)	(2)	(3) = (2) * \$ 3.590/Mcf	(4) = [(1) - (3)] * 0.9693	(5)	(6) = (5) * \$ 2.930/Mcf	(7) = (6) * 0.9693	(8) = (7) - (4)	
Prior E & I Factor Adjustments									\$ (3,616,542)
(a) Sep-25	\$ 1,718,770	44,416	\$ 159,452	\$ 1,511,447	458,755	\$ 1,344,153	\$ 1,302,888	\$ (208,560)	
(a) Oct-25	\$ 1,954,674	46,683	\$ 167,591	\$ 1,732,220	471,561	\$ 1,381,674	\$ 1,339,257	\$ (392,963)	
(a) Nov-25	\$ 1,411,639	34,021	\$ 122,134	\$ 1,249,917	357,289	\$ 1,046,857	\$ 1,014,718	\$ (235,199)	
(a) Dec-25	\$ 1,885,993	45,373	\$ 162,889	\$ 1,670,204	429,225	\$ 1,257,630	\$ 1,219,021	\$ (451,184)	
(e) Jan-26	\$ 1,836,365	44,912	\$ 161,234	\$ 1,623,704	427,937	\$ 1,253,854	\$ 1,215,361	\$ (408,344)	
(e) Feb-26	\$ 1,840,956	45,024	\$ 161,637	\$ 1,627,764	427,937	\$ 1,253,854	\$ 1,215,361	\$ (412,403)	
(e) Mar-26	\$ 1,845,558	45,137	\$ 162,041	\$ 1,631,833	427,937	\$ 1,253,854	\$ 1,215,361	\$ (416,473)	
(e) Apr-26	\$ 1,850,172	45,250	\$ 162,447	\$ 1,635,912	427,937	\$ 1,253,854	\$ 1,215,361	\$ (420,551)	
(e) May-26	\$ 1,854,798	45,363	\$ 162,853	\$ 1,640,002	427,937	\$ 1,253,854	\$ 1,215,361	\$ (424,641)	
(e) Jun-26	\$ 1,859,435	45,476	\$ 163,260	\$ 1,644,102	427,937	\$ 1,253,854	\$ 1,215,361	\$ (428,741)	
(e) Jul-26	\$ 1,864,083	45,590	\$ 163,668	\$ 1,648,212	427,937	\$ 1,253,854	\$ 1,215,361	\$ (432,852)	
(e) Aug-26	\$ 1,868,743	45,704	\$ 164,077	\$ 1,652,333	427,937	\$ 1,253,854	\$ 1,215,361	\$ (436,972)	
Total	\$ 21,791,187	532,948	\$ 1,913,283	\$ 19,267,652	5,140,323	\$ 15,061,146	\$ 14,598,769	\$ (8,285,425)	
Adjustment for Prior Estimates									\$ (1,112,110)
Total E-Factor Recovery									\$ (9,397,535)

Notes:

(a) - Actuals

(e) - Estimated

(1) - TAP Actual Discounts reflect water's 43.0% allocated portion of the Total TAP Discount.

(2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Rafetis. Refer to PWD-5.

(3) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.3(a)(1).

(4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.1(b)(3).

(5) - Estimated Non-TAP water sales volumes for January 2026 through August 2026 are based upon average sales for prior 12 month period.

(6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 as proposed by Public Advocate April, 2025.

(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 2025 Annual Rate Adjustment.

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 5.070 96.93%	Adjusted Actual TAP Discounts (Credits) 96.93%	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales 4.300 96.93%	Estimated TAP-R Revenues Experienced 96.93%	Over/(Under) Collection	
	(1)	(2)	(3) = (2) * \$ 5.070/Mcf	(4) = [(1) - (3)] * 0.9693	(5)	(6) = (5) * \$ 4.300/Mcf	(7) = (6) * 0.9693	(8) = (7) - (4)	
Prior E & I Factor Adjustments									\$ (4,955,115)
(a) Sep-25	\$ 2,278,370	44,388	\$ 225,045	\$ 1,990,288	430,855	\$ 1,852,675	\$ 1,795,798	\$ (194,490)	
(a) Oct-25	\$ 2,591,080	46,653	\$ 236,530	\$ 2,282,265	444,079	\$ 1,909,538	\$ 1,850,915	\$ (431,350)	
(a) Nov-25	\$ 1,871,243	33,994	\$ 172,349	\$ 1,646,738	336,690	\$ 1,447,765	\$ 1,403,319	\$ (243,419)	
(a) Dec-25	\$ 2,500,037	45,339	\$ 229,868	\$ 2,200,474	410,857	\$ 1,766,686	\$ 1,712,449	\$ (488,026)	
(e) Jan-26	\$ 2,434,251	44,912	\$ 227,704	\$ 2,138,806	404,574	\$ 1,739,667	\$ 1,686,259	\$ (452,547)	
(e) Feb-26	\$ 2,440,337	45,024	\$ 228,273	\$ 2,144,154	404,574	\$ 1,739,667	\$ 1,686,259	\$ (457,894)	
(e) Mar-26	\$ 2,446,438	45,137	\$ 228,844	\$ 2,149,514	404,574	\$ 1,739,667	\$ 1,686,259	\$ (463,254)	
(e) Apr-26	\$ 2,452,554	45,250	\$ 229,416	\$ 2,154,887	404,574	\$ 1,739,667	\$ 1,686,259	\$ (468,628)	
(e) May-26	\$ 2,458,685	45,363	\$ 229,990	\$ 2,160,274	404,574	\$ 1,739,667	\$ 1,686,259	\$ (474,015)	
(e) Jun-26	\$ 2,464,832	45,476	\$ 230,565	\$ 2,165,675	404,574	\$ 1,739,667	\$ 1,686,259	\$ (479,416)	
(e) Jul-26	\$ 2,470,994	45,590	\$ 231,141	\$ 2,171,090	404,574	\$ 1,739,667	\$ 1,686,259	\$ (484,830)	
(e) Aug-26	\$ 2,477,171	45,704	\$ 231,719	\$ 2,176,517	404,574	\$ 1,739,667	\$ 1,686,259	\$ (490,258)	
Total	\$ 28,885,992	532,829	\$ 2,701,444	\$ 25,380,682	4,859,071	\$ 20,894,000	\$ 20,252,554	\$ (10,083,243)	
Adjustment for Prior Estimates									\$ (1,544,284)
Total E-Factor Recovery									\$ (11,627,527)

Notes:

(a) - Actuals

(e) - Estimated

(1) - TAP Actual Discounts reflects water's 57.0% allocated portion of the Total TAP Discount.

(2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect projections developed by Rafetis. Refer to PWD-5.

(3) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.3(b)(1).

(4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2025 Section 10.1(b)(3).

(5) - Estimated Non-TAP water sales volumes for January 2026 through August 2026 are based upon average sales for prior 12 month period.

(6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2025 as proposed by Public Advocate April, 2025.

(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 2025 Annual Rate Adjustment.

LKM PROPOSED	TOTAL E-FACTOR REC	\$ (21,025,061.25)
ACTUAL RATES	TOTAL E-FACTOR REC	\$ (14,109,978.12)
	DELTA E-FACTOR REC	\$ (6,915,083.13)

Schedule PWD-11

Examples of Inconsistencies in the Public Advocate’s Testimony, Schedules and Workpapers

Factor	LKM Testimony	LKM-TAP Schedules	Response Attachment PWD-TAP-I-1(a)	Response Attachment PWD-TAP-I-1(b)
C-Factor	Page 6 \$47,276,081 Page 9 \$48,814,756	LKM-TAP-1 LKM-TAP-2 \$47,276,081	TRR_Summary TRR_Projections \$48,814,756	Assumptions and Inputs \$48,814,756 Customer, Summary LKM-1 and C-Factor LKM-2 \$47,276,081 See Note (1)
Most Recent Period TAP Participants Jan 2026 to March 2026	Page 10 Apr 25 - 65,257 May 25 - 65,853 Jun 25 - 66,393 Jul 25 - 66,827 Aug 25 - 67,155 Sep 25 - 56,281 Oct 25 - 67,815 Nov 25 - 56,281 Dec 25 - 67,815 Jan 26 - 67,686 Feb 26 - 64,634 Mar 26 - 68,405		TRR_Projections Apr 25 - 64,762 May 25 - 65,114 Jun 25 - 65,257 Jul 25 - 65,853 Aug 25 - 66,393 Sep 25 - 66,827 Oct 25 - 67,155 Nov 25 - 56,281 Dec 25 - 67,815 Jan 26 - 67,686 Feb 26 - 64,634 Mar 26 - 68,405	Customer Apr 25 - 64,762 May 25 - 65,114 Jun 25 - 65,257 Jul 25 - 65,853 Aug 25 - 66,393 Sep 25 - 66,827 Oct 25 - 67,155 Nov 25 - 56,281 Dec 25 - 67,815 Jan 26 - 67,985 Feb 26 - 68,154 Mar 26 - 68,325
Next Rate Period Average TAP Participants	Page 9 68,405		TRR_Summary TRR_Projections 68,405	Assumptions and Inputs 68,405 Customer 70,318
Average Monthly TAP Discount	Page 9 \$59.47 12-month period April 2025 through March 2026		TRR_Summary \$59.47 (2)	Assumptions and Inputs \$59.47 Customer \$56.03 (2) (3) See Note (4)
Average Monthly TAP Water Usage	Page 9 654 cf 12-month period April 2025 through March 2026		TRR_Summary 654 cf (2)	Assumptions and Inputs 654 cf Customer 636 cf (2) See Note (4)

Schedule PWD-11

Notes:

1. The reconciliation workbooks provided by the Department throughout this proceeding referenced or linked the value input on Assumptions and Inputs sheet to the values on the C-Factor LKM-2 sheet. Mr. Morgan has revised the C-Factor LKM-2 sheet to link the C-Factor to a different version of the Response Attachment PWD-TAP-I-1(a) workbook than provided in the discovery response.
2. Average Monthly TAP Discount and Water Usage from the TRR_Summary sheet of Response Attachment PWD-TAP-I-1(a) and Customer sheet of Response Attachment PWD-TAP-I-1(b) are based on the Next Rate Period Total TAP Discount or Water Usage divided by the Next Rate Period Total Participants.
3. The Average Monthly TAP Discount from the Customer sheet of Response Attachment PWD-TAP-I-1(b) appears to reflect the historical average during the 12-month period from January 2025 through December 2025.
4. The reconciliation workbooks provided by the Department throughout this proceeding referenced or linked the values input on the Assumptions and Inputs sheet to the calculated projected TAP discount and TAP water usage values on the Customer sheet. Mr. Morgan has revised the Customer sheet to link the projected monthly discounts and water usage to a different version of the Response Attachment PWD-TAP-I-1(a) workbook.