

PHILADELPHIA WATER DEPARTMENT
HAVER TRANSCRIPT REQUESTS

RESPONSES TO
TAP-R TECHNICAL HEARING TRANSCRIPT REQUESTS
SUBMITTED ON BEHALF OF
PHILADELPHIA WATER DEPARTMENT

Dated: May 18, 2026

HAYER-TR-1. PLEASE PROVIDE THE TYPICAL BILL INCREASE INCLUDING TAP-R SURCHARGE AND RATE SCHEDULES FOR THE PAST 6 YEARS.

RESPONSE:

Refer to response attachment HAYER-TR-1.xlsx.

HAYER-TR-2. WOULD ONE-TENTH OF ONE-PERCENT OF THE CITY OF PHILADELPHIA'S FY 2026 OPERATING BUDGET COVER THE COSTS OF THE TAP PROGRAM?

RESPONSE: Mathematically the response is no. However, please see the explanation below.

The Water Department is funded through revenues derived from customer rates and charges. It does not receive monies from the City of Philadelphia General Fund for the purposes of covering operating or capital related expenses nor to offset uncollected revenues including discounts provided to customers. The operations of the Water Department are accounted for in the Water Fund, which is an enterprise fund of the City. The Water Fund is an accounting convention established pursuant to the City Charter to account for the assets, liabilities, revenues, expenses of, and to measure Rate Covenant compliance for the Water and Wastewater System. The Water Department nor the Rate Board have control or jurisdiction over the City's General Fund Budget or any associated General Fund revenue sources.

For the purposes of this response, we assume that when referring to the "costs of the TAP program," in the context of this instant proceeding, Mr. Haver is referring to the costs recovered by the TAP-R surcharge rates. Per the TAP Rate Rider, and as described in Section 10 of the Water Department's Rates and Charges, the TAP-R rates are intended to recover the discounts provided to TAP customers from Non-TAP customers. The revenue requirements (i.e., net recoverable costs) are established via the TAP-R Annual Adjustment proceeding(s) based upon the formula stated in Rates and Charges.

For this response, we have utilized the Water Department's proposed net recoverable costs of \$67,339,291, as stated its Formal Notice in this reconciliation proceeding, as the "cost of the TAP program."

Based upon the City's FY 2026 General Fund Budget, the estimated general fund revenues total \$6.364 Billion.

One-tenth of one percent of the City's estimated FY 2026 general fund revenues would amount to \$6.364 million. This amount would not cover the costs of the TAP program as defined above.

Approximately 1.058% of the City's estimated FY 2026 general fund revenues would be needed to cover the \$67,339,291 of costs associated with the TAP program.