



June 9, 2026

VIA EMAIL

Hearing Officer Kathryn Sophy  
Philadelphia Water, Sewer and Storm Water Rate Board  
c/o Philadelphia Law Department  
1515 Arch St., 17<sup>th</sup> Fl.  
Philadelphia, PA 19102

RE: Philadelphia Water Department 2026 TAP-R Reconciliation Proceeding

Dear Hearing Officer Sophy,

Kindly accept this letter in response to participant Lance Haver's opposition to the proposed settlement in the above-captioned matter. Haver misconstrues the proposed settlement and the process undertaken to attain it. The proposed settlement is the product of extensive negotiations and involved multiple consultations by and between PWD, the Public Advocate and PLUG, the represented parties in this proceeding.<sup>1</sup> To provide additional context, the following shows that the proposed settlement reflects a significant compromise between the positions of PWD and those of the Public Advocate regarding the disputed core assumptions in this proceeding:

- PWD proposed an average of 70,318 TAP participants for the next rate period.
- The Public Advocate proposed an average of 68,405 participants for the next rate period.
  - The settlement uses 69,055, ***below the midpoint of PWD and the Public Advocate's positions.***
- PWD proposed a monthly growth rate of 0.25% for TAP participation.
- The Public Advocate proposed removing the monthly growth rate and using an average participation rate higher than the historical average.
  - The settlement uses a monthly growth rate of 0.0125%, ***the midpoint of PWD and the Public Advocate's positions.***
- PWD proposed an average TAP discount of \$62.82.
- The Public Advocate proposed an average TAP discount of \$59.47.
  - The settlement uses an average TAP discount of \$61.15, ***the midpoint of PWD and the Public Advocate's positions.***
- PWD proposed average TAP participant usage of 661 cf per month.
- The Public Advocate proposed average TAP participant usage of 654 cf per month.
  - The settlement uses average TAP participant usage of 654 cf per month, ***the Public Advocate's position.***

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<sup>1</sup> Haver was not included in negotiations because none of the positions he has taken are amenable to compromise and he has not shown a capacity to bargain in good faith.



As a result of the foregoing, the settlement reduces projected TAP expenses, and corresponding TAP-R surcharge rates, by \$2.5 million from PWD’s proposal. Regarding funding TAP, it bears repeating that TAP-R is a surcharge rate, not a tax. The use of surcharge rates to recover low-income utility program discounts has been approved as a matter of policy in Pennsylvania for decades and in PWD proceedings since 2018. As of the writing of this letter, there is currently no allocation in the City of Philadelphia’s General Fund operating budget to offset PWD’s expense in providing TAP discounts.<sup>2</sup>

The Public Advocate maintains that the proposed settlement is in the best interests of PWD and its customers and is therefore in the public interest. The Hearing Officer should recommend, and the Board should approve, the proposed settlement.

Sincerely,

Robert W. Ballenger  
Robert W. Ballenger, Esq.

*For the Public Advocate*

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<sup>2</sup> Additionally, as the Public Advocate has explained, the City’s Department of Finance would likely oppose such an allocation, taking the position that such funding would adversely affect PWD’s bond ratings. See response to Haver-PA-TAP-I-9.