

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

In the Matter of the Philadelphia Water : 2026 TAP-R Reconciliation
Department's Proposed Changes in Water : Proceeding
and Sewer Rates and Related Charges :

HEARING OFFICER REPORT

Kathryn G. Sophy
Hearing Officer

June 15, 2026

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I. SUMMARY OF RECOMMENDATION

On March 19, 2026, the Philadelphia Water Department¹ (PWD or Department) filed a Formal Notice with the Philadelphia Water, Sewer & Storm Water Rate Board² (Rate Board) seeking authority to implement the annual reconciliation adjustment to the Tiered Assistance Program Rate Rider³ (TAP-R) by revising related water, wastewater, and fire service connection quantity charges (2026 TAP-R Adjustment) in accordance with its previously-approved TAP-R tariff.

Current TAP-R rates are \$3.59 per thousand cubic feet (MCF) for water usage and \$5.07 per MCF for wastewater/sewer volume.

On June 3, 2026, PWD and the Public Advocate filed a Joint Petition for Settlement of the TAP-R Proceeding (“Joint Petition” or Settlement). The Joint Petitioners agreed to use actual data available through March 2026. Joint Petition at 4. The Settlement represents a compromise on: (1) the projected average number of TAP participants for the next rate period (69,055); (2) the average discount per TAP participant (\$61.15); and (3)

¹ The Philadelphia Water Department is a City department with responsibility for providing water, sewer, and stormwater services in the City of Philadelphia. It also makes wholesale water sales to neighboring communities.

² Members of the Rate Board are nominated by the Mayor and approved by City Council. The current Rate Board consists of Sonny Popowsky (Board Chair), Tony Ewing, Abby Pozefsky, McCullough Williams III, and Debra McCarty. Short biographies of each Board member, as well as relevant legal authority and regulations, are available at the Rate Board’s [website](https://www.phila.gov/departments/water-sewer-storm-water-rate-board/): (<https://www.phila.gov/departments/water-sewer-storm-water-rate-board/>).

³ The Tiered Assistance Program is a customer assistance program, mandated by City Council, that allows low-income customers to pay reduced bills based upon a percentage of their household income. *See* Phila. Code § [19-1605](#) (calling the program “IWRAP”). The TAP-R, with parameters set by the Rate Board in its 2018 General Rate determination, tracks revenue losses resulting from the application of the TAP discount, in order to permit annual reconciliation between actual and projected revenues. The TAP-R surcharge is charged to customers who do not receive the discount.

the average monthly consumption per TAP participant (654 cf⁴). *Id.* Agreeing to these underlying factors, the Joint Petitioners agreed that the net recoverable costs for establishing TAP-R rates effective September 1, 2026, should be based upon: (1) a C-Factor of \$50,672,716; (2) an E-Factor of (\$13,968,735), and (3) an I-Factor of (\$229,257).

The record supports adopting the proposed TAP-R rates contained in the Settlement for service rendered on and after September 1, 2026. The settlement would result in a water rate increase of \$1.82 per MCF and a wastewater rate increase of \$2.49 per MCF. The Department would increase current TAP-R rates to \$5.41 per MCF of water usage and to \$7.56 per MCF of sewer volume. A typical residential customer with a 5/8” meter using .43 MCF or 430 cubic feet of water per month would see a total monthly increase of \$1.85 in TAP-R charges under the proposed settlement rates.

II. HISTORY OF THE PROCEEDING

The City of Philadelphia established the Rate Board as an independent ratemaking body in 2012. *See* Phila. Home Rule Charter § 5-801 (2012); Phila. Code § 13-101 (2014). City ordinance requires the Rate Board to act on any rate proposal from the Water Department and to issue a decision approving, modifying, or rejecting such proposal. Phila. Code § 13-101(4)(b)(iii).

The Tiered Assistance Program (TAP) provides eligible customers with water and sewer bills that are calculated as a fixed percentage of household income. Customers with household income (HHI) between 0-50% of the Federal Poverty Level (FPL) pay the

⁴ Cubic feet or cf.

greater of \$12 per month or 2% of HHI. The rate increases for those with income between 51-100% of FPL to 2.5% of HHI and for those with income between 101-150% of FPL to 3% of HHI.

TAP-R rates are charged to all customers who do not receive the discount. They are intended to recover the revenue losses associated with the customer assistance program. The TAP-R Rider tracks the under- or over-collection of revenue resulting from the application of the TAP discounts in order to permit an annual reconciliation or true-up. The reconcilable TAP-R Rider was established in the Rate Board's [2018 General Rate Determination](#).

On February 17, 2026, the Department filed an [Advance Notice](#) with the Philadelphia City Council and the Rate Board requesting authority to implement the annual TAP-R reconciliation adjustment to revise related water, sewer, and fire service connection quantity charges. The Advance Notice included a Reporting Model, a Reconciliation Workbook, and tables addressing the estimated impacts on typical bills. [Formal Notice](#) of the proposed reconciliation adjustment was filed with the Department of Records on March 19, 2026. The Formal Notice consisted of a proposed Reconciliation Statement, schedules (Sch. PWD-1 through PWD-6) and exhibits (PWD Ex. 1A and 1B) setting forth the calculations of the reconciliation and proposed rates and charges. The proposed TAP-R rates and charges are designed to take effect on September 1, 2026. Both Notices contained supporting schedules and exhibits as required by the [Regulations](#) (Sections II.A.2 and II.C.1) promulgated by the Rate Board.

The Department initially proposed a Water TAP-R rate of \$5.65 per MCF of water usage and Wastewater TAP-R rate of \$7.90 per MCF of sewer volume which would have resulted in a water rate increase of \$2.06 per MCF and a wastewater rate increase of

\$2.83 per MCF. A typical customer with a 5/8” meter using .43 MCF of water per month would have seen a total monthly increase of \$2.10 in TAP-R charges. The Public Advocate, using different assumptions, calculated a recommended rate of \$4.99 per MCF for the Water TAP-R and \$6.98 per MCF for the Wastewater TAP-R (a decrease of \$0.66 per MCF for water and \$0.92 per MCF for wastewater from PWD’s proposal).

Notice of PWD’s Advance Notice and Formal Notice and of the participation deadline was provided to the public through publication in three Philadelphia newspapers and through the Rate Board’s website. Participants to PWD’s 2025 general rate and TAP-R reconciliation proceedings were directly notified of the proceeding by email and provided an opportunity to participate. Additionally, PWD and the Public Advocate⁵ conducted separate outreach efforts, which included in-person announcements, social media, email to various groups, and physical flyers. Post Hearing Exhibits – Outreach Reports of [PWD](#) and the [Public Advocate](#). Participants in this proceeding included PWD, the City of Philadelphia Department of Revenue, Water Revenue Bureau (WRB),⁶ the Public Advocate, the Philadelphia Large Users Group⁷ (PLUG), and an individual customer, Lance Haver.⁸

A prehearing conference addressing preliminary procedural issues and establishing a schedule was held via Zoom Webinar on April 2, 2026. Mr. Haver objected to holding a Public Input Hearing immediately prior to the Technical Hearing, arguing that holding the hearing on the same day prevented any follow-up prior to the Technical Hearing. Mr. Haver also objected to holding any hearing virtually or on a hybrid (virtual

⁵ Community Legal Services was selected by the Rate Board to serve as Public Advocate and represent the concerns of residential and small commercial consumers.

⁶ The WRB provides all billing and collection functions for the Philadelphia Water Department.

⁷ PLUG registered as a participant via email to the Rate Board on March 26, 2026.

⁸ Mr. Haver registered as a participant via email to the Rate Board on March 11, 2026.

and in-person) basis, arguing for only in-person hearings. A Prehearing Conference Order issued April 6, 2026, which granted, in part, and denied, in part, Mr. Haver’s objections. The Public Input Hearing was scheduled to allow time to consider and address pertinent issues that were raised. The hearings, however, were to be held on a hybrid basis – with some participants and the public attending in person and others participating or viewing virtually. The Prehearing Conference Order also established a procedural schedule allowing for the orderly presentation and deliberation of the issues within the 120-day time frame established by the City Code. Phila. Code § 13-101(4)(b)(.4).

On April 6, 2026, Mr. Haver filed a Motion to Reverse Hearing Examiner Decision #1, which required that the Public Input and the Technical hearings be held on a hybrid basis: both in-person and virtually. PWD and the Public Advocate filed responses to Mr. Haver’s appeal on April 13, 2026, arguing that a hybrid hearing format serves the public interest by expanding the opportunity for public participation. At the next scheduled Board Meeting, the Rate Board denied the appeal and the Technical Hearing was conducted in a hybrid format.⁹

Multiple information requests were submitted by PWD, the Public Advocate, PLUG, and Mr. Haver and directed to either PWD or the Public Advocate. Multiple objections were made to many requests, leading to Motions to Compel responses. On April 13, 2026, an [Order](#) issued granting in part and denying in part the Public Advocate’s Motion to Compel. On May 1, 2026, an [Order](#) issued granting in part and denying in part the PWD’s Motion to Compel. All motions and responses may be found on the Rate Board’s website under the [2026 TAP-R Reconciliation Proceeding](#) under the heading, “Motions and Procedural Orders.”

⁹ The scheduled Board Meeting was held on May 13, 2026, which was after the Public Input Hearing had been held.

The Rate Board received ten written statements from customers, which can be found on the Rate Board's [website](#) under the heading, "Public Input-Written Comments." Half of those statements expressed support for the TAP program. Several expressed concern about and opposition to increasing rates. Other statements included peripheral issues, such as pipe replacement and data centers.

A Public Input Hearing was held on a hybrid basis on May 7, 2026. Mr. Haver and representatives of PWD and the Public Advocate were present. Several members of the public attended the hearing virtually and a few members of the public attended in person. Each of the attending Participants introduced themselves and made brief statements. Mr. Haver presented testimony criticizing, *inter alia*, the application of the TAP-R surcharge that is based on water usage and not on income. Pub. Inp. Hrg Tr. at 15. PWD referred interested individuals to its TAP-R Public Presentation, available on the Rate Board's website under the heading, "Public and Technical Hearing." Although six PWD customers had signed up to speak at the hearing, none came forward. Testimony was presented, however, by a representative of an organization supporting water affordability regarding the impact of any rate increase on low-income customers as well as the fairness of providing 25% water rate discounts to large non-profit entities.

In presenting its case-in-chief, PWD relied on the testimony of Heather Locklear, Jon Davis, and Jennifer Tavantis of Raftelis and David Jagt and Brian Merritt of Black & Veatch. On April 17, 2026, the Public Advocate filed the direct testimony of Lafayette K. Morgan, Jr. of Exeter Associates, Inc. On April 30, 2026, PWD filed rebuttal testimony, providing updated calculations and responding to the Public Advocate's direct testimony. On May 13, 2026, the Public Advocate filed errata to the testimony of Mr. Morgan. The updated testimony adjusted some of the factors to the TAP-R formula,

resulting in a narrowing of the difference between the PWD and the Public Advocate’s recommended surcharges. Updated Morgan Testimony at 5.

A Technical Hearing was held on a hybrid basis on May 14, 2026. PWD and the Public Advocate presented their witnesses for cross-examination. PWD presented their witnesses as a panel¹⁰ to allow the person most knowledgeable to answer the question posed. Cross-examination of PWD’s panel was conducted by the Public Advocate, PLUG, and Mr. Haver. Cross-examination of Mr. Morgan was conducted by PWD and Mr. Haver. Hearing exhibits and post-hearing exhibits were submitted. *See, [PWD Exhibits 1-4](#); [PA Exhibit 1](#); [PA Post-Hearing Exhibit](#).* Copies of exhibits and Transcript Responses may be found on the Rate Board’s [website](#) under the heading, “Public and Technical Hearing.”

On May 22, 2026, briefs were filed by PWD, the Public Advocate, PLUG, and Mr. Haver. On May 26, 2026, PWD and Mr. Haver filed reply briefs. On May 27, 2026, the Public Advocate filed a letter in lieu of a reply brief.

On June 3, 2026, PWD and the Public Advocate (Joint Petitioners) filed a Joint Petition for Settlement of TAP-R Proceeding. The Joint Petitioners agreed “that for settlement purposes, the net recoverable costs used to establish TAP-R rates, effective September 1, 2026, will be based upon (1) a C-Factor of \$50,672,716; (2) an E-Factor of (\$13,968,735), and (3) an I-Factor of (\$229,257) which were calculated using actual data available through March 2026 and the following underlying factors: (a) the projected average monthly number of TAP Participants should be 69,055; (b) the average discount should be \$61.15 per TAP Participant; and (c) the average monthly consumption should be

¹⁰ PWD’s panel included Ms. Locklear, Mr. Davis, and Ms. Tavantis of Raftelis and Mr. Jagt and Mr. Merritt of Black & Veatch.

654 cf per TAP Participant.” Settlement at 4. Attached to the Settlement was Exh. 1, which detailed the proposed TAP-R rates and included supporting data and calculations.

On June 8, 2026, PLUG filed a letter indicating that, while it did not oppose the Joint Petition, it asked that the Rate Board, in the next base rate proceeding, ensures the TAP does not impose unreasonable costs on non-participating customers. On June 8, 2026, Mr. Haver filed his Opposition to the Proposed Settlement Agreement, arguing that the settlement should be rejected in its entirety. On June 9, 2026, the Department and the Public Advocate filed responses to Mr. Haver’s Opposition.

III. PROPOSED RATES AND TERMS

The sole purpose of this proceeding is the reconciliation of the projection of TAP-R revenues with PWD’s actual past experience and projected future revenue needs for the program. The formula for this calculation was adopted by the Rate Board in its 2018 rate determination. TAP-R rates are determined by the following equation:

$$\text{TAP-R} = \frac{(\text{C}) - (\text{E}+\text{I})}{\text{S}}$$

The C-Factor for this proceeding is the projected average number of monthly TAP participants for the 12-month period beginning September 1, 2026, multiplied by the average discount per TAP participant. The E-Factor represents the actual discounts provided in the twelve-month period beginning September 1, 2025, plus prior period E-Factor and I-Factor adjustments, minus the TAP-R revenues collected during such periods. The I-Factor represents the interest rate on any over- or under-recovery of TAP-R revenues reflected in the E-Factor. The S-Factor represents the projected non-TAP customer sales volumes for the twelve-month period beginning September 1, 2026.

A. Original Positions

As stated above, the C-Factor is calculated as the projected monthly number of TAP participants for the next period multiplied by the average discount per TAP participant. To determine the average discount per TAP participant, the average usage per participant must be determined.

The Department initially projected an average level of 70,318 TAP participants per month. PWD Rate Rider Report. The Department reached this result using participant data from September 2025 through December 2025, then projecting “modest growth in TAP participation for the future (i.e., after December 2025) of 0.25%.” PWD Brief at 4. The growth rate of 0.25% was applied monthly. PWD Brief at 2-5. The Department initially proposed an average monthly usage for TAP customers of 661 cf for the next rate period. PWD Brief at 36. PWD argued that its proposal was lower than the level experienced in March 2026. PWD Brief at 6, Table 2. PWD initially projected a billing loss of \$53,006,249. PWD Formal Notice Table 1. This translated to a \$62.82 projected average discount per TAP participant. PWD Brief at 28.

The Department testified that the projected Non-TAP customer sales volumes, or S-Factor, was “calculated based on the average monthly Non-TAP sales volume for the 12-month period of January 2025 to December 2025.” PWD Formal Notice at 4 (footnote omitted). PWD explained that the interest on the over/under collection amounts, or I-Factor, was “calculated monthly as the cumulative E-Factor, adjusted for the anticipated recovery related to the E+I components of the revenue requirements, multiplied by the Interest Rate.” *Id.* In developing the I-Factor, PWD stated that it used the “interest rate of 3.47%, which was based upon the one-year interest rate for constant maturity U.S.

Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 2, 2026.” PWD Brief at 37.

The Public Advocate argued for the use of data for a twelve-month period to better project not only the expected number of participants, but also the expected average usage per participant. Morgan Test. at 9. The Advocate initially recommended using a projected average number of 68,405 TAP participants in each month of the year beginning September 1, 2026. PA Brief at 11.

The Public Advocate argued that the Department’s reliance on a four-month period of water usage data could result in overstating actual annual water usage. PA Brief at 6. The Advocate recommended using a 12-month historical average usage. *Id.* Using the 12-month period April 2025 through March 2026, the Public Advocate calculated an average monthly usage per TAP participant of 654 cf. Morgan Test. at 9.

The Public Advocate argued that the Department’s projections used limited data points that do not support the larger trend in TAP participation data. PA Brief at 4. Using twelve months of data and differing assumptions, the Public Advocate projected a total billing loss of \$48,814,756. Morgan Test. Errata at 3. By using a longer period, the anticipated losses are lower than those projected by the Department. *Id.*

PLUG agreed with the Public Advocate, arguing that “using a full year of data provides a better basis for analysis and projections.” PLUG Brief at 5. PLUG stated that the use of a full year is consistent with “common practice of utility ratemaking.” PLUG Brief at 5 citing the Pennsylvania Public Utility Code, 66 Pa. C.S. § 315(e).

PLUG agreed with the Public Advocate that a full year of data should be utilized when calculating TAP-R rates. PLUG Brief at 5. PLUG also argued that the data set relied upon by the Public Advocate included more up-to-date data. *Id.*

While Mr. Haver objected to the TAP Rate increase for a number of reasons discussed below, he did not address the specific calculations or the underlying numerical factors presented by the witnesses for the Department and the Public Advocate.

B. Joint Petition for Settlement

Although this proceeding progressed through the briefing stage, the Department and the Public Advocate worked to reach a compromise and file the Joint Settlement. Both parties should be commended for continuing to pursue a compromise, adding to their workload even after the filing of briefs in an effort to reach an outcome satisfactory to both.

In their Settlement Petition, the Joint Petitioners agreed to use 69,055 as the projected average monthly number of TAP participants. The 69,055 projection appears to consider PWD's anticipated growth while recognizing that the level of growth may stabilize over time. The Joint Petitioners also agreed to use the average monthly consumption rate of 654 cf per TAP participant. Settlement at 4. Using the consumption rate initially proposed by the Public Advocate recognizes that utilizing a full year of data for this purpose is preferable to using a shorter period.

The Joint Petitioners agreed upon a projected total annual billing loss of \$50,672,716, based on actual data through March 2026 and the underlying factors of: “(a) [a] projected average monthly number of TAP Participants [of] 69,055; (b) the average

discount [of] \$61.15 per TAP Participant; and (c) the average monthly consumption [of] 654 cf per TAP Participant.” Settlement at 4.

In the Settlement Petition, the Joint Petitioners agreed to an E-Factor of (\$13,968,735), an I-Factor of (\$229,257), and an S-Factor of 5,165,721 MCF for water and 4,885,802 MCF for wastewater. Settlement at Table 1. The Joint Petitioners noted that these calculations used actual data available through March 2026.

The Joint Settlement proposes a resulting TAP-R water surcharge of \$5.41/MCF and wastewater surcharge of \$7.56/MCF. Settlement at ¶ 25. The proposed surcharge compromise falls between the rates originally proposed by the Joint Petitioners:

	PWD Original Proposal ¹¹	Advocate’s Original Proposal ¹²	Settlement Proposal ¹³
Water TAP-R Surcharge	\$5.56 /MCF	\$4.99 /MCF	\$5.41 /MCF
Wastewater TAP-R Surcharge	\$7.90 /MCF	\$6.98 /MCF	\$7.56 /MCF

Additional Settlement terms include that the submission of the Settlement does not affect or prejudice a position the Joint Petitioners may adopt later. Settlement at ¶ 35. The Joint Petitioners also agree that the Settlement is conditioned upon the Rate Board’s approval without modification. Settlement at ¶ 37.

¹¹ Advance Notice, Schedule PWD-5.

¹² Morgan Test. at Schedule LKM-1 (as corrected May 13, 2026).

¹³ Settlement at 5.

Mr. Haver opposed the Settlement for several reasons. First, he reiterated his claim that the TAP-R surcharge is a sales tax. Next, he stated that the Philadelphia City Council is considering other ways to fund the surcharge. Mr. Haver also protested that the Settlement gives the Department 96% of what it had requested. Lastly, Mr. Haver objected to the role of Public Advocate, stating that the Advocate did not adequately represent the interests of PWD customers. Haver Opposition at 1-2.

As noted above, PLUG did not oppose the settlement, but urged the Rate Board, in the next base rate proceeding, to seek to ensure that the TAP does not impose unreasonable costs on non-participating customers.

C. Recommendation

The Settlement is a reasonable compromise and is in the public interest. The Settlement provides for an increase of TAP-R rates that reasonably can be expected to recover lost revenue from PWD's last rate period and is anticipated to provide sufficient revenue to continue the TAP program through the upcoming rate period. The rates are lower than those originally proposed by the Department and higher than those proposed by the Public Advocate. Approval of the Settlement will recognize the reasonably negotiated compromises of the Joint Petitioners. The record is able to support a range of reasonable projections, and the Joint Petitioners have been able to negotiate rates well within that range.

Mr. Haver raises a number of issues that are beyond the scope of this proceeding and/or beyond the authority of the Rate Board. As noted above, the Rate Board was established by City Ordinance. Phila. Code § 13-101(3). The Rate Board may only exercise the authority granted to it.

As the Department explained, City Council established the parameters of TAP:

In 2015, City Council passed an ordinance requiring the establishment of an assistance program that would allow low-income customers to pay reduced rates based upon a percentage of their household income. In 2016, the Rate Board established TAP, which is an assistance program that allows income-eligible customers **as well as customers experiencing a hardship** to pay reduced bills based on a percentage of their income. TAP Participants receive a fixed monthly bill based on a percentage of their annual household income. The formula for cost recovery associated with TAP-R was approved by Rate Board in 2018.

PWD Brief at 38 (citations omitted) (emphasis in original).

Mr. Haver argues that the TAP-R surcharge is an unlawful sales tax on water. Haver Brief at 1. Mr. Haver objects to the TAP-R surcharge, arguing that it exploits the working poor. *Id.* Mr. Haver maintains that the TAP program is a “city-run social welfare program.” Haver Reply Brief at 2. Mr. Haver argues that the TAP-R surcharge is a tax under Pennsylvania and Common law. Haver Reply Brief at 2-3.

The Rate Board was established by City Ordinance as “an independent rate-making body [that] shall fix and regulate rates and charges for supplying water, sewer and storm water service for accounts and properties located in the City of Philadelphia, *in accordance with the standards established in this Section 13-101* without further authorization of Council.” Phila. Code § 13-101 (citation omitted) (emphasis added). City Council further directed that the rates and charges must at least be equal to operating expenses and debt service for all services performed for the Water Department by all officers, departments, boards or commissions of the City. Phila. Code § 13-101(4)(a).

The Rate Board lacks the authority either to declare the TAP-R surcharge a sales tax or to transfer the operating expenses of administering the City-mandated program to Philadelphia's General Fund. City Council has charged the Rate Board with ensuring that the Department's operating expenses and debt service are recovered through rates and charges. Unless and until the City Council directs otherwise, the Rate Board has a duty to carry out its designated authority.

Mr. Haver objects that the Technical Hearing did not explore external funding sources for TAP, claiming an "attempt[] to justify malfeasance." Haver Brief at 1. Mr. Haver argues that the Department and the Public Advocate should have investigated "other, more just, more equitable ways of paying for the TAP program." *Id.* At the Public Input Hearing, Mr. Haver suggested that the TAP program could be fully funded through the City's General Fund or foundations. Pub. Input Hrg Trans. at 17 (May 7, 2026).

PWD states that "the Department operates primarily through its Water Fund (an enterprise fund), rather than the City's General Fund. PWD Brief at 41. The Department argues that any proposed changes to funding may not be considered here because they are beyond the limited scope of this proceeding and because they would require action by City Council or a third party to donate funding. PWD Brief at 43.

Challenges to the TAP-R surcharge itself rather than the calculation and its underlying factors are beyond the scope of this proceeding, which is solely focused on a calculation of the revenues required to fund the rate reductions that are received by TAP participants. Moreover, the TAP-R mechanism has been considered, approved, and sustained during past general rate proceedings. Any challenge to the mechanism must be

raised during a general rate proceeding where the issues are not limited to a reconciliation of revenues associated with the TAP.

The same is true for the consumer protection issues and application of the TAP-R surcharge. Both Mr. Haver and PLUG raised concerns about the impact of the surcharge on non-participating consumers. Haver Brief at 1; PLUG Brief at 8-10. While these issues are a matter of concern, as recognized by PLUG, the issues may only be addressed in future general rate proceedings. PLUG Response to Joint Settlement at 1.

The Rate Board must act in accordance with the Philadelphia Code. The Philadelphia Code requires that “rates and charges shall be equitably apportioned among the various classes of customers.” Phila. Code § 13-101(4)(c). The Rate Board must authorize charges to customers of the Water Department. The Rate Board cannot rely on the possibility that other sources of funding for the TAP program may become available in the future.

Mr. Haver also takes issue with the role of the Public Advocate, as he has done in past proceedings. He argues that the Public Advocate should meet personally with members of the public before taking part in the proceedings before the Rate Board. Haver Brief at 1. Mr. Haver also argues that the Public Advocate should appeal to City Council for alternative funding for the TAP. *Id.*

Community Legal Services, Inc. (CLS) has been appointed as the Public Advocate to represent the interests of residential and small business water customers in the ratemaking process. CLS, serving as Public Advocate, has performed its duties in this proceeding in a thorough and professional manner. The Advocate has provided alternative

calculations based on record evidence and engaged in settlement negotiations in an effort to reach a reasonable compromise. Beyond that, the Rate Board does not have the authority to direct the Public Advocate to take or not to take specific positions before the City Council.

Mr. Haver objects to the public outreach associated with this proceeding. Haver Brief at 1. He argues that the public notices failed to inform consumers that rates would increase and objects to the use of email as a vehicle of disseminating information about this proceeding. *Id.*

PWD rejects Mr. Haver's suggestion that minimal public participation at public input hearings is due to inadequate outreach. PWD Brief at 43-44. PWD argues that low public participation "could imply the informed choice not to participate . . . or a lack of interest." PWD Brief at 44. The Department notes that "ratepayers may be more willing to participate in a public input proceeding where the applicable general base rates are being increased – as opposed to changes in the program designed to help eligible customers pay their bills." *Id.*

With respect to the current proceeding, the Public Advocate's outreach efforts involved emails to City Council members, State Senators and Representatives, dozens of civic organizations, organizations involved with One Water Finance Roundtable, and various community partners. PA Post Hearing Exhibit TAP-R-2026 Outreach Report. PWD states that its email notifications reached more than 300,000 subscribers. PWD 2026 TAP-R Public Hearing Outreach Report at 1.

Between the outreach performed by PWD and the Public Advocate and the newspaper and website notices provided by the Rate Board, the public had sufficient notice that the TAP-R rates were subject to change.

IV. CONCLUSION

This proceeding focuses solely on the calculation and reconciliation of TAP-R rates, which are adjusted yearly as established by the Rate Board's 2018 General Rate Determination. In that Determination, the Rate Board established the basis for calculating and adjusting the TAP-R rates to account for any under- or over-collection from the prior period. The Settlement proffered by the Joint Petitioners presents a reasonable compromise of the calculations originally presented by the Department and the Public Advocate.

Therefore, it is recommended that the Rate Board:

1. Approve the rates and charges set forth in the Joint Petition for Settlement of TAP-R Proceeding without modification;
2. Find that the proposed adjustments to the TAP-R rates and charges are supported by the record and are just and reasonable;
3. Authorize the Water Department to file revised TAP-R rates of \$5.41 per MCF for water usage and \$7.56 per MCF for sewer volume, as set forth in the Joint Petition for Settlement of TAP-R Proceeding, for services rendered on or after September 1, 2026.

Kathryn G. Sophy
Hearing Officer

June 15, 2026