

## PWD Exhibit 1 - Notification of Rate Filing

1. Advance Notification of Rate Filing to the Philadelphia Water, Sewer and StormWater Rate Board
2. Advance Notification of Rate Filing to the Philadelphia City Council



# CITY OF PHILADELPHIA

WATER DEPARTMENT  
JEFFERSON CENTER  
1101 Market Street  
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.  
Water Commissioner

January 15, 2021

Sonny Popowsky, Chairman  
Philadelphia Water, Sewer and Storm Water Rate Board  
One Parkway  
1515 Arch Street, 17th Floor  
Philadelphia, PA 19102

Attention: Daniel Cantu-Hertzler, Esq.

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2022 and FY 2023)

Dear Chairman Popowsky and Rate Board Members:

Pursuant to Section 13-101(7) of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board"), enclosed for filing on behalf of the Philadelphia Water Department ("Department") is the Department's Advance Notice of Proposed Changes in Water, Wastewater and Stormwater Rates and Related Charges ("Advance Notice"). This Advance Notice is provided together with the proposed rates and charges and supporting written testimony and exhibits containing the engineering, accounting, financial and other data upon which the proposed rates and charges are based.

An itemized list of the documents enclosed with the Advance Notice is set forth in the Filing Index attached to the Advance Notice. The complete rate filing is available by visiting the public folder at:

Sharepoint Website: <https://mcd.projectcentral.bv.com/sites/405119.1/Shared%20Documents/Public/Advanced%20Notice>  
Username:\* NON1\PublicUsers1  
Password: PhilaWater!76

\* Please note that "NON1" is part of the user name.

The complete rate filing will be made available by posting at the Board's website: [www.phila.gov/water/rateboard](http://www.phila.gov/water/rateboard). Once the rate filing is available on the Rate Board's website, the Sharepoint website will not be needed and will expire.

As always, the Department senior staff will be available to discuss the rate filing and answer any questions you may have with regard to same.

Sincerely,

Randy E. Hayman, Esq.  
Water Commissioner



# CITY OF PHILADELPHIA

WATER DEPARTMENT  
JEFFERSON CENTER  
1101 Market Street  
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.  
Water Commissioner

January 15, 2021

Honorable Darrell L. Clarke, President  
Philadelphia City Council  
City Hall, Room 490  
Philadelphia, PA 19107

Re: Advance Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2022 and FY 2023)

Dear President Clarke:

Pursuant to Section 13-101(7) of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board"), enclosed for filing on behalf of the Philadelphia Water Department ("Department") is the Department's Advance Notice of Proposed Changes in Water, Wastewater and Stormwater Rates and Related Charges ("Advance Notice"). This Advance Notice is provided together with the proposed rates and charges and supporting written testimony and exhibits containing the engineering, accounting, financial and other data upon which the proposed rates and charges are based.

An itemized list of the documents enclosed with the Advance Notice is set forth in the Filing Index attached to the Advance Notice. The complete rate filing is available on the enclosed flash drive and can also be accessed by visiting the public folder at:

Sharepoint Website: <https://mcd.projectcentral.bv.com/sites/405119.1/Shared%20Documents/Public/Advanced%20Notice>  
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As always, the Department senior staff will be available to discuss the rate filing and answer any questions you may have with regard to same.

Sincerely,

Randy E. Hayman, Esq.  
Water Commissioner

cc: Members of City Council

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

Re Application of the Philadelphia Water Department for Increased Water, Wastewater and Stormwater Rates and Related Charges	Fiscal Years 2022-2023
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**ADVANCE NOTICE**

Pursuant to Section 13-101 of The Philadelphia Code and Section II.A.2(a) of the Regulations of the Philadelphia Water, Wastewater and Storm Water Rate Board (the “Board”), enclosed for filing on behalf of the Philadelphia Water Department (“PWD” or the “Department”) are the proposed rates and charges for supplying water, sewer and stormwater service for accounts and properties located in the City of Philadelphia for Fiscal Years 2022 through 2023. Together with the proposed rates and charges, the Department is filing numerous written statements, schedules, exhibits and other supporting documentation. An index setting forth the contents of the rate filing is attached. Copies of the Advance Notice and the Formal Notice of this rate filing are or will be included in PWD Exhibit 1. A summary fact sheet describing (i) the proposed rates and charges and (ii) the estimated impact of the proposed rate changes on typical customer bills is set forth in PWD Exhibit 2. The proposed rates and charges are set forth in PWD Exhibits 3A and 3C, and redlined versions of the same are provided in PWD Exhibits 3B and 3D. Documents incorporated by reference in the rate filing are listed in PWD Exhibit 4. The Department’s updated Financial Plan is attached to PWD Statement No. 2 as Schedule ML-2. Additional schedules and exhibits containing financial, engineering and other data, upon which the proposed rates and charges are based, are also listed in the attached filing index. The complete rate filing will be made available by posting at the Board’s website. As a courtesy, the Department is also providing electronic access to the rate filing via its SharePoint website, the link for which is being provided

to the Board, the its Hearing Officer and Technical Expert, as well as all Participants on the service list for the 2020 General Rate Proceeding.

### **COUNSEL OF RECORD AND SERVICE OF DOCUMENTS**

The Department will be represented by the following counsel in this proceeding:

Andre C. Dasent, Esquire  
Carl R. Shultz, Esquire  
Centre Square - East Tower  
1500 Market Street, 12th Floor  
Philadelphia, PA 19102  
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*Counsel for Philadelphia Water Department*

Ji Jun, Divisional Deputy City Solicitor  
City of Philadelphia Law Department  
1101 Market Street, 5th Floor  
Philadelphia, PA 19107  
E-mail: ji.jun@phila.gov

*Counsel for Philadelphia Water Department*

The Water Revenue Bureau will be represented by the following counsel in this proceeding:

Frank Paiva, Chief Deputy City Solicitor  
Tax & Revenue Unit  
Law Department, City of Philadelphia  
Municipal Services Building  
1401 John F. Kennedy Boulevard, 5th Floor  
Philadelphia, PA 19102  
Frank.Paiva@phila.gov

*Counsel for Philadelphia Water Revenue Bureau*

The Department requests that the Board and all Participants in this proceeding electronically serve copies of all documents in this proceeding on the attorneys listed above.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Randy E. Hayman".

Randy E. Hayman  
Water Commissioner

Dated: January 15, 2021  
Enclosures and Attachments

# FILING INDEX

## Philadelphia Water Department Statements and Exhibits

### Statements

<b>PWD Statement No. 1</b>	Direct Testimony and Schedules of Randy Hayman
	Schedule REH-1      Resume of Randy Hayman
<b>PWD Statement No. 2</b>	Direct Testimony and Schedules of Melissa La Buda
	Schedule ML-1      Resume of Melissa La Buda
	Schedule ML-2      Financial Plan
	Schedule ML-3      Bond Counsel Memorandum
	Schedule ML-4      Rating Agency Reports
	Schedule ML-5      Water Fund Projection Summary
	Schedule ML-6      Financial Advisors Memorandum
	Schedule ML-7      Miscellaneous Changes in Terms of Rates and Charges
	Schedule ML-8      Summary of Prior Rate Proceedings
	Schedule ML-9      Comparison of Projections with Actual Results
<b>PWD Statement No. 3</b>	Direct Testimony and Schedules of Stephen J. Furtek and Trisha Grace
	Schedule SJF-1      Resume of Stephen J. Furtek
	Schedule SJF-2      Summary of Capital Program and Budget Process
	Schedule TG-1      Resume of Trisha Grace
<b>PWD Statement No. 4</b>	Direct Testimony and Schedules of Donna Schwartz, Ben Jewell, Brendan Reilly and Mary Ellen Senss
	Schedule DS-1      Resume of Donna Schwartz
	Schedule DS-2      Summary of Drinking Water Regulations
	Schedule DS-3      Green Stormwater Infrastructure Tools
	Schedule BCJ-1      Resume of Ben Jewell
	Schedule BR-1      Resume of Brendan Reilly
	Schedule MES-1      Resume of Mary Ellen Senss
<b>PWD Statement No. 5</b>	Direct Testimony and Schedules of Susan M. Crosby and RaVonne A. Muhammad

Schedule SMC-1	Resume of Susan M. Crosby
Schedule SMC-2	Annual Report to Mayor on TAP
Schedule RM-1	Resume of RaVonne A. Muhammad

**PWD Statement No. 6**

Direct Testimony and Schedules of Raftelis

Schedule RFC-1	Resume
Schedule RFC-2	Resume
Schedule RFC-3	Resume
Schedule RFC-4	Service Usage and Billing Report
Schedule RFC-5	Water Usage and Billing Report
Schedule RFC-6	Payment Patterns Report
Schedule RFC-7	Typical Residential Customer Consumption Memorandum
Schedule RFC-8	Typical Small Commercial Consumption Memorandum
Schedule RFC-9	Low Income Billing and Payments Report

**PWD Statement No. 7A**

Direct Testimony and Schedules of Black & Veatch  
Management Consulting

Schedule BV-1	Summary Tables: Cost Of Service And Rate Study
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- Tables C-1 through C-9: Combined Projections of Revenue Requirements; Projection of Typical Retail Bills
- Tables W-1 through W-12: Projection of Water Revenues under Existing Rates; Allocation of Test Year Cost of Service; Projection of Water Retail Units of Service
- Tables 13A through W-19A: Projection of Aqua PA Cost of Service; Projection of Water Retail Cost of Service; Projected Water Retail Rates for General Service and Fire Protection
- Tables WW-1 through WW-18: Projection of Wastewater Revenues under Existing Rates; Allocation of Test Year Cost of Service to Retail and Wholesale Customers; Proposed Wastewater Service Charge and Quantity Charge for General Service

Schedule BV-2	Summary Tables: Allocation Of Wastewater Costs To Contract Customers.
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- Tables WH-1 through WH-30: Allocable Test Year Plant Investment and O&M expense; Allocation of Test Year System Investment; Allocation of Test Year O&M Expense; and Summary of Allocated Cost of Service

Schedule BV-3	Summary Tables: Stormwater Units
Schedule BV-4	Summary Tables: Miscellaneous Fees Analysis
Schedule BV-5	Cost of Service Report.
Schedule BV-6	Assumptions And White Papers

- WP-1: Financial Plan – Revenue and Revenue Requirement Assumptions
- WP-2: Stormwater Units of Service
- WP-3: Cost Recovery of Discounts, Credits, Grants and TAP
- WP-4: Senior Citizen Discount Threshold Amount

Schedule BV-7	Resumes and Black & Veatch firm description
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**PWD Statement No. 7B**      Supplemental Direct Testimony of Black & Veatch Management Consulting

Schedule BV-S1	Balance Factors: TAP
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**PWD Statement No. 8**      Direct Testimony and Schedules of H. Gil Peach

Schedule HGP-1	Resume of H. Gil Peach
Schedule HGP-2	Economic Analysis
Schedule MT-1	Resume of Mark Thompson
Schedule YJW-1	Resume of Yvonne J. Whitelaw

**Exhibits**

**PWD Exhibit 1**      Notification of Rate Filing

Advance Notice to Rate Board and Philadelphia City Council  
Formal Notice to the Department of Records

**PWD Exhibit 2**      Summary Fact Sheet

<b>PWD Exhibit 3A</b>	Proposed Rates and Charges for FY2022
<b>PWD Exhibit 3B</b>	Proposed Rates and Charges for FY2022 (Redlined)
<b>PWD Exhibit 3C</b>	Proposed Rates and Charges for FY2023
<b>PWD Exhibit 3B</b>	Proposed Rates and Charges for FY2023 (Redlined)
<b>PWD Exhibit 4</b>	Documents Incorporated by Reference
	<p><u>Summary of the Operating Budgets:</u>  FY 21 Budget in Brief – as proposed to the Council  FY 21 Budget in Brief – as approved by the Council</p> <p><u>Budget Detail:</u>  FY21 Operating Budget Detail, Book I  FY21 Operating Budget Detail, Book II</p> <p><u>Capital Budget:</u>  Six Year Capital Program for Fiscal Years 2022-2026, Capital Budget for Fiscal Year 2021 per Council Approved Capital Program and Budget</p> <p><u>Financial Reports:</u>  Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2019</p> <p><u>Five Year Financial and Strategic Plan:</u>  Five Year Financial and Strategic for Fiscal Years 2021-2025, presented to Council  FY2021-FY2025 Five Year Financial Plan, per Council Approved Budget</p>
<b>PWD Exhibit 5</b>	Official Statement, City of Philadelphia Water and Wastewater Revenue Bonds, 2020A and 2020B
<b>PWD Exhibit 6</b>	Supplemental, Financial, Engineering and Other Data, Black & Veatch Workpapers
<b>PWD Exhibit 7</b>	Consent Order and Agreement, June 1, 2011