

PHILADELPHIA WATER DEPARTMENT  
PA INTERROGATORY SET #II

**RESPONSE TO**  
**PUBLIC ADVOCATE'S INTERROGATORIES**  
**AND**  
**REQUESTS FOR PRODUCTION OF DOCUMENTS**  
**QUESTIONS 1 – 28**

Dated: March 2020

1 **PA-II-1.** REFERENCE MR. HAYMAN'S TESTIMONY BEGINNING AT PAGE 6, LINE 17.  
2 PLEASE PROVIDE THE AVERAGE USAGE PER CUSTOMER FOR EACH OF  
3 THE FOLLOWING CLASSES:

- 4  
5 A. RESIDENTIAL WITH A 5/8 INCH METER;  
6 B. SENIOR CITIZEN WITH A 5/8 INCH METER; AND  
7 C. SMALL USER COMMERCIAL CUSTOMER.  
8

9 **RESPONSE:**

10 Raftelis has produced statistical information on customer usage, excluding any zero bills  
11 or those that indicated negative consumption as these consumption levels indicate usage  
12 adjustments or inactive accounts, respectively, as billed during FY2019.

13 A. General service residential customers (GS-R, customer type 4, installation type 08, 09,  
14 10, 11, any meter size) consistently used about 5 CCF of metered consumption per  
15 month at the median over the time period in question. The average monthly usage for  
16 this group of customers was 664 CF.

17 B. Senior Citizen Discount customers (customer type D, any meter size) consistently used  
18 3 or 4 CCF of metered consumption per month at the median over the time period in  
19 question. The average monthly usage for this group of customers was 503 CF.

20 C. Small commercial customers, those with 5/8" meters, used 6 CCF of metered  
21 consumption per month at the median over the time period in question. The average  
22 monthly usage for this group of customers was 1,091 CF.  
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24 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.  
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1 **PA-II-2.** REFERENCE MR. HAYMAN'S TESTIMONY BEGINNING AT PAGE 21, LINE  
2 24. PLEASE PROVIDE SUPPORT FOR THE STATEMENT THAT THE  
3 REQUIREMENTS OF THE NPDES PERMITS FOR THE THREE WASTEWATER  
4 TREATMENT PLANTS AND THE SEPARATE STORM SEWER SYSTEM WILL  
5 CONTINUE A TREND OF HIGHER ANNUAL OPERATING COSTS FOR THE  
6 DEPARTMENT.

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8 **RESPONSE:**

9 Please see Response Attachment PA-II-2 and compare the current NPDES permit issued  
10 by the Pennsylvania Department of Environmental Protection (PaDEP) for the Northeast  
11 Water Pollution Control Plant in 2007 with the third draft NPDES permit that PaDEP sent  
12 to the Water Department in 2016 in response to the Water Department's pending  
13 application for permit renewal. The Water Department anticipates that the two new  
14 NPDES permits for the Southeast and Southwest Water Pollution Control Plants will  
15 contain similar requirements as the third draft NPDES permit for the Northeast Water  
16 Pollution Control Plant. The Clean Water Act anti-backsliding provision generally  
17 restricts a permitting authority from issuing an NPDES permit with effluent limitations  
18 which are less stringent than the comparable effluent limitations in the previous permit.

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20 **RESPONSE PROVIDED BY:** Randy Hayman, Philadelphia Water Department  
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1 **PA-II-3.** REFERENCE MR. HAYMAN’S TESTIMONY BEGINNING AT PAGE 8, LINES 6  
2 TO 11. MR. HAYMAN STATES: “MY TOP PRIORITIES FOR PWD INCLUDE: (I)  
3 IMPROVING CONDITIONS OF THE WATER AND WASTEWATER SYSTEMS;  
4 (II) PROVIDING RESPONSIVE CUSTOMER SERVICE, WHICH INCLUDES  
5 REACHING OUT TO EVERY AREA OF THE CITY AND MAINTAINING A  
6 RATE STRUCTURE THAT MEETS PWD’S NEEDS WHILE REMAINING FAIR,  
7 EQUITABLE AND AFFORDABLE; (III) CONDUCTING BUSINESS IN A  
8 TRANSPARENT, RELIABLE AND FISCALLY RESPONSIBLE MANNER; AND  
9 (IV) OPERATING WITH A COMMITMENT TO EMPLOYEE DEVELOPMENT  
10 AND DIVERSITY.”

11 A. PLEASE EXPLAIN WHY MR. HAYMAN HAS NOT CONSIDERED  
12 OPERATING COST REDUCTION AS ONE OF THE TOP PRIORITIES OF  
13 HIS ADMINISTRATION.

14 B. IF MR. HAYMAN HAS CONSIDERED OPERATING COST REDUCTION  
15 AS A VIABLE MEANS OF DELAYING THE NEED FOR ANNUAL RATE  
16 INCREASES, PLEASE OUTLINE THE POSSIBLE AREAS OF COST  
17 REDUCTION.

18 C. PLEASE EXPLAIN WHETHER MR. HAYMAN BELIEVES OPERATING  
19 COST REDUCTION IS POSSIBLE AT THE WATER DEPARTMENT.  
20

21 **RESPONSE:**

22 Operating cost reductions are an inherent part of Department’s top priorities and are  
23 detailed in the Direct testimony of Donna Schwartz and Benjamin Jewell, at page 16, lines  
24 10 through 25, and at page 17, lines 1 through 14. Additional cost reductions in the Direct  
25 testimony of Melissa LaBuda, at page 9, lines 6 through 20.

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**RESPONSE PROVIDED BY:** Randy E. Hayman, Philadelphia Water Department

1 **PA-II-4.** REGARDING THE DIRECT TESTIMONY OF MS. LA BUDA, PAGE 5, LINE 16,  
2 PLEASE FULLY EXPLAIN WHAT IS MEANT BY “FINANCIAL HOLE”. IS THE  
3 DEPARTMENT OPERATING AT LOSS OR UNABLE TO MEET ITS  
4 OBLIGATIONS?  
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6 **RESPONSE:**

7 The Department’s operating expenses are higher than the final prior rate case expenses  
8 while revenues have remained flat compared to projections. As such, the Department’s  
9 financial condition has deteriorated and continues to deteriorate during FY 2021 and FY  
10 2022 without rate relief.  
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12 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-5.** REGARDING THE DIRECT TESTIMONY OF MS. LA BUDA, BEGINNING AT  
2 PAGE 5, LINE 1 THROUGH PAGE 6, LINE 14.

3 A. PLEASE IDENTIFY ALL COST SAVINGS PROGRAMS OR EFFORTS  
4 IMPLEMENTED BY THE WATER DEPARTMENT TO REDUCE  
5 OPERATING COSTS, IDENTIFY THE ANNUAL OPERATING SAVINGS  
6 FROM EACH PROGRAM, AND SHOW HOW THOSE SAVINGS ARE  
7 REFLECTED IN THE COST OF SERVICE.

8 B. IF NO PROGRAMS HAVE BEEN IMPLEMENTED TO REDUCE  
9 OPERATING COSTS, PLEASE EXPLAIN WHY.

10  
11 **RESPONSE:**

12 Please see the Direct testimony of Donna Schwartz and Benjamin Jewell, at page 16, lines  
13 10 through 25, and at page 17, lines 1 through 14, for a listing of operational changes to  
14 enhance efficiency.

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16 **RESPONSE PROVIDED BY:** Donna Schwartz, Philadelphia Water Department  
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1 **PA-II-6.** REGARDING THE DISCUSSION OF THE FY 2020 REVIEW ON PAGE 6, LINE  
2 16 OF THE DIRECT TESTIMONY OF MS. LA BUDA, PLEASE EXPLAIN THE  
3 BASIS OF THE COMPARISONS BEING MADE. IS THIS A COMPARISON OF  
4 FY 2020 BUDGETED AMOUNTS TO FY 2018 ACTUAL AMOUNTS, OR ARE  
5 BOTH BUDGETED DATA?  
6

7 **RESPONSE:**

8 This comparison referenced above is not with regard to budgeted amounts. Rather, my  
9 testimony compares final rate case projections made in the 2018 proceeding for FY 2020  
10 with current rate case projections for the same fiscal year.  
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12 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-7. HAS THE DEPARTMENT MADE A WITHDRAWAL FROM THE RATE**  
2 **STABILIZATION FUND IN FY2020?**

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4 **RESPONSE:**

5 Not yet. The Department's fiscal year 2020 withdrawal will be processed as part of fiscal  
6 year end closing process which will occur in September 2020.

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8 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department

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1 **PA-II-8.** REGARDING THE DIRECT TESTIMONY OF MS. LA BUDA, PAGE 7, PLEASE  
2 EXPLAIN IN DETAIL THE “NON-RECURRING REVENUE FROM A RELEASE  
3 FROM THE DEBT SERVICE ACCOUNT” OF \$18 MILLION.  
4

5 **RESPONSE:**

6 As detailed in PWD Statement 7A Direct Testimony and Schedules of Black & Veatch,  
7 Schedule BV-1, Table C-1A: Projected Revenue and Revenue Requirements, line number  
8 22, the Department’s total debt service is projected to decline from \$207 million in Fiscal  
9 Year 2020 to \$195 million in Fiscal Year 2021. As such, the Department’s debt service  
10 reserve fund requirement, as detailed in PWD Statement 7A Direct Testimony and  
11 Schedules of Black & Veatch, Schedule BV-1, Table C-8: Projected Flow of Funds line  
12 number 18, is lower which generates a non-recurring revenue.  
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14 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-9.** REGARDING THE DIRECT TESTIMONY OF MS. LA BUDA, PAGE 7, LINES 18  
2 AND 19. PLEASE EXPLAIN WHAT WOULD BE THE “ONE-TIME SOLUTION”  
3 MENTIONED.  
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5 **RESPONSE:**

6 Please see response PA-II-8.  
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8 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-10.** REGARDING THE DIRECT TESTIMONY OF MS. LA BUDA, PAGE 9, LINES 17  
2 AND 18. PLEASE IDENTIFY THE SPECIFIC BONDS THAT WERE  
3 REFINANCED BY THE SERIES 2019A BONDS.  
4

5 **RESPONSE:**  
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Summary of Bonds Refunded		
City of Philadelphia		
Water and Wastewater Revenue Refunding Bonds, Series 2019A		
Refunded Bond Series	Maturity Date	Par Amount
Water and Wastewater Revenue Bonds, Series 2010C	8/1/2029	1,250,000
Water and Wastewater Revenue Bonds, Series 2010C	8/1/2030	2,280,000
Water and Wastewater Revenue Bonds, Series 2010C	8/1/2035	4,165,000
Water and Wastewater Revenue Bonds, Series 2010C	8/1/2035	5,555,000
Water and Wastewater Revenue Bonds, Series 2010C	8/1/2040	38,430,000
Water and Wastewater Revenue Bonds, Series 2011B	11/1/2023	1,965,000
Water and Wastewater Revenue Bonds, Series 2011B	11/1/2024	2,065,000
Water and Wastewater Revenue Bonds, Series 2011B	11/1/2025	2,170,000
Water and Wastewater Revenue Bonds, Series 2011B	11/1/2026	2,280,000
Water and Wastewater Revenue Bonds, Series 2012	11/1/2025	1,390,000
Water and Wastewater Revenue Bonds, Series 2012	11/1/2026	1,465,000
Water and Wastewater Revenue Bonds, Series 2012	11/1/2027	1,530,000

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19 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-11.** PLEASE EXPLAIN HOW THE DEBT REFINANCING DISCUSSED ON PAGE 9  
2 OF MS. LA BUDA’S DIRECT TESTIMONY WAS REFLECTED IN THE COST  
3 OF SERVICE.  
4

5 **RESPONSE:**

6 The debt service schedule associated with the City of Philadelphia, Pennsylvania-Water  
7 and Wastewater Revenue Refunding Bonds, Series 2019A is included as existing debt in  
8 the Cost of Service Study and presented in Schedule BV-1: Table C-9 “*Summary of*  
9 *Existing and Proposed Debt Service*”, Line No. 1.  
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11 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC  
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1 **PA-II-12.** REGARDING THE DISCUSSION OF CREDIT RATINGS ON PAGE 10, LINES 4  
2 TO 9 OF MS. LA BUDA’S TESTIMONY, PLEASE IDENTIFY ANY OF THE  
3 CREDIT RATINGS THAT REPRESENTED EITHER AN UPGRADE OR  
4 DOWNGRADE FROM THE PREVIOUS RATING OF ANY OF THE AGENCIES.

5  
6 **RESPONSE:**

7 As provided in Ms. La Buda’s testimony, the current credit ratings for long -term debt of  
8 the Department are as follows: Moody’s Investors Service – “A1” with “Stable Outlook”;  
9 Standard and Poor’s Rating Group – “A+” with “Stable Outlook”; and Fitch “A+” with  
10 “Stable Outlook”. The most recent ratings changes (i.e. upgrade or downgrade) of these  
11 ratings are as follows: On October 7, 2016, Standard and Poor’s Rating Group upgraded  
12 the long-term and underlying rating of the Department from “A” with a “Positive  
13 Outlook” to the current “A+” with “Stable Outlook”.

14  
15 **RESPONSE PROVIDED BY:** Katherine Clupper, Public Financial Management and Peter  
16 Nissen, Acacia Financial Group

1 **PA-II-13.** PLEASE EXPLAIN WHETHER MS. LA BUDA BELIEVES COST CONTROL  
2 AND COST REDUCTION ARE RELEVANT OR IMPORTANT FACTORS THAT  
3 CONCERN RATING AGENCIES. IF SO, PLEASE DESCRIBE WHAT EFFORTS  
4 HAS THE DEPARTMENT TAKEN TO ADDRESS THOSE CONCERNS.

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6 **RESPONSE:**

7 Yes, Rating Agencies specifically consider operational management (Standard & Poor's),  
8 Operating Risks (Fitch) and Financial Strength (Moody's) in their credit scoring.

9  
10 Please see the Direct testimony of Donna Schwartz and Benjamin Jewell, at page 16, lines  
11 10 through 25, and at page 17, lines 1 through 14, for a listing operational changes to  
12 enhance efficiency.

13  
14 **RESPONSE PROVIDED BY:** Katherine Clupper, Public Financial Management, Peter  
15 Nissen, Acacia Financial Group, and Donna Schwartz, Philadelphia Water Department

1 **PA-II-14.** PLEASE EXPLAIN HOW THE COST OF CLEANING THE FOUR DIGESTERS,  
2 AS DISCUSSED ON PAGE 26 OF MS. LA BUDA'S TESTIMONY, ARE  
3 REFLECTED IN THE COST OF SERVICE. IN YOUR RESPONSE, PLEASE  
4 INDICATE WHAT IT COSTS TO CLEAN EACH DIGESTER AND PROVIDE  
5 THE SUPPORTING DOCUMENTATION FOR THE COST.  
6

7 **RESPONSE:**

8 The cost of cleaning digesters is included as a portion of the expenses related to ongoing  
9 major maintenance in the Cost of Service Study. These items were captured by shifting  
10 available appropriation within the FY 2020 budget as described in PWD Statement 7A,  
11 Page 16, Lines 22 to 25.  
12

13 The Department has a total of 20 digesters and plans to clean four digesters annually  
14 during FY 2021 – FY 2025 at a cost of \$13 million per year. This amount exceeds current  
15 annual operating expense levels by \$10 million.  
16

17 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department and Black &  
18 Veatch Management Consulting, LLC  
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1 **PA-II-15.** REGARDING THE DIRECT TESTIMONY OF MS. LA BUDA, PAGE 27, PLEASE  
2 EXPLAIN IN DETAIL THE STATEMENT THAT “ADDITIONAL EMPLOYEE  
3 COSTS PREVIOUSLY PAID THROUGH THE CAPITAL BUDGET ALSO MUST  
4 BE SHIFTED TO THE OPERATING BUDGET”.

5

6 **RESPONSE:**

7 As part of the Fiscal Year 2021 budget process, the Department must continue to  
8 incrementally shift employees paid (i.e. salaries) with capital funds to the operating  
9 budget. This process started in Fiscal Year 2019 and will continue for the next several  
10 years.

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12 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department

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1 **PA-II-16.** PLEASE EXPLAIN HOW THE CAPITAL COSTS SHIFTED TO THE  
2 OPERATING BUDGET ARE RECORDED IN THE DEPARTMENT'S FINANCIAL  
3 STATEMENTS. ARE THESE COSTS RECORDED AS PART OF OPERATING  
4 EXPENSES OR CAPITAL EXPENDITURES? PLEASE FULLY EXPLAIN.  
5

6 **RESPONSE:**

7 Please see PWD Statement No. 2 Direct Testimony and Schedules of Melissa La Buda,  
8 Schedule ML -5 for the operating expenses related to salaries and equipment.  
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10 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-17. PLEASE EXPLAIN WHETHER GOVERNMENTAL ACCOUNTING**  
2 **STANDARDS WILL ALLOW A CAPITAL EXPENDITURE TO BE RECORDED**  
3 **AS AN OPERATING EXPENSE BECAUSE OF A SHIFT IN THE BUDGET FROM**  
4 **WHICH FUNDS ARE PAID.**

5  
6 **RESPONSE:**

7 As detailed in PWD Statement No.2, Direct Testimony of Melissa La Buda, at page 25,  
8 lines 3 to 7, for purposes of rate setting, calculating compliance with the Rate Covenant  
9 and debt service coverage and budgeting, the Water Fund accounts are maintained on a  
10 cash basis of accounting, also referred to as the “Legally Enacted Basis.” Accordingly,  
11 items such as salaries and equipment paid as operating expenses are recorded as operating  
12 expenses.

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14 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-18.** ON PAGE 27, LINES 5 AND 6, OF MS. LA BUDA’S TESTIMONY, SHE STATES  
2 “PWD IS NO LONGER ABLE TO PROCURE CERTAIN VEHICLE TYPES WITH  
3 CAPITAL FUNDS AND MUST INSTEAD USE OPERATING FUNDS.” IS IT MS.  
4 LA BUDA’S TESTIMONY THAT WHEN THESE TYPES OF PROCUREMENT  
5 OCCUR, THE ACQUISITION IS RECORDED AS AN OPERATING EXPENSE  
6 RATHER THAN A CAPITAL EXPENDITURE? PLEASE FULLY EXPLAIN  
7 YOUR RESPONSE.  
8

9 **RESPONSE:**

10 Yes, expenditures for certain vehicle types (referenced in my testimony) are recorded as  
11 operating expenses.  
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13 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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**PA-II-19.** IN THE FY 2021 AND FY 2022 BUDGETS, PLEASE IDENTIFY THE INCREASE  
IN OPERATING EXPENSE RELATED TO THE SHIFT IN CERTAIN SPENDING  
FROM THE CAPITAL SPENDING TO THE OPERATING BUDGET.

**RESPONSE:**

The Department’s proposed FY 2021 operating budget reflects an increase of approximately  
\$2.5 million due to the transfer of staff from capital to operating. The cost of service study  
details \$1.8 million in FY 2021 and \$ 3.6 million in FY 2022.

**RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department and Black &  
Veatch Management Consulting, LLC

1 **PA-II-20.** REFERENCE PAGE 27, LINES 12 THROUGH 15 OF MS. LA BUDA'S  
2 TESTIMONY. BECAUSE OF THE SHIFT IN CERTAIN SPENDING FROM THE  
3 CAPITAL SPENDING TO THE OPERATING BUDGET:

4 A. IS IT CORRECT THAT THE PROJECTS LISTED IN THIS SECTION  
5 WOULD HAVE BEEN PAID FROM THE CAPITAL BUDGET AND  
6 THEREFORE, THESE PROJECTS WOULD HAVE BEEN RECORDED AS  
7 CAPITAL EXPENDITURES? PLEASE FULLY EXPLAIN.

8 B. IS IT CORRECT THAT THE PROJECTS LISTED IN THIS SECTION ARE  
9 NOW RECORDED AS OPERATING EXPENSES? PLEASE FULLY  
10 EXPLAIN.

11  
12 **RESPONSE:**

13 A. No, it is not correct. Items such as cleaning of digesters, removing of silt from a  
14 raw water basins / dredging and general maintenance repairs are not capital  
15 eligible.

16  
17 B. These items are part of operating expenses.  
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19 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-21.** REFERENCE PAGE 28, LINES 1 THROUGH 4 OF MS. LA BUDA'S  
2 TESTIMONY. PLEASE EXPLAIN WHY THE WATER FUND'S ALLOCABLE  
3 SHARE OF THE PRINCIPLE AND INTEREST PAYMENTS ON THE CITY  
4 PENSION BONDS WILL REMAIN UNCHANGED GIVEN THE RECENT  
5 ACTIVITY IN BOND REFINANCING.

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7 **RESPONSE:**

8 The bonds are not subject to optional redemption prior to maturity, as such the  
9 Department's costs have remained unchanged.

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11 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-22.** REFERENCE PAGE 28, LINES 5 THROUGH 7 OF MS. LA BUDA'S  
2 TESTIMONY.

3 A. PLEASE EXPLAIN THE ACTIVITIES INVOLVED IN THE FUNCTIONAL  
4 TESTING OF FIRE HYDRANTS.

5 B. PLEASE PROVIDE THE FY 2021 AND FY 2022 COST OF FUNCTIONAL  
6 TESTING OF FIRE HYDRANTS.

7 C. PLEASE EXPLAIN WHETHER FUNCTIONAL TESTING OF FIRE  
8 HYDRANTS IS A CITY FIRE SERVICE RESPONSIBILITY/FUNCTION  
9 OR TASK, OR WHETHER IT IS THE RESPONSIBILITY OF THE WATER  
10 DEPARTMENT TO TEST THE FIRE HYDRANTS.

11 D. PLEASE EXPLAIN WHY THE WATER DEPARTMENT IS  
12 REIMBURSING THE FIRE DEPARTMENT FOR FUNCTIONAL TESTING  
13 OF FIRE HYDRANTS.

14  
15 **RESPONSE:**

16 A. The following procedure is used to inspect Domestic Water and Private Fire Hydrants:

17 i. Make sure the hydrant is shut off, then remove the cap. If a BLACK plastic cap  
18 is encountered, this indicates that the hydrant has been placed "Out of Service"  
19 (OOS) by the Water Department and will not be turned on. The miscellaneous  
20 block will be filled in on the hydrant inspection card with the notation  
21 "Hydrant OOS-Water Department."

22  
23 ii. Using caution, open the hydrant to obtain a MINIMAL FLOW. If debris  
24 appears inside the hydrant, increase the pressure of discharge cautiously to  
25 remove the debris. At this time the operator should ascertain to his satisfaction



1 that the particular hydrant is capable of delivering a full fire flow. Observe also  
2 if the hydrant operates easily or is in need of lubrication.

3  
4 iii. Shut off the hydrant and observe if the water level is dropping to indicate that  
5 the waste is operating properly.

6  
7 iv. Replace the cap and tighten with a hydrant wrench. Observe if the cap engages  
8 easily or if the threads are damaged.

9  
10 v. Reopen the hydrant 24 half-turns from a fully closed position. Although 32  
11 half-turns is the absolute limit to fully open the hydrant, 24 half-turns will give  
12 the maximum flow without stripping the operating rod. Make certain no one is  
13 in front of the outlets while the hydrant is under pressure, as the possibility of a  
14 cap blowing off exists.

15  
16 vi. While the hydrant is under pressure, observe for leaks from underground, at the  
17 coupling, barrel or bonnet. A minimal discharge at the hydrant cap is  
18 acceptable. Shut off the hydrant.

19  
20 vii. The center stem of hydrants equipped with a Center Compression Lock (CCL)  
21 should be checked. If the compression fitting moves vertically when pressed by  
22 hand, this should be noted in the miscellaneous section of the hydrant  
23 inspection card.

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1 B. The costs for functional fire hydrant testing as included in the Cost of Service Study  
2 are \$3.087 million for FY 2021 and \$3.177 million for FY 2022 (please see PWD  
3 Exhibit 6 – Page 295).

4  
5 C. & D.

6 Pursuant to Section 5-800(a) of the Philadelphia Home Rule Charter (“Charter”), the  
7 Water Department has the power and duty to operate, construct, maintain, repair and  
8 improve City water supply facilities, including City fire hydrants.

9  
10 Pursuant to Section 8-412 of the Charter, every City department has the power to make  
11 such inspections as are incidental to or necessary for the performance of their  
12 functions.

13  
14 Pursuant to its authority under Sections 5-800(a) and 8-412 of the  
15 Charter, PWD routinely performs inspections and maintenance of City-owned fire  
16 hydrants.

17  
18 Pursuant to Section 5-400 of the Charter, the Philadelphia Fire Department (“PFD”)  
19 has the power and duty to extinguish fires within the limits of the City and to  
20 administer and enforce statutes, ordinances and regulations related to fire and explosion  
21 hazards. In addition to the fire hydrant inspections performed by PWD, PFD performs  
22 annual operational inspections and testing of City-owned fire hydrants to assess  
23 whether the hydrants are functioning.

1 The PWD and PFD agree that performing fire hydrant flow tests of City-owned fire  
2 hydrants is appropriate to ensure that the hydrants, in fact, provide sufficient volume  
3 and pressure to meet contemporary fire flow requirements.  
4

5 Further, the functional fire hydrants testing is an operational test of the hydrants as  
6 well as the supporting distribution system. The results provide the Water Department  
7 with information on the overall performance of the distribution and where pressure  
8 and/or flow adjustments may be needed to better meet customer service needs.  
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10 **RESPONSE PROVIDED BY:** Philadelphia Fire Department, Philadelphia Water Department,  
11 and Black & Veatch Management Consulting, LLC  
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1 **PA-II-23.** REGARDING THE REFERENCE TO THE AQUA PENNSYLVANIA RATE  
2 PROCEEDING IN DOCKET NO. R-2018-3003068, DID THE COMMISSION FIND  
3 THAT AQUA PENNSYLVANIA'S CONSUMPTION DECREASED BY 1.3%?  
4

5 **RESPONSE:**

6 In its Statement in Support, Aqua asserted that although it has undertaken efforts to reduce  
7 Federal and State tax expenses and made investments to enhance its infrastructure, it has  
8 experienced a decline in water usage per customer at approximately 1.3% per year. Please  
9 note the PUC docket no is R-2018-3003558.  
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11 **RESPONSE PROVIDED BY:** Melissa La Buda, Philadelphia Water Department  
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1 **PA-II-24.** REGARDING THE DIRECT TESTIMONY OF MESSRS. FURTEK AND SPOKAS,  
2 PAGE 5, PLEASE EXPLAIN HOW THE SHIFT IN CERTAIN SPENDING FROM  
3 THE CAPITAL SPENDING TO THE OPERATING BUDGET HAS IMPACTED  
4 THE DEPARTMENT'S CAPITAL PROGRAM AND CAPITAL BUDGETING.

5  
6 **RESPONSE:**

7 Shifting engineering staff and certain types of vehicles from the Capital Budget to the  
8 Operating Budget has decreased the budgeted amount in the Engineering, Administration,  
9 & Material Support Capital Budget line item, thereby reducing the Capital Program by an  
10 equivalent amount. When compared to the overall Capital Budget this shift has a very  
11 minor impact on the overall Capital Program.

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13 **RESPONSE PROVIDED BY:** Stephen J. Furtek, Philadelphia Water Department  
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**PA-II-25.** REFERENCE THE DIRECT TESTIMONY OF MESSRS. FURTEK AND SPOKAS AT PAGE 5, LINES 20 TO 25. PLEASE PROVIDE THE DATA FOR EACH FISCAL YEAR SEPARATELY.

**RESPONSE:**

Capital Improvement Program (FY 2020-FY 2025)								
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total	
Improvements to Water & Wastewater Facilities	\$120,000,000	\$120,000,000	\$336,192,000	\$369,192,000	\$165,192,000	\$159,192,000	\$1,269,768,000	
Wastewater Collection/CSO/ Flood Relief	\$139,800,000	\$212,760,000	\$208,160,000	\$208,160,000	\$208,160,000	\$208,160,000	\$1,185,200,000	
Water Conveyance System (new & reconstruction)	\$113,060,000	\$87,060,000	\$203,360,000	\$96,060,000	\$100,060,000	\$100,060,000	\$699,660,000	
Engineering, Administration & Material Support	\$28,047,000	\$28,528,000	\$29,024,000	\$29,535,000	\$30,061,000	\$30,603,000	\$175,798,000	
<b>Total</b>	<b>\$400,907,000</b>	<b>\$448,348,000</b>	<b>\$776,736,000</b>	<b>\$702,947,000</b>	<b>\$503,473,000</b>	<b>\$498,015,000</b>	<b>\$3,330,426,000</b>	

**RESPONSE PROVIDED BY:** Stephen J. Furtek, Philadelphia Water Department

**PA-II-26.** REFERENCE THE DIRECT TESTIMONY OF MESSRS. FURTEK AND SPOKAS  
 AT PAGE 6, LINES 14 TO 19. PLEASE PROVIDE THE DATA FOR EACH  
 FISCAL YEAR SEPARATELY

**RESPONSE:**

Capital Improvement Program (FY 2021-FY 2026)							
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Improvements to Water & Wastewater Facilities	\$328,000,000	\$259,200,000	\$356,500,000	\$190,200,000	\$301,200,000	\$329,200,000	\$1,764,300,000
Wastewater Collection/CSD/ Flood Relief	\$159,460,000	\$154,860,000	\$154,860,000	\$154,860,000	\$154,860,000	\$216,860,000	\$995,760,000
Water Conveyance System (new & reconstruction)	\$98,060,000	\$106,060,000	\$177,160,000	\$122,460,000	\$113,060,000	\$113,060,000	\$729,860,000
Engineering, Administration & Material Support	\$25,865,000	\$25,865,000	\$25,865,000	\$25,865,000	\$25,865,000	\$25,865,000	\$155,190,000
<b>Total</b>	<b>\$611,385,000</b>	<b>\$545,985,000</b>	<b>\$714,385,000</b>	<b>\$493,385,000</b>	<b>\$594,985,000</b>	<b>\$684,985,000</b>	<b>\$3,645,110,000</b>

**RESPONSE PROVIDED BY:** Stephen J. Furtek, Philadelphia Water Department

1 **PA-II-27.** REGARDING THE DIRECT TESTIMONY OF MESSRS. FURTEK AND SPOKAS,  
2 PAGE 10, PLEASE PROVIDE A TABLE SHOWING A BREAKDOWN OF THE  
3 CALCULATION OF THE FIVE-YEAR AVERAGE OF 25.7 BREAKS PER MILE  
4 PER YEAR.

5  
6 **RESPONSE:**

7 Following is the calculation regarding the 5-year average of water main breaks per 100  
8 miles of water main.

9

<u>Fiscal Year</u>	<u># of breaks</u>
2019	778
2018	984
2017	715
2016	699
<u>2015</u>	<u>907</u>
Total	4083
Average/year	817

18  
19 Miles of water mains in system is 3183 miles.

20  
21 # of breaks per 100 miles equals  $817/3183*100 = 25.7$  breaks per 100 miles

22  
23 **RESPONSE PROVIDED BY:** Stephen J. Furtek, Philadelphia Water Department  
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