

BEFORE THE
PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD

In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater and Stormwater Rates and Charges	Fiscal Years 2022-2023
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OBJECTIONS TO LANCE HAVER'S SET B
INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

The Philadelphia Water Department ("Department" or "PWD") objects to the following Set "B" Interrogatories and Requests for Production of Documents (collectively, "discovery requests") of Lance Haver, submitted via email (receipt of which was deemed to be April 5, 2021) as follows. PWD requests that the Hearing Officer sustain these Objections and strike or limit the subject discovery requests.

Clarifications

The term "B&V" is not defined by Mr. Haver's Set B. For purposes of responding, the Department interprets the term "B&V" to refer to Black & Veatch Management Consulting, LLC with an office at 11041 Lamar Avenue, Overland Park, Kansas.

Objections

The discovery requests are grouped together to minimize repetition of objections.

- LH-B-1** Does Black & Veatch (B&V) do any consulting work for for profit utilities?
- LH-B-10** Was Ms. Bui a co author of “How Much Is It Worth? An Overview of valuing Water Utilities”?
- LH-B-11** Did Ms. Bui write the article, in some part, to help stock holder owned utilities decide if they should purchase publicly owned utilities?
- LH-B-12** Did Ms. Bui make a presentation to Bank of America Merrill Lynch Water Investors Conference, December 2019 on Municipal Water and Privatization?
- LH-B-13** Please produce a copy of the presentation and/or notes from the presentation.

OBJECTION:

The proper scope of this proceeding is limited to the rates and charges proposed by the Department. This proceeding does not include any proposal for the sale of the City’s assets. The requested information and documents are not pertinent to the prospective rates and charges for the Rate Period (Fiscal Year 2022 and Fiscal Year 2023). The Board has limited jurisdiction. The requested information will not assist the Rate Board in determining the prospective rates and charges for the Rate Period. No nexus has been established between the information provided to customers and the prospective rates and charges proposed for the Rate Period.

Notwithstanding the above objections and without waiver thereof, the Department intends to further respond to these discovery requests on or before April 12, 2021.

LH-B-14 Please produce the testimony and/or note of testimony of any and all testimony before any and all regulatory bodies opposing [or] allowing the sale of a publicly owned utility to a stock holder owned utility.

OBJECTION:

The Department objects to this interrogatory and request insofar as it is vague and ambiguous. Since the discovery is directed to the Department (as the party to this rate proceeding), the Department reads this interrogatory and request as seeking testimony and/or notes of testimony produced by the Department.

The Department's objections to LH-B-1 and LH-B-10 through LH-B-13 are incorporated herein by reference.

Notwithstanding the above objections and without waiver thereof, the Department intends to further respond to these discovery requests on or before April 12, 2021.

- LH-B- 2** Have any of the current PWD witnesses ever testified on behalf of American Water Company?
- LH-B-3** Has B&V ever recommended that a for profit utility purchase a publicly owned utility?
- LH-B-4** Has B&V ever recommended and/or helped a for profit utility purchase a publicly owned utility?
- LH-B-5** Have any of the witnesses testifying on behalf of PWD ever worked with anyone at B&V who has recommended selling a municipal water utility?
- LH-B-6** Has anyone at B&V, of any of the witnesses testifying on behalf of PWD ever worked for any customer of the PWD including Aqua PA or any of the 10 suburban customers to which PWD provides wastewater service?
- LH-B-20** Has there ever been a time, that any of B&V's witnesses are aware of, that bond holders have agreed to accept a lower return and/or allowed an entity to enter a technical default. Are any of PWDs experts familiar with Sinclair Broadcast Group's request that bond holders accept 40% loss? Please list the members of B&V's employees who are familiar with Sinclair Broadcast Group's request for bond holders to accept losses.

OBJECTION:

The Department objects to these interrogatories and requests on the grounds that the discovery sought will cause unreasonable annoyance, burden and expense to the Department. The above discovery requests are seeking information and documents over an undefined (unlimited) period of time. The same are particularly burdensome given the

shortened period allotted to compile discovery responses in this proceeding and the timing of the request in the schedule.

The Department's objections to LH-B-1 and LH-B-10 through LH-B-13 are incorporated herein by reference.

Notwithstanding the above objections and without waiver thereof, the Department intends to further respond to these discovery requests on or before April 12, 2021.

LH-B-7 As a percentage of billable hours, how much of B&V work is done for stockholder owned utilities and how much is done for publicly owned utilities.

LH-B-8 How do the hourly rates B&V charges to clients compare between publicly owned utilities and stockholder owned utilities?

LH-B-9 As a percentage of B&V's retained earnings and profit sharing, how much is derived from stockholder owned utilities and how much from publicly owned utilities.

OBJECTION:

The proper scope of this proceeding is limited to the rates and charges proposed by the Department. This proceeding does not relate to other work performed by B&V. The requested information and documents are not pertinent to the prospective rates and charges for the Rate Period (Fiscal Year 2022 and Fiscal Year 2023). The Board has limited jurisdiction. The requested information will not assist the Rate Board in determining the prospective rates and charges for the Rate Period. No nexus has been established between the information provided to customers and the prospective rates and charges proposed for the Rate Period.

Notwithstanding the above objection and without waiver thereof, the Department intends to further respond to these discovery requests on or before April 12, 2021.

WHEREFORE, the Department formally objects to the Interrogatories and Requests identified above and requests that its Objections be sustained and that it be relieved of the requirement of any further response to same except as described above.

Respectfully submitted,

/s/ Andre C. Dasent

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Dated: April 8, 2021