

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

PWD Special Rate Filing Reconciliation Proceeding for Fiscal Year 2023

Public Advocate's Second Set of Interrogatories & Requests for Production of Documents

- PA-II-1. Reference PWD Statement No. 3 – Page 17.
- a. Please provide the supporting documentation for the 20% increase in chemical bid cost.
 - b. Please provide an analysis comparing the results of the Water Department most recent completed chemical bid costs to the previous prices for those chemicals.
- PA-II-2. Reference PWD Statement No. 3 – Page 17. Please provide support for the 47% increase in the PPI for Industrial Chemicals.
- PA-II-3. Reference PWD Statement No. 3 – Page 17. Please provide support for the claim that recent Consumer Price Index (CPI) and Producer Price Index (PPI) data indicate inflation rates are at levels not seen since the 1970s.
- PA-II-4. Reference PWD Statement No. 3 – Page 16. Regarding the statement “Continued increases in regulatory requirements associated with the City’s Municipal Separate Storm Sewer System (MS4) permit requirements, and the new Lead and Copper Rule. All of which will require additional personnel, contracted services, and capital investments to address.”
- a. Please identify the specific change/increase in MS4 permit requirements that would result in increased costs. Identify the additional personnel, contracted services, and capital investments that would result from the changes and the related costs.
 - b. Please identify the specific change/increase in the new Lead and Copper Rule that would result in increased costs. Identify the additional personnel, contracted services, and capital investments that would result from the changes and the related costs.
- PA-II-5. Reference PWD Statement No. 3 – Page 16. Please identify the specific change in the ramp-up in Consent Order and Agreement (COA) that would require additional staffing. Please identify the number of additional staff and the related costs.
- PA-II-6. Please identify the expected increase in pension costs and provide the supporting documentation.
- PA-II-7. Reference PWD Statement No. 3, page 17, lines 20 to 23. Please identify the specific Federal assistance programs that are expected to end and show how those programs have contributed to the Department’s improved revenues.

- PA-II-8. Please explain why the Department anticipates a downside risk to revenues as Federal assistance programs wane. Did the Federal programs bring new customers? Please explain how the Federal programs improved revenues.
- PA-II-9. Has the Department recently conducted any water/wastewater service affordability studies? If yes, please provide copies of the report from the studies.
- PA-II-10. Reference page 7 of the FY 2022 to FY 2027 Financial Plan Report.
- a. For the FY 2022 Billing Year Collection Factors, please provide the calculations and supporting data for the 2% used to reduce by collection factors to align with FY 2021 experience.
 - b. For the FY 2023 Billing Year Collection Factors, please provide the calculations and supporting data for the 1% used to reduce by collection factors.
 - c. Please provide the data supporting the 2% observed decrease in collection.
 - d. Please provide the basis for the assumption that the economy would begin to recover in FY 2023 and that by FY 2024 the collection factors will align with the overall historical averages.
- PA-II-11. With respect to the waiving of penalties due to COVID, who or what entity decides when to end the waiving of penalties?
- PA-II-12. Reference Table 1-8 beginning on page 8 of the FY 2022 to FY 2027 Financial Plan Report.
- a. For each group of Class 100 Salaries & Wages, please provide the breakdown of the FY 2023 costs showing the number of positions and the related costs.
 - b. For Services presented in the table, please identify the specific services and the related amount for FY 2023.
 - c. Please identify when the \$10 million related to Hurricane Ida is expected to be incurred in 2022, and explain why PWD is incurring costs in 2022 for a storm that occurred in August 2021.
 - d. Please identify when the one-time employee bonuses will be paid in 2022 and whether there are specific conditions to trigger payment of the bonuses.
- PA-II-13. Has the labor agreement been ratified? If not, when is it expected to be ratified?
- PA-II-14. Please provide the number of vacancies due to retirements and the related annual amounts for FY 2018 through FY 2021.
- PA-II-15. Please provide the number of vacancies due to reasons other than retirements and the related annual amounts for FY 2018 through FY 2021.
- PA-II-16. Please provide the number of vacant positions as of the end of FY 2021 and the related annual amounts.
- PA-II-17. Please provide support for the 4.0% and 4.5% interest rates presented on page 12 of the FY 2022 to FY 2027 Financial Plan Report.

- PA-II-18. Please provide the bond issuance cost percentage for each bond issued during FY 2018 through 2021.
- PA-II-19. Please explain the reason for the change in the debt service coverage from 1.20 in the 2021 rate case filing to 1.30 in the FY 2022 to FY 2027 Financial Plan Report.
- PA-II-20. Please provide the supporting calculations for the 5.8% inflation escalation as presented on page 13 of the FY 2022 to FY 2027 Financial Plan Report.
- PA-II-21. As discussed on page 16 of the FY 2022 to FY 2027 Financial Plan Report, please identify the amount included in the cost of service to restore activities to Pre-COVID Operations.
- PA-II-22. With respect to the Reduced Consumption, as discussed on page 17 of the FY 2022 to FY 2027 Financial Plan Report, please provide the supporting data showing the reduction in consumption.