

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

Re: Philadelphia Water Department : 2024 TAP-R Reconciliation Proceeding
Proposed Changes in Rates and Charges :

JOINT PETITION FOR SETTLEMENT OF TAP-R PROCEEDING

The Philadelphia Water Department (“PWD” or “Department”) and the Public Advocate (“Advocate”) (collectively, “Joint Petitioners”) submit this Joint Petition for Settlement (“Joint Petition” or “Settlement”) of the Tiered Assistance Program Rate Rider Surcharge Rates (“TAP-R”) Reconciliation proceeding and request that Hearing Officer Marlane Chestnut (“Hearing Officer”) (i) approve the settlement of this proceeding without modification consistent with this Joint Petition; and (ii) recommend that the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”) approve the Settlement and authorize the Department to file modified rates and charges related to TAP-R to become effective on September 1, 2024. In support of the proposed Settlement, the Joint Petitioners state the following:

I. BACKGROUND

A. TAP Program and TAP-Rate Rider

1. The Tiered Assistance Program (“TAP”) is an assistance program that allows low-income customers to pay reduced bills based on a percentage of their income.

2. The TAP-R is a ratemaking tool that allows PWD to recover lost revenue requirements (costs) or reduce future costs, if actual costs are less than projected.¹ TAP-R rates are charged to retail customers not enrolled in TAP and are intended to recover the revenue losses (i.e., costs) associated with the program.

3. The cost of TAP (recovered via the TAP-R rates) may change over time due to multiple factors, including: (i) the number of low-income households that are accepted into and receive TAP bills in the program (“TAP Participants”); (ii) water usage; (iii) changes in PWD’s non-discounted rates; (iv) the projected number of TAP Participants; and (v) the level of discounts needed to provide affordable bills to TAP Participants.

¹ In the 2018 Rate Proceeding, the Advocate and PWD reached agreement regarding, and the Rate Board subsequently approved, many of the significant aspects of the TAP-R. Simply stated, this rider tracks revenue losses resulting from application of the TAP discounts and permits annual reconciliation of such costs to prevent either over- or under-recovery of TAP revenue losses through TAP-R rates.

4. PWD reviews and proposes adjustments to the TAP-R rates annually to account for changes in actual and projected TAP costs and the extent to which those costs were over-or under-collected during a prior period.

5. The TAP-R Reconciliation filing submitted the Department’s proposed annual adjustment to the TAP-R rates; and the modification of related water, sewer and fire connection quantity charges.

6. The following PWD rates and charges will be affected if the Rate Board approves the Joint Settlement:

<u>Rates and Charges</u>	<u>Section Reference</u>
Total Water Quantity Charges	Section 2.1(c)(1)
Total Sewer Quantity Charges	Section 3.1(b)(1)
Total Fire Service Quantity Charges	Section 9.1(d)(1)
TAP-R Surcharge Rates	Section 10.3

B. 2024 TAP-R Proceeding

7. The Department commenced the 2024 TAP-R Reconciliation Proceeding, filing its Reconciliation Statement, by Advance Notice and Formal Notice on February 28, 2024² and April 1, 2024,³ respectively. Copies of the Advance Notice and Formal Notice are posted on the Rate Board website and are incorporated by reference.

8. These filings were made consistent with Sections II.A.2 and II.C.1 of the Rate Board’s regulations.

9. PWD proposed that changed TAP-R rates and charges would take effect on September 1, 2024.

10. The participants in the 2023 TAP-R Reconciliation Proceeding and 2023 General Rate Proceeding were notified by e-mail of the opportunity to participate in the 2024 TAP-R Reconciliation Proceeding.

11. The general public was notified through information made available on the Rate Board’s website as well as publication in Philadelphia newspapers. Legal notices related to the Advance Notice and Formal Notice were timely published in local newspapers.

² <https://www.phila.gov/media/20240305095150/TAP-R-Advance-Notice-2024-02-28.pdf>

³ <https://www.phila.gov/media/20240401131232/2024-TAP-R-formal-notice-final.pdf>

12. The Public Advocate was designated a participant in this proceeding pursuant to the terms of the Board's regulations. Lance Haver intervened (*pro se*) in this proceeding on March 4, 2024. Michael Skienzielewski intervened (*pro se*) in this proceeding on February 29, 2024. The Philadelphia Large Users Group ("PLUG"), via counsel, confirmed PLUG's interest in participating in this proceeding on April 8, 2024. All are participants in this proceeding.

13. The Public Advocate submitted written discovery requests to the Department requests by e-mail on (a) March 15, 2024 to which PWD responded on March 27, 2024; (b) April 3, 2024 to which PWD responded on April 10, 2024; and, (c) May 8, 2024 to which PWD responded on May 9, 2024. Copies of the discovery requests and responses are posted on the Rate Board's website and are incorporated by reference.

14. PLUG submitted written discovery requests to the Department by e-mail on April 23, 2024 to which PWD responded on April 30, 2024. Mr. Haver submitted written discovery requests to the Department by e-mail on May 2, 2024 to which PWD responded on May 8, 2024. Mr. Haver submitted written discovery requests to the Public Advocate by e-mail on (a) on May 3, 2024 to which the Public Advocate filed objections on May 6, 2024; and (b) May 7, 2024 to which the Public Advocate filed objections and partial responses on May 13, 2024. The Public Advocate's objections were sustained by the Hearing Officer on May 15, 2024. Copies of these discovery requests, objections and responses are posted on the Rate Board's website and are incorporated by reference.

15. The schedule⁴ for the proceeding provided that written testimony in response to the Department's proposed annual adjustment, if any, would be submitted by April 29, 2024.

16. The Public Advocate filed written testimony on April 29, 2024. None of the other non-Department participants (described in Paragraph 12) filed written testimony by the above stated deadline.

17. In its written testimony, Public Advocate recommended a projected number of TAP Participants for August 2025 (at the end of the Next Rate Period) be reduced to 54,260 from the Department's original projected number of TAP Participants for August 2025 (55,974). The Public Advocate also recommended that (a) the average discount per TAP Participant be reduced from the Department's original average discount per TAP Participant; and (b) the average monthly consumption per TAP Participant be reduced from the Department's original average monthly consumption per TAP Participant.

18. The Department's original proposal would result in average monthly number of TAP participants (for September 2024 to August 2025) being 55,974. The Public Advocate's recommendation would result in the average monthly number of TAP participants (for September 2024 to August 2025) being 54,260.

⁴ <https://www.phila.gov/media/20240411142155/TAP-R-PHC-Order-2024-April-10-FINAL.pdf>

19. The application of the different average discount as well as the different average monthly consumption per Participant, and monthly projected number of TAP Participants (described in Paragraphs 17 and 18) would result in different TAP-R rates, as shown in the table below:

	Department's Original Proposal Schedule BV-1	Public Advocate's Original Proposal Schedule LKM-1
Water TAP-R Surcharge	\$4.19 /MCF	\$2.55 /MCF
Wastewater TAP R-Surcharge	\$6.04 /MCF	\$3.64 /MCF

20. The Department filed written rebuttal testimony on May 6, 2024, which supported the Department's average discount, average consumption and which also explained that the City of Philadelphia's TAP enrollment of IDEA-prequalified customers was over 35,000. In addition, a Transcript Response filed by the Department on May 14, 2024 reported that: "In the month of April 2024, as reported on May 1, 2024, there were 57,669 TAP participants."

21. The Department's rebuttal testimony and subsequent response to Public Advocate discovery request PA-3-5, filed on May 9, 2024, included an exhibit designated as Exhibit PA TAP 3-5. This Exhibit included customer specific usage, billing and simulated discount amounts for the majority, approximately 75%, of IDEA prequalified TAP participants, enabling the Department and Public Advocate to refine their respective estimates of average discounts for TAP participants, including those newly enrolled through the end of March 2024 via the IDEA pre-qualification process.⁵

22. The Hearing Officer scheduled public input and technical hearings for May 10, 2024. All hearings in this proceeding are virtual and telephonic. Transcripts from these hearings are posted on the Rate Board's website and incorporated by reference.

23. Legal notices related to the technical and public input hearings were timely published in local newspapers.

24. The Department and the Public Advocate conducted negotiations between themselves to achieve a settlement of issues being contested between them in the proceeding. As a result of said negotiations, Joint Petitioners were able to reach the Settlement set forth herein.

⁵ See also, Schedule RFC-3 (updated April 29, 2024); and response to TR-2.

25. The Department and Public Advocate agreed that the projected average monthly number of TAP Participants for the Next Rate Period (September 2024 to August 2025) should be 55,974; that the average discount should be \$40.00 per TAP Participant; and the average monthly consumption should be 700 CF per TAP Participant.

26. The Department and Public Advocate agree to the TAP-R surcharges shown below.

	Settlement Proposal
Water TAP-R Surcharge	\$3.08 /MCF
Wastewater TAP-R Surcharge	\$4.40 /MCF

This agreement does not endorse any of the methodologies or calculation methods employed by any party to project TAP participation, average monthly consumption and discounts for TAP participants, or the calculation of TAP-R rates.

27. The Participants have reached agreement on the above surcharge rates together with the terms and conditions identified in Paragraphs 33-36 below.

28. Participant briefs are due by May 20, 2024 and objections to this settlement are due by May 24, 2024.

29. The Joint Petitioners proffer the following Settlement Exhibit in support of the Settlement: Exhibit 1 - Proposed Settlement – TAP-R Reconciliation Calculations.

30. In light of the Settlement and the fact that PWD and the Public Advocate endorse its terms, the Settlement Exhibit should be accepted into the record. In addition, the Joint Petitioners stipulate to the authenticity of and admission into the evidentiary record in this matter of the Settlement Exhibit listed in Paragraph 29 of this Joint Petition.

31. The Joint Petitioners are in full agreement that this Settlement is in the best interest of the Department and its customers and is therefore in the public interest as well as in compliance with the ordinances governing this proceeding and provides a reasonable basis for recovery of TAP costs in this proceeding.⁶

⁶ Actual recovery will be reconciled consistent with the terms of PWD regulations regarding TAP-R charges.

32. It is agreed and understood by the Joint Petitioners that the other participants may file written comments to the Joint Petition by the deadline (described in Paragraph 28) or as otherwise directed by the Hearing Officer.

II. TERMS AND CONDITIONS

The Settlement consists of the following terms and conditions:

33. The Joint Petitioners agree and submit that modified TAP-R rates (set forth in Settlement Exhibit 1) should be approved by the Rate Board.

34. The proposed Settlement will result in an increase in TAP-R rates for PWD customers during the Next Rate Period, as described above, subject to reconciliation in a future proceeding.

35. PWD and the Public Advocate submit that the TAP-R rates set forth in the Joint Statement should be approved as they are just and reasonable, comply with the ordinances governing this proceeding and provide a reasonable basis for recovery of TAP costs in this proceeding.⁷

36. The Department and the Public Advocate also agree that new TAP participants will be the focus of customer conservation efforts through programs such as the Low Income Conservation Assistance Program (LICAP) and that all TAP participants will be encouraged to participate in LICAP through greater outreach efforts and incentives to participate. The Department will develop strategies to reach high usage TAP participants in order to deploy available water conservation and leak repair assistance.

III. PUBLIC INTEREST CONSIDERATIONS

37. Joint Petitioners submit that this Settlement is reasonable and in the public interest for the following reasons:

(a) The Settlement provides for an increase of the TAP-R rates during the Next Rate Period in accordance with the reconciliation calculations, as modified by the Settlement.

(b) Acceptance of the Settlement will provide certainty and avoid the necessity of further administrative proceedings at substantial cost to Joint Petitioners, other parties and PWD ratepayers.

⁷ See footnote 6.

(c) The Settlement will use a projected number of TAP Participants, average monthly consumption per TAP Participant, and an average discount per TAP Participant that are reasonable in light of the City of Philadelphia's actual TAP enrollment, as shown in the data set forth in Exhibit PA TAP 3-5, as well as the average projected TAP enrollment (for September 2024 to August 2025).⁸

(d) The Joint Petitioners arrived at terms of Settlement after submission of the TAP-R filing, conducting discovery and engaging in settlement negotiations. The terms and conditions of Settlement constitute a carefully negotiated package representing reasonable compromises as to the issues presented all of which are supported by the record of this proceeding.

IV. ADDITIONAL TERMS AND CONDITIONS

38. This Settlement is proposed by the Joint Petitioners to resolve the issues presented in this proceeding and is made without admission against or prejudice to any position which any Joint Petitioner might adopt during subsequent litigation or in further litigation of this case.

39. Each term and condition set forth in this Joint Petition, whether or not set out in a numbered paragraph, shown in a table or other graphic presentation, bolded, italicized or otherwise emphasized, or set forth in the body, a footnote, or parenthetical, or appendix, is material consideration to the entry into this Settlement by the participants signing below.

40. This Settlement is conditioned upon the Rate Board's approval of the terms and conditions contained herein without modification. If the Rate Board disapproves the Settlement or modifies the terms and conditions herein, the Settlement may be withdrawn, by a Joint Petitioner, upon written notice to the Rate Board and all active participants in this proceeding communicated within three business days of the entry of the order of the Rate Board disapproving or modifying the Settlement. In the event the Rate Board disapproves the Settlement, or any Joint Petitioner elects to withdraw as provided above, the Joint Petitioners reserve their respective rights to fully litigate this case. Joint Petitioners agree that while the Settlement, upon Rate Board approval, will be fully enforceable according to its terms, the Joint Petition does not expressly or implicitly represent approval of any specific claims made in this proceeding and the Joint Petitioners agree not to contend otherwise in future proceedings.

41. Joint Petitioners will make reasonable, good faith efforts to obtain approval of the Settlement by the Hearing Officer and the Rate Board without modification. If the Hearing Officer recommends that the Rate Board adopt the Settlement, as proposed herein, the Joint Petitioners agree to waive filing exceptions. Joint Petitioners, however, do not waive their rights to file exceptions (a) with respect to any modification of the terms and conditions of the Settlement or any additional matter proposed by the Hearing Officer in her report (b) to correct

⁸ See also footnote 5.

an error or misstatement in the Hearing Officer's report, or (c) to any issue not resolved by this Settlement.

V. CONCLUSION

WHEREFORE, Joint Petitioners, by their respective counsel, request the following:

1. That the Hearing Officer admit Settlement Exhibit 1, as described in Paragraph 29 of this Joint Petition, into the record of this proceeding.
2. That the Hearing Officer recommend the approval of the Settlement by the Rate Board, as described in this Joint Petition.
3. That the Rate Board approve the Settlement and find the modified TAP-R rates to be just and reasonable and authorize the Department to file modified rates and charges to reflect the TAP-R rates set forth in Paragraph 26 of this Joint Petition.
4. That the Rate Board enter its final Rate Determination in this matter consistent with the terms and conditions of Settlement.

Respectfully submitted,

/s/ Andre Dasent

Andre C. Dasent
Commerce Square
2001 Market Street, 25th Floor
Philadelphia, PA 19103

For the Philadelphia Water Department

/s/ Robert W. Ballenger

Robert W. Ballenger
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

For the Public Advocate

The Philadelphia Large Users Group does not oppose the Joint Petition for Settlement.

/s/ Adeolu A. Bakare

Adeolu A. Bakare
McNees Wallace & Nurick LLC
100 Pine Street, Harrisburg, PA 17101

For the Philadelphia Large Users Group

List of Settlement Exhibits

Exhibit 1 - Proposed Settlement – TAP-R Reconciliation Calculations.

Table 1 - Calculation of TAP Rider Rates Effective September 01, 2024 (FY 2025)

		TOTAL	Water	Wastewater
		Amount	Amount	Amount
(1)	C = Projected TAP Billing Loss ^a	\$ 26,867,587	\$ 11,284,387	\$ 15,583,201
(2)	E = Experienced & Estimated Net Over/Under Collection ^b	\$ (11,479,830)	\$ (5,010,783)	\$ (6,469,047)
(3)	I = Interest on Experienced & Estimated Net Over/Under Collection ^c	\$ (422,998)	\$ (178,839)	\$ (244,158)
(4)	Net Recoverable Costs ^d : (C) - (E + I)	\$ 38,770,415	\$ 16,474,009	\$ 22,296,406
(5)	S = Projected Non-TAP Sales for Next Rate Period (MCF) ^e		5,353,292	5,071,007
(6)	TAP-R Surcharge^f: (4)/(5)		\$ 3.08 /MCF	\$ 4.40 /MCF

Notes: ^a Recoverable TAP Billing Loss for the Next Rate Period. Refer to Table 2 for additional information.

^b Actual TAP Discounts versus TAP Revenue Collection for the Most Recent Period. Refer to Tables 3-W and 3-WW for further information.

^c Simple Annual Interest on Net Over/Under Collection for the Most Recent Period. Refer to Tables 4-W and 4-WW for further information. Interest rate of 4.80% as of January 02, 2024.

^d Net Recoverable Costs.

^e Estimated water and sewer sales for Non-TAP Customers for the Next Rate Period based upon the average monthly Non-TAP sales volume for the 12 month period of April 2023 to March 2024 and adjusted to reflect the reduction in Non-TAP Sales Volume associated with increased TAP enrollment. Next Rate Period is assumed to be September 01, 2024 to August 31, 2025.

^f TAP-R Surcharge for the Next Rate Period.

Philadelphia Water Department
Table 2 - Projected TAP Lost Revenue (C-Factor) for Next Rate Period

Period	September 01, 2024 through August 31, 2025			Water 42%			Wastewater 58%
(1)	Projected TAP Billing Loss ^a	\$	26,867,587	\$	11,284,387	\$	15,583,201

Notes:

^a Projected TAP Billing Loss based upon the Projected Average Monthly Number of TAP Participants of 55,974 and the Average TAP Discount per Participant of \$40.00.

^b Allocation between Water and Wastewater per PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.1(a)(i) and Section 10.1(a)(ii).

Philadelphia Water Department
Table 3-W - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period

Billing Period	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
	(1)	(2)	$\$ (3) = (2) * \$ 0.150/Mcf$	$\$ (4) = [(1) - (3)] * 0.9699$	(5)	$\$ (6) = (5) * \$ 0.150/Mcf$	$(7) = (6) * 0.9699$	(8) = (7) - (4)
Prior E & I Factor Adjustments								\$ 3,134,517
(a) Sep-23	\$ 519,366	15,848	\$ 2,377	\$ 501,427	523,650	\$ 78,548	\$ 76,184	\$ (425,244)
(a) Oct-23	\$ 501,703	14,421	\$ 2,163	\$ 484,504	441,095	\$ 66,164	\$ 64,172	\$ (420,331)
(a) Nov-23	\$ 532,517	15,244	\$ 2,287	\$ 514,270	443,823	\$ 66,573	\$ 64,569	\$ (449,701)
(a) Dec-23	\$ 540,734	15,420	\$ 2,313	\$ 522,214	442,897	\$ 66,435	\$ 64,435	\$ (457,779)
(a) Jan-24	\$ 561,600	16,008	\$ 2,401	\$ 542,367	454,930	\$ 68,239	\$ 66,185	\$ (476,182)
(a) Feb-24	\$ 640,224	19,370	\$ 2,905	\$ 618,135	436,223	\$ 65,433	\$ 63,463	\$ (554,672)
(a) Mar-24	\$ 848,599	30,047	\$ 4,507	\$ 818,685	404,940	\$ 60,741	\$ 58,913	\$ (759,772)
(e) Apr-24	\$ 940,372	39,182	\$ 5,877	\$ 906,366	446,108	\$ 66,916	\$ 64,902	\$ (841,464)
(e) May-24	\$ 940,372	39,182	\$ 5,877	\$ 906,366	446,108	\$ 66,916	\$ 64,902	\$ (841,464)
(e) Jun-24	\$ 940,372	39,182	\$ 5,877	\$ 906,366	446,108	\$ 66,916	\$ 64,902	\$ (841,464)
(e) Jul-24	\$ 940,372	39,182	\$ 5,877	\$ 906,366	446,108	\$ 66,916	\$ 64,902	\$ (841,464)
(e) Aug-24	\$ 940,372	39,182	\$ 5,877	\$ 906,366	446,108	\$ 66,916	\$ 64,902	\$ (841,464)
Total	\$ 8,846,599	322,267	\$ 48,338	\$ 8,533,433	5,378,096	\$ 806,713	\$ 782,431	\$ (4,616,485)
Adjustment for Prior Estimates								\$ (394,297)
Total E-Factor Recovery								\$ (5,010,783)

From Table 3-W-A

Line 2 in Summary Table

Notes:

- (a) - Actuals
- (e) - Estimated
- (1) - TAP Actual Discounts reflect water's 42.0% allocated portion of the Total TAP Discount.
- (2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect the Settlement Petition.
- (3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for April 2024 through August 2024 are based upon average sales for prior 12 month period. Volumes are adjusted beginning in April 2024 to reflect the projected decrease in Non-TAP sales associated with increased TAP enrollment.
- (8) - Over/(Under) Collection is based upon Rates that are inclusive of Prior E-Factor and I-Factor. The presented "Prior E & I Factor Adjustments" includes these amounts from 2023 Annual Rate Adjustment.

Philadelphia Water Department
Table 3-WW - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period

Billing Period	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection
	(1)	(2)	$\$ (3) = (2) * \$ 0.240/Mcf$	$\$ (4) = [(1) - (3)] * 0.9699$	(5)	$\$ (6) = (5) * \$ 0.240/Mcf$	$(7) = (6) * 0.9699$	(8) = (7) - (4)
Prior E & I Factor Adjustments								\$ 4,689,002
(a) Sep-23	\$ 717,219	15,844	\$ 3,802	\$ 691,944	492,841	\$ 118,282	\$ 114,722	\$ (577,222)
(a) Oct-23	\$ 692,828	14,414	\$ 3,459	\$ 668,619	420,550	\$ 100,932	\$ 97,894	\$ (570,725)
(a) Nov-23	\$ 735,380	15,239	\$ 3,657	\$ 709,698	422,652	\$ 101,437	\$ 98,384	\$ (611,315)
(a) Dec-23	\$ 746,727	15,415	\$ 3,700	\$ 720,662	423,419	\$ 101,621	\$ 98,562	\$ (622,100)
(a) Jan-24	\$ 775,543	16,003	\$ 3,841	\$ 748,474	423,003	\$ 101,521	\$ 98,465	\$ (650,008)
(a) Feb-24	\$ 884,118	19,362	\$ 4,647	\$ 852,999	417,931	\$ 100,303	\$ 97,284	\$ (755,715)
(a) Mar-24	\$ 1,171,875	30,027	\$ 7,207	\$ 1,129,611	385,257	\$ 92,462	\$ 89,679	\$ (1,039,932)
(e) Apr-24	\$ 1,298,608	39,182	\$ 9,404	\$ 1,250,399	422,584	\$ 101,420	\$ 98,367	\$ (1,152,032)
(e) May-24	\$ 1,298,608	39,182	\$ 9,404	\$ 1,250,399	422,584	\$ 101,420	\$ 98,367	\$ (1,152,032)
(e) Jun-24	\$ 1,298,608	39,182	\$ 9,404	\$ 1,250,399	422,584	\$ 101,420	\$ 98,367	\$ (1,152,032)
(e) Jul-24	\$ 1,298,608	39,182	\$ 9,404	\$ 1,250,399	422,584	\$ 101,420	\$ 98,367	\$ (1,152,032)
(e) Aug-24	\$ 1,298,608	39,182	\$ 9,404	\$ 1,250,399	422,584	\$ 101,420	\$ 98,367	\$ (1,152,032)
Total	\$ 12,216,732	322,215	\$ 77,333	\$ 11,774,003	5,098,572	\$ 1,223,658	\$ 1,186,826	\$ (5,898,175)
Adjustment for Prior Estimates								\$ (570,872)
Total E-Factor Recovery								\$ (6,469,047)

From Table 3-WW-A

Line 2 in Summary Table

Notes:

- (a) - Actuals
- (e) - Estimated
- (1) - TAP Actual Discounts reflects water's 58.0% allocated portion of the Total TAP Discount.
- (2) - Estimated TAP Discount per participant and estimated billed sales volume per participant reflect the Settlement Petition.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2023 Section 10.1(b)(3).
- (5) - Estimated Non-TAP water sales volumes for April 2024 through August 2024 are based upon average sales for prior 12 month period. Volumes are adjusted beginning in April 2024 to reflect the projected decrease in Non-TAP sales associated with increased TAP enrollment.
- (8) - Over/(Under) Collection is based upon Rates that are inclusive of Prior E-Factor and I-Factor. The presented "Prior E & I Factor Adjustments" includes these amounts from 2023 Annual Rate Adjustment.

Philadelphia Water Department										Original Estimates		Adjustment		
Table 3-W-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period										Over/(Under) Collection	Delta			
Prior Reconciliation Period with Updated Actuals										Over/(Under) Collection	Delta			
Billing Period	Total Actual TAP Discounts (Credits)	Billed TAP Water Sales (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Water Sales (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection						
	(1)	(2)	$(3) = (2) * \$ 1.030/Mcf$	$(4) = [(1) - (3)] * 0.9732$	(5)	$(6) = (5) * \$ 1.030/Mcf$	$(7) = (6) * 0.9732$	$(8) = (7) - (4)$		(9)	$(10) = (8) - (9)$			
Prior E & I Factor Adjustments									\$	(80,140)	\$	(80,140)		
Sep-22	\$ 313,912	11,153	\$ 11,487	\$ 294,320	587,290	\$ 604,909	\$ 588,697	\$ 294,377	\$	\$ 294,377	\$	(0)		
Oct-22	\$ 303,974	10,403	\$ 10,715	\$ 285,400	490,408	\$ 505,120	\$ 491,583	\$ 206,183	\$	\$ 206,183	\$	0		
Nov-22	\$ 294,356	10,100	\$ 10,402	\$ 276,344	451,894	\$ 465,450	\$ 452,976	\$ 176,633	\$	\$ 176,633	\$	0		
Dec-22	\$ 312,691	10,732	\$ 11,054	\$ 293,553	456,522	\$ 470,217	\$ 457,616	\$ 164,063	\$	\$ 185,852	\$	(21,789)		
Jan-23	\$ 349,365	12,052	\$ 12,414	\$ 327,920	475,815	\$ 490,090	\$ 476,955	\$ 149,035	\$	\$ 149,772	\$	(737)		
Feb-23	\$ 279,002	9,591	\$ 9,879	\$ 261,911	401,639	\$ 413,688	\$ 402,602	\$ 140,691	\$	\$ 193,688	\$	(52,997)		
Mar-23	\$ 342,448	11,882	\$ 12,238	\$ 321,360	471,800	\$ 485,954	\$ 472,930	\$ 151,570	\$	\$ 189,894	\$	(38,324)		
Apr-23	\$ 287,939	9,941	\$ 10,239	\$ 270,258	420,540	\$ 433,156	\$ 421,547	\$ 151,290	\$	\$ 186,048	\$	(34,758)		
May-23	\$ 303,028	10,493	\$ 10,808	\$ 284,389	422,146	\$ 434,811	\$ 423,158	\$ 138,769	\$	\$ 182,152	\$	(43,383)		
Jun-23	\$ 391,841	13,394	\$ 13,795	\$ 367,914	483,310	\$ 497,810	\$ 484,468	\$ 116,554	\$	\$ 178,204	\$	(61,650)		
Jul-23	\$ 426,868	14,557	\$ 14,994	\$ 400,836	511,328	\$ 526,667	\$ 512,553	\$ 111,717	\$	\$ 174,205	\$	(62,488)		
Aug-23	\$ 412,280	13,999	\$ 14,419	\$ 387,198	478,036	\$ 492,377	\$ 479,181	\$ 91,983	\$	\$ 170,153	\$	(78,170)		
Total	\$ 4,017,703	138,296	\$ 142,444	\$ 3,771,402	5,650,727	\$ 5,820,249	\$ 5,664,266	\$ 1,812,724	\$	\$ 2,207,022	\$	(394,297)		
Total									\$	1,812,724	\$	2,207,022	\$	(394,297)

Notes: Adjustment for Prior Estimates Included in Table 3-W

- (1) - TAP Actual Discounts reflect water's 40.0% allocated portion of the Total TAP Discount.
- (2) - Updated TAP Discounts and billed sales volume to reflect actuals for December 2022 through August 2023 as provided by Raftelis. Refer to Schedule RFC-3.
- (3) & (6) - Water TAP-R Rates per PWD Regulations - Rates and Charges Effective September 1, 2022 Section 10.3(a)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2022 Section 10.1(b)(3).
- (5) - Billed Non-TAP Water Sales, updated to reflect actual billed water sales volumes for December 2022 through August 2023.
- (8) - Updated Over/(Under) Collection
- (9) - Over/(Under) Collection for September 2022 to August 2023 as calculated during the prior TAP-R Reconciliation Determination.
- (10) - Difference between Updated Over/(Under) Collection and Original Estimates.

Philadelphia Water Department										Original Estimates		Adjustment		
Table 3-WW-A - Prior Reconciliation Adjustment - Experienced & Estimated Net Over/(Under) Collection (E-Factor) for Most Recent Period										Over/(Under) Collection	Delta			
Prior Reconciliation Period with Updated Actuals										Over/(Under) Collection	Delta			
Billing Period	Total Actual TAP Discounts (Credits)	Billed Sewer Volume TAP Participants (Mcf)	Total TAP-R Billed to TAP Participants	Adjusted Actual TAP Discounts (Credits)	Billed Non-TAP Sewer Volume (Mcf)	TAP-R Billed Non-Tap Water Sales	Estimated TAP-R Revenues Experienced	Over/(Under) Collection						
	(1)	(2)	$(3) = (2) * \$ 1.630/Mcf$	$(4) = [(1) - (3)] * 0.9732$	(5)	$(6) = (5) * \$ 1.630/Mcf$	$(7) = (6) * 0.9732$	$(8) = (7) - (4)$		(9)	$(10) = (8) - (9)$			
Prior E & I Factor Adjustments									\$	(121,580)	\$	(121,580)		
Sep-22	\$ 470,868	11,152	\$ 18,177	\$ 440,559	552,367	\$ 900,359	\$ 876,229	\$ 435,670	\$	\$ 435,670	\$	(0)		
Oct-22	\$ 455,961	10,403	\$ 16,956	\$ 427,240	463,873	\$ 756,112	\$ 735,848	\$ 308,609	\$	\$ 308,608	\$	0		
Nov-22	\$ 441,533	10,098	\$ 16,460	\$ 413,681	427,595	\$ 696,981	\$ 678,302	\$ 264,621	\$	\$ 264,621	\$	0		
Dec-22	\$ 469,036	10,730	\$ 17,490	\$ 439,444	433,277	\$ 706,241	\$ 687,314	\$ 247,869	\$	\$ 277,970	\$	(30,100)		
Jan-23	\$ 524,047	12,051	\$ 19,642	\$ 490,887	452,954	\$ 738,316	\$ 718,529	\$ 227,642	\$	\$ 222,176	\$	5,466		
Feb-23	\$ 418,504	9,590	\$ 15,632	\$ 392,075	381,270	\$ 621,471	\$ 604,816	\$ 212,741	\$	\$ 289,705	\$	(76,965)		
Mar-23	\$ 513,672	11,880	\$ 19,365	\$ 481,060	445,379	\$ 725,968	\$ 706,512	\$ 225,452	\$	\$ 284,025	\$	(58,573)		
Apr-23	\$ 431,908	9,940	\$ 16,201	\$ 404,566	401,076	\$ 653,754	\$ 636,233	\$ 231,667	\$	\$ 278,270	\$	(46,603)		
May-23	\$ 454,542	10,492	\$ 17,102	\$ 425,717	401,504	\$ 654,451	\$ 636,912	\$ 211,195	\$	\$ 272,438	\$	(61,243)		
Jun-23	\$ 587,761	13,391	\$ 21,828	\$ 550,766	457,295	\$ 745,391	\$ 725,415	\$ 174,649	\$	\$ 266,530	\$	(91,881)		
Jul-23	\$ 640,302	14,556	\$ 23,726	\$ 600,052	483,075	\$ 787,412	\$ 766,309	\$ 166,258	\$	\$ 260,544	\$	(94,286)		
Aug-23	\$ 618,420	13,995	\$ 22,812	\$ 579,646	452,265	\$ 737,192	\$ 717,435	\$ 137,789	\$	\$ 254,477	\$	(116,688)		
Total	\$ 6,026,555	138,277	\$ 225,391	\$ 5,645,693	5,351,931	\$ 8,723,648	\$ 8,489,854	\$ 2,722,581	\$	\$ 3,293,453	\$	(570,872)		
Total									\$	2,722,581	\$	3,293,453	\$	(570,872)

Notes: Adjustment for Prior Estimates Included in Table 3-WW

- (1) - TAP Actual Discounts reflects sewer's 60.0% allocated portion of the Total TAP Discount.
- (2) - Updated TAP Discounts and billed sales volume to reflect actuals for December 2022 through August 2023 as provided by Raftelis. Refer to Schedule RFC-3.
- (3) & (6) - Sewer TAP-R Rates per PWD Regulations - Rates and Charges Effective PWD Regulations - Rates and Charges Effective September 1, 2022 Section 10.3(b)(1).
- (4) & (7) - Adjusted for system-wide collection factor in accordance with PWD Regulations - Rates and Charges Effective September 1, 2022 Section 10.1(b)(3).
- (5) - Updated to reflect actual billed water sales volumes for December 2022 through August 2023.
- (8) - Updated Over/(Under) Collection
- (9) - Over/(Under) Collection for September 2022 to August 2023 as calculated during the prior TAP-R Reconciliation Determination.
- (10) - Difference between Updated Over/(Under) Collection and Original Estimates.

Philadelphia Water Department
Table 4 -W - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period

Billing Period	Difference in Collection Water Portion From Table 3-W (1)	Cumulative Over/(Under) Collection Water Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (3) = (2) * [4.80% / 12]
Sep-23	\$ (425,244)	\$ (425,244)	\$ (1,700.97)
Oct-23	\$ (420,331)	\$ (845,575)	\$ (3,382.30)
Nov-23	\$ (449,701)	\$ (1,295,276)	\$ (5,181.10)
Dec-23	\$ (457,779)	\$ (1,753,054)	\$ (7,012.22)
Jan-24	\$ (476,182)	\$ (2,229,236)	\$ (8,916.95)
Feb-24	\$ (554,672)	\$ (2,783,908)	\$ (11,135.63)
Mar-24	\$ (759,772)	\$ (3,543,680)	\$ (14,174.72)
Apr-24	\$ (841,464)	\$ (4,385,145)	\$ (17,540.58)
May-24	\$ (841,464)	\$ (5,226,609)	\$ (20,906.44)
Jun-24	\$ (841,464)	\$ (6,068,074)	\$ (24,272.29)
Jul-24	\$ (841,464)	\$ (6,909,538)	\$ (27,638.15)
Aug-24	\$ (841,464)	\$ (7,751,002)	\$ (31,004.01)
Total			\$ (172,865)

Adjustment for Prior Estimates \$ (5,974)

Total I-Factor Recovery \$ (178,839)

Line 3 in Summary Table

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-W.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 02, 2024.

Philadelphia Water Department
Table 4 -WW - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period

Billing Period	Difference in Collection Sewer Portion From Table 3-WW (1)	Cumulative Over/(Under) Collection Sewer Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (3) = (2) * [4.80% / 12]
Sep-23	\$ (577,222)	\$ (577,222)	\$ (2,308.89)
Oct-23	\$ (570,725)	\$ (1,147,947)	\$ (4,591.79)
Nov-23	\$ (611,315)	\$ (1,759,261)	\$ (7,037.04)
Dec-23	\$ (622,100)	\$ (2,381,361)	\$ (9,525.44)
Jan-24	\$ (650,008)	\$ (3,031,369)	\$ (12,125.48)
Feb-24	\$ (755,715)	\$ (3,787,085)	\$ (15,148.34)
Mar-24	\$ (1,039,932)	\$ (4,827,017)	\$ (19,308.07)
Apr-24	\$ (1,152,032)	\$ (5,979,049)	\$ (23,916.20)
May-24	\$ (1,152,032)	\$ (7,131,081)	\$ (28,524.32)
Jun-24	\$ (1,152,032)	\$ (8,283,113)	\$ (33,132.45)
Jul-24	\$ (1,152,032)	\$ (9,435,145)	\$ (37,740.58)
Aug-24	\$ (1,152,032)	\$ (10,587,177)	\$ (42,348.71)
Total			\$ (235,707)

Adjustment for Prior Estimates \$ (8,451)

Total I-Factor Recovery \$ (244,158)

Line 3 in Summary Table

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-WW.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on January 02, 2024.

Philadelphia Water Department					
Table 4 -W-A - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period					
Billing Period	Prior Reconciliation Period with Updated Actuals			Original Estimates	Adjustment
	Difference in Collection Water Portion From Table 3-W-A (1)	Cumulative Over/(Under) Collection Water Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (3) = (2) * [4.66% / 12]	Estimated Monthly Interest Owed/ (Interest to be Recouped) Water Portion (4)	Cumulative Over/(Under) Collection Water Portion (5) = (3) - (4)
Sep-22	\$ 294,377	\$ 294,377	\$ 1,143.16	\$ 1,143.16	\$ (0.00)
Oct-22	\$ 206,183	\$ 500,560	\$ 1,943.84	\$ 1,943.84	\$ (0.00)
Nov-22	\$ 176,633	\$ 677,193	\$ 2,629.77	\$ 2,629.76	\$ 0.00
Dec-22	\$ 164,063	\$ 841,256	\$ 3,266.88	\$ 3,351.49	\$ (84.61)
Jan-23	\$ 149,035	\$ 990,290	\$ 3,845.63	\$ 3,933.11	\$ (87.48)
Feb-23	\$ 140,691	\$ 1,130,981	\$ 4,391.98	\$ 4,685.26	\$ (293.28)
Mar-23	\$ 151,570	\$ 1,282,551	\$ 4,980.57	\$ 5,422.68	\$ (442.11)
Apr-23	\$ 151,290	\$ 1,433,841	\$ 5,568.08	\$ 6,145.17	\$ (577.09)
May-23	\$ 138,769	\$ 1,572,610	\$ 6,106.97	\$ 6,852.53	\$ (745.56)
Jun-23	\$ 116,554	\$ 1,689,164	\$ 6,559.59	\$ 7,544.55	\$ (984.97)
Jul-23	\$ 111,717	\$ 1,800,881	\$ 6,993.42	\$ 8,221.05	\$ (1,227.63)
Aug-23	\$ 91,983	\$ 1,892,864	\$ 7,350.62	\$ 8,881.81	\$ (1,531.19)
Total			\$ 54,781	\$ 60,754	\$ (5,974)
Total			\$ 54,781	\$ 60,754	\$ (5,974)

Adjustment for Prior Estimates

Included in Table 4-W

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-W-A.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on December 01, 2022.
- (4) Difference in collection from Total of Column 8 - Table 3-W (Prior Reconciliation).

Philadelphia Water Department					
Table 4 -WW-A - Interest on Experienced & Estimated Net Over/(Under) Collection (I-Factor) for Most Recent Period					
Billing Period	Prior Reconciliation Period with Updated Actuals			Original Estimates	Adjustment
	Difference in Collection Sewer Portion From Table 3-WW-A (1)	Cumulative Over/(Under) Collection Sewer Portion (2)	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (3) = (2) * [4.66% / 12]	Estimated Monthly Interest Owed/ (Interest to be Recouped) Sewer Portion (4)	Delta Prior Period Estimates (5) = (3) - (4)
Sep-22	\$ 435,670	\$ 435,670	\$ 1,691.85	\$ 1,691.85	\$ (0.00)
Oct-22	\$ 308,609	\$ 744,279	\$ 2,890.28	\$ 2,890.28	\$ 0.00
Nov-22	\$ 264,621	\$ 1,008,899	\$ 3,917.89	\$ 3,917.89	\$ 0.00
Dec-22	\$ 247,869	\$ 1,256,769	\$ 4,880.45	\$ 4,997.34	\$ (116.89)
Jan-23	\$ 227,642	\$ 1,484,411	\$ 5,764.46	\$ 5,860.13	\$ (95.66)
Feb-23	\$ 212,741	\$ 1,697,152	\$ 6,590.61	\$ 6,985.15	\$ (394.54)
Mar-23	\$ 225,452	\$ 1,922,604	\$ 7,466.11	\$ 8,088.11	\$ (622.00)
Apr-23	\$ 231,667	\$ 2,154,272	\$ 8,365.75	\$ 9,168.73	\$ (802.97)
May-23	\$ 211,195	\$ 2,365,466	\$ 9,185.89	\$ 10,226.70	\$ (1,040.80)
Jun-23	\$ 174,649	\$ 2,540,115	\$ 9,864.11	\$ 11,261.72	\$ (1,397.61)
Jul-23	\$ 166,258	\$ 2,706,372	\$ 10,509.75	\$ 12,273.50	\$ (1,763.75)
Aug-23	\$ 137,789	\$ 2,844,162	\$ 11,044.83	\$ 13,261.72	\$ (2,216.89)
Total			\$ 82,172	\$ 90,623	\$ (8,451)
Total			\$ 82,172	\$ 90,623	\$ (8,451)

Adjustment for Prior Estimates

Included in Table 4-WW

Notes:

- (1) Difference in collection from Total of Column 8 - Table 3-WW-A.
- (3) Interest calculated monthly based on 1-year interest rate for constant maturity U.S. Treasury Securities as published in the Federal Reserve Statistical Release H.15 (519) on December 01, 2022.
- (4) Difference in collection from Total of Column 8 - Table 3-WW (Prior Reconciliation).

Table 5 - Application of TAP Rate Rider Adjustment Effective September 01, 2024						
Rates		Base Adopted		TAP-R Surcharge Proposed		Total Total
Water Quantity Charges		(\$/Mcf)		(\$/Mcf)		(\$/Mcf)
1	0 to 2 Mcf	\$ 64.32	\$	3.08	\$	67.40
2	2.1 to 100 Mcf	\$ 57.88	\$	3.08	\$	60.96
3	100.1 to 2,000 Mcf	\$ 44.84	\$	3.08	\$	47.92
4	2,000 + Mcf	\$ 43.62	\$	3.08	\$	46.70
Sewer Quantity Charges		(\$/Mcf)		(\$/Mcf)		(\$/Mcf)
5	Sewer Volume Rate	\$ 41.11	\$	4.40	\$	45.51

Notes:

Base Rates reflect the quantity charges adopted per the FY 2024 and FY 2025 Rate Proceeding.

TAP-R Rates are proposed to be effective on September 01, 2024.

The final quantity charges (including the TAP-R surcharge) will be in the final PWD Rates and Charges, if approved.