

PHILADELPHIA WATER DEPARTMENT
TAP-R TECHNICAL HEARING

**RESPONSE TO
TAP-R TECHNICAL HEARING
TRANSCRIPT REQUEST
QUESTIONS 1-3**

Dated: May 2024

1 **TR-1** PLEASE CALCULATE (PROJECTED) RATES BASED ON THE DATA IN
2 SCHEDULE RFC-3 (UPDATED).

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4 **RESPONSE:**

5 Please refer to TR Response Attachment 1. The calculations included in the attachment
6 follow the same approach that has been used with prior reconciliations and are analogous to
7 the initial filing.

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9 **RESPONSE PROVIDED BY:** Black & Veatch Management Consulting, LLC

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TR-2 PLEASE PROVIDE THE ACTUAL NUMBER OF TAP PARTICIPANTS FOR
MAY 1, 2024.

RESPONSE:

TAP participation—the number of PWD customers receiving a TAP bill-- is a metric for a given month, rather than a single day. In the month of April 2024, as reported on May 1, 2024, there were 57,669 TAP participants.

RESPONSE PROVIDED BY: Raftelis Financial Consultants, Inc.

1 **TR-3.** FOR THE LAST THREE YEARS, PLEASE PROVIDE THE NUMBER OF
2 CUSTOMERS WHO LEFT, OR WHO WERE DROPPED, FOR WHATEVER
3 REASON OR REASONS FROM THE TAP PROGRAM.

4 **RESPONSE:**

5 Please refer to section 4.4 in the “Annual Report to the Mayor on the Tiered Assistance
6 Program (TAP)” for Calendar Years [2021](#), [2022](#), and 2023 (hyperlink to be provided when
7 available), which are published as required by ordinance. PWD Regulations Section
8 206.6(c) describes the reasons a customer may be removed from TAP. Because of the
9 2023 policy extending the recertification period to every four years, turnover has been
10 minimized, and is related to changes like customers moving or closing their PWD
11 accounts.

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13 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.
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Table 1 - Calculation of TAP Rider Rates Effective September 01, 2024 (FY 2025)

		TOTAL Amount	Water Amount	Wastewater Amount
(1)	C = Projected TAP Billing Loss ^a	\$ 35,760,987	\$ 15,019,615	\$ 20,741,372
(2)	E = Experienced & Estimated Net Over/Under Collection ^b	\$ (15,073,806)	\$ (6,520,253)	\$ (8,553,553)
(3)	I = Interest on Experienced & Estimated Net Over/Under Collection ^c	\$ (466,125)	\$ (196,953)	\$ (269,172)
(4)	Net Recoverable Costs ^d : (C) - (E + I)	\$ 51,300,918	\$ 21,736,820	\$ 29,564,098
(5)	S = Projected Non-TAP Sales for Next Rate Period (MCF) ^e		5,351,949	5,069,664
(6)	TAP-R Surcharge^f: (4)/(5)		\$ 4.06 /MCF	\$ 5.83 /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	\$	35,760,987	\$	15,019,615	\$ 20,741,372

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 \$53.24.

^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)	\$ 0.150 (3) = (2) * \$ 0.150/Mcf	96.99% (4) = [(1) - (3)] * 0.9699		\$ 0.150 (6) = (5) * \$ 0.150/Mcf	96.99% (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	\$ 1,251,635	39,294	\$ 5,894	\$ 1,208,244	445,996	\$ 66,899	\$ 64,885	\$ (1,143,358)
(e) May-24	\$ 1,251,635	39,294	\$ 5,894	\$ 1,208,244	445,996	\$ 66,899	\$ 64,885	\$ (1,143,358)
(e) Jun-24	\$ 1,251,635	39,294	\$ 5,894	\$ 1,208,244	445,996	\$ 66,899	\$ 64,885	\$ (1,143,358)
(e) Jul-24	\$ 1,251,635	39,294	\$ 5,894	\$ 1,208,244	445,996	\$ 66,899	\$ 64,885	\$ (1,143,358)
(e) Aug-24	\$ 1,251,635	39,294	\$ 5,894	\$ 1,208,244	445,996	\$ 66,899	\$ 64,885	\$ (1,143,358)
Total	\$ 10,402,914	322,827	\$ 48,423	\$ 10,042,821	5,377,536	\$ 806,628	\$ 782,348	\$ (6,125,955)
Adjustment for Prior Estimates								\$ (394,297)

From Table 3-W-A

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 projections developed by Raftelis. Refer to RFC-3.
- (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.

Total E-Factor Recovery \$ (6,520,253)

Line 2 in Summary Table

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)	\$ 0.240 (3) = (2) * \$ 0.240/Mcf	96.99% (4) = [(1) - (3)] * 0.9699		\$ 0.240 (6) = (5) * \$ 0.240/Mcf	96.99% (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	\$ 1,728,448	39,294	\$ 9,431	\$ 1,667,274	422,472	\$ 101,393	\$ 98,341	\$ (1,568,933)
(e) May-24	\$ 1,728,448	39,294	\$ 9,431	\$ 1,667,274	422,472	\$ 101,393	\$ 98,341	\$ (1,568,933)
(e) Jun-24	\$ 1,728,448	39,294	\$ 9,431	\$ 1,667,274	422,472	\$ 101,393	\$ 98,341	\$ (1,568,933)
(e) Jul-24	\$ 1,728,448	39,294	\$ 9,431	\$ 1,667,274	422,472	\$ 101,393	\$ 98,341	\$ (1,568,933)
(e) Aug-24	\$ 1,728,448	39,294	\$ 9,431	\$ 1,667,274	422,472	\$ 101,393	\$ 98,341	\$ (1,568,933)
Total	\$ 14,365,929	322,775	\$ 77,468	\$ 13,858,378	5,098,013	\$ 1,223,523	\$ 1,186,695	\$ (7,982,681)
Adjustment for Prior Estimates								\$ (570,872)

From Table 3-WW-A

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 projections developed by Raftelis. Refer to RFC-3.
- (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.

Total E-Factor Recovery \$ (8,553,553)

Line 2 in Summary Table

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			(9)	(10) = (8) - (9)			
	(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)							
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	\$	\$	\$	(0)			
Oct-22	\$ 303,974	10,403	\$ 10,715	\$ 285,400	490,408	\$ 505,120	\$ 491,583	\$ 206,183	\$	\$	\$	0			
Nov-22	\$ 294,356	10,100	\$ 10,402	\$ 276,344	451,894	\$ 465,450	\$ 452,976	\$ 176,633	\$	\$	\$	0			
Dec-22	\$ 312,691	10,732	\$ 11,054	\$ 293,553	456,522	\$ 470,217	\$ 457,616	\$ 164,063	\$	\$	\$	(21,789)			
Jan-23	\$ 349,365	12,052	\$ 12,414	\$ 327,920	475,815	\$ 490,090	\$ 476,955	\$ 149,035	\$	\$	\$	(737)			
Feb-23	\$ 279,002	9,591	\$ 9,879	\$ 261,911	401,639	\$ 413,688	\$ 402,602	\$ 140,691	\$	\$	\$	(52,997)			
Mar-23	\$ 342,448	11,882	\$ 12,238	\$ 321,360	471,800	\$ 485,954	\$ 472,930	\$ 151,570	\$	\$	\$	(38,324)			
Apr-23	\$ 287,939	9,941	\$ 10,239	\$ 270,258	420,540	\$ 433,156	\$ 421,547	\$ 151,290	\$	\$	\$	(34,758)			
May-23	\$ 303,028	10,493	\$ 10,808	\$ 284,389	422,146	\$ 434,811	\$ 423,158	\$ 138,769	\$	\$	\$	(43,383)			
Jun-23	\$ 391,841	13,394	\$ 13,795	\$ 367,914	483,310	\$ 497,810	\$ 484,468	\$ 116,554	\$	\$	\$	(61,650)			
Jul-23	\$ 426,868	14,557	\$ 14,994	\$ 400,836	511,328	\$ 526,667	\$ 512,553	\$ 111,717	\$	\$	\$	(62,488)			
Aug-23	\$ 412,280	13,999	\$ 14,419	\$ 387,198	478,036	\$ 492,377	\$ 479,181	\$ 91,983	\$	\$	\$	(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	\$	\$	\$	(394,297)			
Total										\$	1,812,724	\$	2,207,022	\$	(394,297)

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

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			(9)	(10) = (8) - (9)			
	(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)							
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	\$	\$	\$	(0)			
Oct-22	\$ 455,961	10,403	\$ 16,956	\$ 427,240	463,873	\$ 756,112	\$ 735,848	\$ 308,609	\$	\$	\$	0			
Nov-22	\$ 441,533	10,098	\$ 16,460	\$ 413,681	427,595	\$ 696,981	\$ 678,302	\$ 264,621	\$	\$	\$	0			
Dec-22	\$ 469,036	10,730	\$ 17,490	\$ 439,444	433,277	\$ 706,241	\$ 687,314	\$ 247,869	\$	\$	\$	(30,100)			
Jan-23	\$ 524,047	12,051	\$ 19,642	\$ 490,887	452,954	\$ 738,316	\$ 718,529	\$ 227,642	\$	\$	\$	5,466			
Feb-23	\$ 418,504	9,590	\$ 15,632	\$ 392,075	381,270	\$ 621,471	\$ 604,816	\$ 212,741	\$	\$	\$	(76,965)			
Mar-23	\$ 513,672	11,880	\$ 19,365	\$ 481,060	445,379	\$ 725,968	\$ 706,512	\$ 225,452	\$	\$	\$	(58,573)			
Apr-23	\$ 431,908	9,940	\$ 16,201	\$ 404,566	401,076	\$ 653,754	\$ 636,233	\$ 231,667	\$	\$	\$	(46,603)			
May-23	\$ 454,542	10,492	\$ 17,102	\$ 425,717	401,504	\$ 654,451	\$ 636,912	\$ 211,195	\$	\$	\$	(61,243)			
Jun-23	\$ 587,761	13,391	\$ 21,828	\$ 550,766	457,295	\$ 745,391	\$ 725,415	\$ 174,649	\$	\$	\$	(91,881)			
Jul-23	\$ 640,302	14,556	\$ 23,726	\$ 600,052	483,075	\$ 787,412	\$ 766,309	\$ 166,258	\$	\$	\$	(94,286)			
Aug-23	\$ 618,420	13,995	\$ 22,812	\$ 579,646	452,265	\$ 737,192	\$ 717,435	\$ 137,789	\$	\$	\$	(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	\$	\$	\$	(570,872)			
Total										\$	2,722,581	\$	3,293,453	\$	(570,872)

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

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	\$ (1,143,358)	\$ (4,687,039)	\$ (18,748.15)
May-24	\$ (1,143,358)	\$ (5,830,397)	\$ (23,321.59)
Jun-24	\$ (1,143,358)	\$ (6,973,755)	\$ (27,895.02)
Jul-24	\$ (1,143,358)	\$ (8,117,114)	\$ (32,468.46)
Aug-24	\$ (1,143,358)	\$ (9,260,472)	\$ (37,041.89)
Total			\$ (190,979)
Adjustment for Prior Estimates			\$ (5,974)

Total I-Factor Recovery \$ **(196,953)**

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	\$ (1,568,933)	\$ (6,395,950)	\$ (25,583.80)
May-24	\$ (1,568,933)	\$ (7,964,883)	\$ (31,859.53)
Jun-24	\$ (1,568,933)	\$ (9,533,817)	\$ (38,135.27)
Jul-24	\$ (1,568,933)	\$ (11,102,750)	\$ (44,411.00)
Aug-24	\$ (1,568,933)	\$ (12,671,683)	\$ (50,686.73)
Total			\$ (260,721)
Adjustment for Prior Estimates			\$ (8,451)

Total I-Factor Recovery \$ **(269,172)**

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	\$ 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	\$ 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	TAP-R Surcharge		Total	
		Adopted	Proposed			Total
Water Quantity Charges		(\$/Mcf)	(\$/Mcf)			(\$/Mcf)
1	0 to 2 Mcf	\$ 64.32	\$ 4.06	\$	\$	68.38
2	2.1 to 100 Mcf	\$ 57.88	\$ 4.06	\$	\$	61.94
3	100.1 to 2,000 Mcf	\$ 44.84	\$ 4.06	\$	\$	48.90
4	2,000 + Mcf	\$ 43.62	\$ 4.06	\$	\$	47.68
Sewer Quantity Charges		(\$/Mcf)	(\$/Mcf)			(\$/Mcf)
5	Sewer Volume Rate	\$ 41.11	\$ 5.83	\$	\$	46.94

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.

**TABLE C-4
COMBINED SYSTEM: COMPARISON OF TYPICAL
BILL FOR RESIDENTIAL CUSTOMERS
UNDER EXISTING AND PROPOSED RATES**

(1) Meter Size Inches	(2) Monthly Use Mcf	(3) FY 2024		(4)	(5)
		Existing Rates \$	Proposed Rates \$	Proposed Rates \$	% Proposed of Existing %
5/8	0.00	30.87	33.22		7.6
5/8	0.20	50.39	56.29		11.7
5/8	0.30	60.16	67.81		12.7
5/8	0.40	69.93	79.35		13.5
5/8	0.45	74.81	85.11		13.8
5/8	0.50	79.70	90.88		14.0
5/8	0.60	89.45	102.41		14.5
5/8	0.70	99.22	113.95		14.8
5/8	0.80	108.99	125.47		15.1
5/8	1.70	196.86	229.27		16.5
5/8	2.70	290.33	340.08		17.1
5/8	3.30	345.35	405.40		17.4

Notes:

FY 2024 figures reflect the existing base and current TAP-R rates, of \$0.15/Mcf for water and \$0.24/Mcf for sewer. FY 2025 figures reflect the adopted base rates and proposed TAP-R rates of \$4.06/Mcf for water and \$5.80/Mcf for sewer. The FY 2025 TAP-R rates are subject to the Rate Board's Determination in the FY 2024 TAP-R Reconciliation. The TAP-R Rates are subject to annual reconciliation.

Of the estimated 13.8% (\$10.30) increase in the typical residential customer's bill, 8.1% (\$6.03) is associated with the approved base rates for FY 2025 and 5.7% (\$4.27) is associated with the proposed TAP-R rates in this proposal.

Typical Senior Citizen is presented prior to discount. Eligible Senior Citizen's receive a 25% discount on their total bill. The associated FY 2024 and FY 2025 bills would be \$45.12 and \$50.86, respectively.

Of the estimated 12.9% (\$7.65) increase in the typical senior customer's bill, 6.0% (\$3.61) is associated with the approved base rates for FY 2025 and 6.9% (\$4.04) is associated with the proposed TAP-R rates in this proposal.

**TABLE C-5
COMBINED SYSTEM: COMPARISON OF EXAMPLE BILLS
FOR NON-RESIDENTIAL CUSTOMERS
UNDER EXISTING AND PROPOSED RATES**

(1) Meter Size Inches	(2) Monthly Use Mcf	(3) Impervious Area sf	(4) Gross Area sf	(5)		(6)	(7)
				FY 2024		FY 2025	
				Existing Rates \$	Proposed Rates \$	% Proposed of Existing %	
5/8	0.0	1,794	2,110	41.44	44.88	8.3	
5/8	0.2	1,794	2,110	60.96	67.95	11.5	
5/8	0.3	1,794	2,110	70.73	79.47	12.4	
5/8	0.4	1,794	2,110	80.50	91.01	13.1	
5/8	0.5	4,000	5,500	117.67	132.94	13.0	
5/8	0.6	4,000	5,500	127.42	144.47	13.4	
5/8	0.7	4,000	5,500	137.19	156.01	13.7	
5/8	0.8	26,000	38,000	447.60	501.16	12.0	
5/8	1.7	26,000	38,000	535.47	604.96	13.0	
5/8	2.7	4,000	5,500	328.30	382.14	16.4	
5/8	3.3	4,000	5,500	383.32	447.46	16.7	
5/8	11.0	7,000	11,000	1,131.98	1,333.18	17.8	
1	1.7	7,700	7,900	292.45	334.93	14.5	
1	5.0	22,500	24,000	786.54	906.70	15.3	
1	8.0	7,700	7,900	871.88	1,022.80	17.3	
1	17.0	22,500	24,000	1,886.82	2,213.26	17.3	
2	7.6	1,063	1,250	781.77	918.58	17.5	
2	16.0	22,500	24,000	1,825.70	2,136.95	17.0	
2	33.0	66,500	80,000	3,971.74	4,639.65	16.8	
2	100.0	7,700	7,900	9,337.93	11,072.33	18.6	
4	30.0	7,700	7,900	3,023.37	3,560.80	17.8	
4	170.0	10,500	12,000	15,052.51	17,929.64	19.1	
4	330.0	26,000	38,000	28,014.75	33,504.44	19.6	
4	500.0	140,000	160,000	43,042.72	51,446.02	19.5	
6	150.0	10,500	12,000	13,606.90	16,169.68	18.8	
6	500.0	41,750	45,500	41,898.12	50,168.90	19.7	
6	1,000.0	26,000	38,000	81,534.54	97,874.08	20.0	
6	1,500.0	140,000	160,000	122,850.31	147,442.86	20.0	
8	750.0	10,500	12,000	61,575.60	73,857.43	19.9	
8	1,500.0	66,500	80,000	122,063.00	146,561.27	20.1	
8	2,000.0	26,000	38,000	161,367.24	193,897.83	20.2	
8	3,000.0	140,000	160,000	241,393.01	290,166.61	20.2	
10	600.0	22,500	24,000	49,994.20	59,879.04	19.8	
10	1,700.0	41,750	45,500	137,875.33	165,586.16	20.1	
10	3,300.0	26,000	38,000	263,681.75	317,129.34	20.3	
10	6,000.0	140,000	160,000	477,225.52	574,252.12	20.3	

(a) Examples with gross area less than 5,000 square feet reflect an impervious area of 85% of the gross area consistent with PWD Regulations section 304.3.

(b) The FY 2024 figures reflect the existing base and current TAP-R rates, of \$0.15/Mcf for water and \$0.24/Mcf for sewer.

(c) FY 2025 figures reflect the adopted base and proposed TAP-R rates, of \$4.06/Mcf for water and \$5.83/Mcf for sewer.

(d) The FY 2025 TAP-R rates are subject to the Rate Board's Determination in the 2024 TAP-R Reconciliation Proceeding. The TAP-R Rates are subject to annual reconciliation.

(e) Of the estimated 13.4% (\$17.05) increase in the example small business customer's bill, 8.9% (\$11.35) is associated with the previously approved base rates for FY 2025 and 4.5% (\$5.70) is associated with the proposed TAP-R rates in this proceeding.