

•

BEFORE THE
PHILADELPHIA WATER, SEWER AND STORMWATER RATE BOARD

In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater, and Stormwater Rates and Related Charges : Fiscal Years 2026 – 2027 Rates and Charges to Become Effective September 1, 2025, and September 1, 2026

Lance Haver Answer to Philadelphia Water Department's Objections
Of Discovery Requests

Objection to LH-I-5:

Please provide a list of all PWD vendors with employees living in Philadelphia, the amount of money spent with each of those vendors, and the percentage of all expenditures spent on those Philadelphia vendors.

PWD Objection: "The Department objects to LH-I-5 as it is unduly burdensome and irrelevant to the proceeding. The Department has literally hundreds of vendors. Confirming the locations of all vendor offices (where employees assigned to PWD projects are housed) and then undertaking a head count of vendor employees in Philadelphia would take an inordinate amount of time and to no constructive end.

Answer: What is shocking about this objection is that it shows how little the PWD Counsel understands about Philadelphia, PWD consumers, and the cost of poverty. The City must have low-income plans because Philadelphia has a large population of people experiencing poverty. The cost of those income plans is not borne by the tax base as it should be, but by the utility's rate base, as a sales tax on a basic necessity of water.

PWD can alleviate some of the burden by using its buying power to create living-wage jobs in the City of Philadelphia. This will allow people to escape poverty, pay bills, and lower the burden on other ratepayers.

This discovery request examines the burden on the rate base created by PWD's decision not to use net bidding and to not prioritize local buying. To the extent that it shows that PWD fails to procure locally, it provides a possible alternative to another rate increase.

The idea that it is burdensome would be laughable if was not so illustrious of the lack of interest PWD has in hiring Philadelphia residents and giving contracts to Philadelphia businesses. If that were a priority for PWD, the list would already exist. To the extent it does not, as indicated by PWD's counsel, it is an indictment of the lack of concern PWD has for its own rate base. All that is needed to create the list is a computer search of the companies and their addresses. It would take a competent entity less than 15 minutes.

PWD Objection to LH-I-10 Please explain who at PWD evaluates the requests and how she/he decides which request should be paid and which should be rejected.

OBJECTIONS:

The Department objects to LH-I-9 and LH-I-10 on the grounds that the discovery sought will cause unreasonable burden and expense to the Department. The information requests are also unrelated to the Department's request for rate relief. The subject of the above requests (i.e., who at PWD reviews/pays invoices for Rate Board services and the bases for the decision to render payment) is not pertinent to the rate application and will not lead to the production of admissible evidence.

Response:

How can it be that the expenses paid by water and sewer consumers are irrelevant, and how they are authorized doesn't matter? There is a cottage industry of consultants, hearing examiners, lawyers, and paralegals operating at the expense of the ratepayers. Literally, millions of dollars in fees and in-kind expenses are used to advocate for rate increases. Those who pay the bills have every right to know how much is being spent in the attempt to raise bills once again, who is deciding if the amount being spent is reasonable, and on what basis that decision is made.

Perhaps those who benefit from the non-public decisions would prefer the public not to know.

Objections to:

Please list all the outside legal counsels PWD contracts with, by name and for how many years PWD has contracted with those lawyers.

LH-I-11 Please explain who at PWD decides which lawyers to contract with and what criteria she/he uses to decide which lawyers.

LH-I-12 Please list all lawyers PWD is using who have represented clients opposing rate increases.

LH-I-13 Please list the amounts paid to each law firm and/or lawyer for legal fees budgeted for this rate increases; and the amount spent in the last rate case.

LH-I-14 Please list the name of and the amount of the contributions given to federal and/or state and/or political action committees given by any of the lawyers, law firms or consultants.

LH-I-20 Please provide a list of all rate cases PWD consultants participated in where the consultant recommended against a rate increase, the case and the year in which the consultant found ways to make a rate increase unneeded and unwarranted.

OBJECTIONS AND RESPONSE:

The Department objects to LH-I-10a through LH-I-14 and LH-I-20 on the grounds that the discovery requests are unrelated to the application for rate relief and will cause unreasonable burden and expense to the Department. These discovery requests are seeking information and documents that are neither relevant nor material to the 2025 rate case and will not lead to the production of admissible evidence.

A list of contracts with multiple law firms that provide services to the Department, how long such firms have been engaged and how much each firm has been paid over an unspecified period is not relevant and not material to the PWD proposed changes in rates and charges as set forth in the rate filing.

PWD further objects to LH-I-10a through LH-I-14 and LH-I-20 because no timeframe is stated for these requests. As such, these requests are undefined and impossible to answer in the limited time allotted for discovery.

The subject of the above discovery requests (with regard to PWD's legal representatives, how they are engaged, what positions they may have taken in prior cases, and who they may support politically) is not pertinent to the instant rate application. Discovery requests are appropriately addressed to the Department's filing (e.g., projected revenues, revenue requirements, cost allocation, rate design).

Response:

There is no better example of this proceedings' self-serving nature than this response. Nor is there a better example of the insular nature and disregard for the public.

How much PWD pays for goods and services matters. And of course, what it has paid in previous rate increases matters as it shows if the amount ratepayers are being forced to pay is reasonable. Knowing how long a lawyer has been contracted for shows how often PWD seeks new bids and/or professional services in an attempt to alleviate the need for current and future rate increases.

PWD has its first responsibility to its owners, the ratepayers, and its lawyers should represent PWD's interest, *Ispro Facto*, the owners' ratepayers. As such, PWD's lawyers have an ethical responsibility to inform the owners of PWD what they are being charged for legal services.

PWD owners/ratepayers also have a right to know if the current legal counsel has purchased their contracts via funding political action committees or state and federal candidates.

This and the prior proceedings have been used to fund the self-serving cottage rate proceeding industry. PWD's lawyers prepare rate requests seeking more funds than what is needed. They then hire consultants who inform the public that PWD is doing everything it can. Community Legal Services purposely divorces itself from the public by refusing to establish a client committee or seek public input on CLS's positions. CLS then hires consultants who inform the public that CLS is doing everything it can. The rate board then hires the same hearing examiner year after year ensuring the rate board has a settlement agreement before it that will keep the cottage industry well funded, the preferred contractors with expansive contracts all at the expense of the rate paying public.

Of course PWD doesn't expect to get what it asks for, so it asks for more than what it wants. Of course the well paid, divorced from the public "public advocate" settles the case in the amount that PWD wanted and claims it did something. But the fact remains, year after year rates go up the cottage industry pays the insiders well and the rate payers suffer. It is time to pull the curtain up on a the great Potemkin village.