



# CITY OF PHILADELPHIA

WATER DEPARTMENT  
JEFFERSON CENTER  
1101 Market Street  
Philadelphia, PA 19107-2994

RANDY E. HAYMAN, Esq.  
Water Commissioner

March 31, 2025

James P. Leonard, Esq.  
Records Commissioner  
City Hall, Room 158  
Philadelphia, PA 19102

Re: Formal Notice of Proposed Changes in Water, Sewer and Stormwater Rates and Related Charges (FY 2026 and FY 2027)

The enclosed rate filing is submitted on behalf of the Philadelphia Water Department (“Department” or “PWD”) in support of its Formal Notice of proposed changes in rates and charges for water, wastewater (sanitary sewer) and stormwater services (“Formal Notice”) consistent with (i) Section 5-801 of the Philadelphia Home Rule Charter (“Charter”), (ii) Section 13-101 of The Philadelphia Code (“Code”), and (iii) the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board” or “Board”).

The Formal Notice filing is provided via the enclosed USB flash drive and is available at the Dropbox website below:

<https://www.dropbox.com/scl/fo/bi5mgs0uedgoe2iwhljmc/AH21fdQ0oWjnbsAM03zj7N8?rlkey=enocgukg2tyx9t5f09gq11a7d&st=ha415kgo&dl=0>.

No password is needed to access the above website.

The aforesaid filing will also be made available at the Rate Board’s website: <https://www.phila.gov/departments/water-sewer-storm-water-rate-board/rate-proceedings/>. Once the rate filing is available on the Rate Board’s website, the Dropbox website will not be needed and will expire.

The Formal Notice filing includes the proposed rates and charges, which are subject to review and authorization by the Rate Board.<sup>1</sup> The Board will schedule public hearings on the proposed rates and charges, as required by Section 13-101(3)(f) of the Code.

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<sup>1</sup> The proposed rates and charges are set forth in PWD Exhibit 3A through 3D of the rate filing. These proposed rates and charges will be fully vetted as part of the rate process before the Rate Board.

This submission is the Formal Notice required to be filed with the Department of Records pursuant to Section 13-101 (7)-(8) of the Code and Section II.A.2(b) of the Rate Board's regulations. Included with this submission are various statements and exhibits from the Advance Notice (identified in the attached Filing Index) that will be proffered for inclusion in the record during hearings before the Rate Board. Also attached is the Statement of Changes from the Advance Notice filed with City Council and the Rate Board on February 18, 2025, as well as copies of the changed documents identified therein. Finally, attached please find the memorandum from the Law Department approving this Formal Notice and the accompanying documents as to form.

Please make the above documentation, together with the Department's proposed changes in rates and charges, available for inspection consistent with the aforesaid legal requirements and arrange for advertising in accordance with Section 8-407 of the Charter and Section 21-1703 of the Code. Text for the public notice to be published in the newspapers is attached. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy E. Hayman".

Randy E. Hayman, Esq.  
Water Commissioner

cc: Rate Board  
The Public Advocate and all Participants in the 2023 Rate Proceedings (w/ enc.)

## RECORDS DEPARTMENT

In accordance with Section 5-801 of the Philadelphia Home Rule Charter, Section 13-101 of the Philadelphia Code and the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (Board), the Philadelphia Water Department filed its Formal Notice of proposed changes to rates and charges on March 31, 2025. The filing is available online at: [www.phila.gov/water/rateboard](http://www.phila.gov/water/rateboard) or may be examined at the Department of Records. Anyone wishing to be a Participant in the rate change proceeding should register by April 7, 2025, by sending notice to the Rate Board, c/o Deland Bryant, City of Philadelphia Law Dept., 1515 Arch St., 17th Fl., Philadelphia PA 19102 or register via email at [WaterRateBoard@phila.gov](mailto:WaterRateBoard@phila.gov).

James P. Leonard, Esq.  
Records Commissioner



## City of Philadelphia

LAW DEPARTMENT  
Water Division  
1101 Market Street  
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Philadelphia, PA 19107  
(215) 685-6160  
neal.sellers@phila.gov

### MEMORANDUM

**TO:** Randy E. Hayman, Commissioner

**FROM:** Neal Sellers, Senior Attorney

**DATE:** March 31, 2025

**RE:** In the Matter of the Philadelphia Water Department's Proposed Change in Water, Wastewater and Stormwater Rates and Charges (FY 2026 and FY 2027)

I have reviewed the Formal Notice of Proposed Rates and Charges (Formal Notice) and the documents shown on the index attached to the Formal Notice. I find the Formal Notice and the documents shown on the index to be legal and in proper form.

In accordance with Section 5-801 of the Philadelphia Home Rule Charter, Section 13-101 of the Philadelphia Code and the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board, you may forward the Formal Notice and the referenced documents to the Department of Records where they will be available for public inspection.

# FILING INDEX

## Philadelphia Water Department Statements and Exhibits

### Statements

**PWD Statement 1**                      Direct Testimony and Schedules of the Water Commissioner\*

Schedule REH-1              Resume of Randy E. Hayman

**PWD Statement 2A**                      Direct Testimony and Schedules of the Financial Panel

Schedule LY-1                      Resume of Lawrence Yangalay

Schedule LR-1                      Resume of Lawrence Rich

Schedule PR-1                      Resume of Patricia Rogalski

Schedule FP-1                      Financial Plan

Schedule FP-2                      Bond Counsel Memorandum

Schedule FP-3                      Rating Agency Reports

Schedule FP-4                      Water Fund Projection Summary

Schedule FP-5                      Summary of Ratemaking Requirements,  
Methodology and Development of  
Revenue Requirements

Schedule FP-6                      Proposed Language and Other Charges

Schedule FP-7                      Summary of Prior Rate Proceedings

Schedule FP-8                      Summary of PWD Efforts to Gain  
Assistance

**PWD Statement 2B**

Direct Testimony and Schedules of the Financial Advisors

Schedule FA-1      Financial Advisors Memorandum  
Resume of Peter Nissen  
Resume of Charles Matthews

**PWD Statement 3**

Direct Testimony and Schedules of the Capital Panel

Schedule SJF-1      Resume of Stephen J. Furtek  
Schedule VH-1      Resume of Vahe Hovsepien  
Schedule MF-1      Resume of Matthew Fulmer  
Schedule WD-1      Resume of William Dobbins  
  
Schedule CP-1      Summary of Capital Program and Budget  
Process

**PWD Statement 4 A**

Direct Testimony and Schedules of Operations

Schedule BJ-1      Resume of Benjamin Jewell  
Schedule BR-1      Resume of Brendan Reilly \*  
Schedule LK-1      Resume of Linda A. Kramer  
Schedule SJ-1      Resume of Stephen Junod  
  
Schedule OP-1      Significant Cost Changes  
(Material/Equipment)

**PWD Statement 4 B**

Direct Testimony and Schedules of Planning and Environmental Services

Schedule MC-1      Resume of Marc Cammarata

**PWD Statement 5**

Direct Testimony and Schedules of the Water Revenue Bureau

Schedule SMC-1      Resume of Susan M. Crosby

Schedule SMC-2      Draft Charity Regulations \*

Schedule LGF-1      Resume of Lakisha Gaymon-Foreman

**PWD Statement 6**

Direct Testimony and Schedules of Raftelis

Schedule RFC-1      Resume of Jon Davis

Schedule RFC-2      Resume of Henrietta Locklear

Schedule RFC-3      Resume of Jennifer Tavantzis

Schedule RFC 4      FY2024 Monthly TAP Statistics Report as of July 2024

Schedule RFC-5      FY2024 Service, Usage, and Billing Report

Schedule RFC-6      FY2024 Water Usage and Billing Report

Schedule RFC-7      FY2024 Payment Patterns Report

Schedule RFC-8      FY 2024 Monthly Residential Usage Report

Schedule RFC-9      FY2024 Typical Residential Customer Usage Memorandum

Schedule RFC-10 FY2024 Typical Small Commercial Usage Memorandum

Schedule RFC-11 FY2024 Forgiven Principal and Penalties Report

Schedule RFC-12 FY2024 Aging Arrears All Customers Report

Schedule RFC-13 FY2024 TAP Aging Arrears Report

**PWD Statement 7**

Direct Testimony and Schedules of Black & Veatch Management Consulting

Schedule BV-1 Summary Tables Cost of Service and Rate Study

Tables C-1 through C-13 Combined Projections of Revenue Requirements; Projection of Typical Retail Bills; Proposed Rate Schedules

Schedule BV-2 Cost of Service Report

Appendix A \*  
Appendix B  
Appendix C  
Appendix D  
Appendix E  
Appendix F  
Appendix G  
Appendix H \*  
Appendix I

Schedule BV-3 Summary Tables Miscellaneous Fees Analysis



Schedule BV-4	White Papers
	<u>WP-1</u> AMI Demand Study
	<u>WP-2</u> Impact of Updated Peaking Factors
	<u>WP-3</u> Stormwater Units of Service
	<u>WP-4</u> Cost Recovery Approach
	<u>WP-5</u> Miscellaneous Fee Methodology
	<u>WP-6</u> Senior Citizen Threshold Adjustment
Schedule BV-5	Resumes and Black & Veatch firm description

**PWD Statement 8**

Direct Testimony and Schedules of the Communications and Engagement Panel

Schedule GA-1	Resume of Glen Abrams
Schedule LC-1	Resume of Laura Copeland
Schedule PF-1	Resume of Paul Fugazzotto

**Exhibits**

**PWD Exhibit 1**

Notification of Rate Filing

Advance Notice to Rate Board and Philadelphia City Council  
 Advance Notice and Filing Index

<b>PWD Exhibit 2</b>	Summary Fact Sheet
<b>PWD Exhibit 3A</b>	Proposed Rates and Charges for FY 2026
<b>PWD Exhibit 3B</b>	Proposed Rates and Charges for FY 2026 (Redlined)
<b>PWD Exhibit 3C</b>	Proposed Rates and Charges for FY 2027
<b>PWD Exhibit 3D</b>	Proposed Rates and Charges for FY 2027 (Redlined)
<b>PWD Exhibit 4</b>	Documents Incorporated by Reference
<b>PWD Exhibit 5</b>	Official Statement, City of Philadelphia Water and Wastewater Revenue Bonds, Series 2024C
<b>PWD Exhibit 6</b>	Supplemental, Financial, Engineering and Other Data, Black & Veatch Workpapers *
<b>PWD Exhibit 7</b>	Consent Order and Agreement, June 1, 2011

\*Denotes Statements and Exhibits supplemented or revised since the Advance Notice.

**PHILADELPHIA WATER DEPARTMENT RATE PROCEEDING  
(FY 2026 and FY 2027)**

**STATEMENT OF CHANGES FROM THE ADVANCE NOTICE  
FILED WITH CITY COUNCIL AND  
THE WATER, SEWER AND STORMWATER RATE BOARD**

Pursuant to Section II.A.2(b) of the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board (“Rate Board”), this statement highlights changes from the Advance Notice of proposed changes in rates and charges filed by the Philadelphia Water Department (“Department” or “PWD”) with City Council and the Rate Board on February 18, 2025. The changes and the rationale for the changes are provided below:

Please take note that the following changes were made prior to Formal Notice:

- **PWD Statement 1:** A typographical error was corrected on page 6. The error was in the amount of the additional incremental revenues in FY 2026.
- **PWD Statement 4A, Schedule BR-1:** The resume of Brenden Reilly from February 2025 is being deleted and replaced in its entirety with the resume of March 2025 to reflect his new position and responsibilities.
- **PWD Statement 5, Schedule SMC-2:** The proposed charity rate regulations from February 2025 are being deleted and replaced in their entirety with the proposed charity rate regulations of March 2025 to reflect style and other changes.
- **PWD Statement 7, Appendix A:** Appendix A (February 2025) consists of one table showing: “Number of Accounts and Account Growth.” Appendix A is being supplemented to add a second table showing: “Annual Billed Volume Per Account”
- **PWD Statement 7, Appendix H, Table 1:** The prior Table 1 in Appendix H is being deleted in their entirety. Appendix H – Table 1 (March 2025) replaces the prior Appendix H – Table 1.
- **PWD Exhibit 6:** Black & Veatch work papers (calculations supporting Schedules BV-1 and BV-2) were provided for PWD Exhibit 6. The original PWD Exhibit 6 was marked “To be provided”.

The following additional changes are being made with the Formal Notice.

- **None, as of March 31, 2025.** PWD reserves the right to amend or supplement testimony, schedules, exhibits and supporting documentation as needed during the course of this proceeding.