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Randy E. Hayman, Esq., Water Commissioner

MEMORANDUM

To: James Leonard, Records Commissioner

From: Randy E. Hayman, Water Commissioner

Date: July 7, 2023

Subject: Water Department's Rates and Charges for FY 2024 and FY 2025

- Changes in Water, Wastewater and Stormwater Rates and Related Charges for FY 2024 and FY 2025 effective September 1, 2023 and September 1, 2024, respectively ("General Rate Proceeding"); and
- Changes in Water, Sewer and Fire Service Connection Rates and Related Charges Effective September 1, 2023 ("TAP-R Annual Adjustment")

In accordance with Section 5-801 of the Philadelphia Home Rule Charter, Section 13-101 of the Philadelphia Code ("Philadelphia Code") and the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board Regulations"), the Philadelphia Water Department ("Water Department") filed with the Department of Records on February 23, 2023 (1) a Formal Notice of the General Rate Proceeding to increase water, sewer and stormwater rates and charges for FY 2024 and FY 2025; and (2) a Formal Notice of the TAP-R Adjustment to revise related water, sewer and fire service connection quantity charges for FY 2024. The Department's Formal Notice, in both proceedings referenced above, included detailed financial, accounting and engineering supporting documentation together with either prepared written testimony or a detailed narrative describing the proposed changes in rates and charges.

General Rate Proceeding — Changes in Water, Wastewater and Stormwater Rates and Related Charges for FY 2024 and FY 2025.

The Rate Board held four public input hearings on March 22 and 23, 2023 (afternoon and evening hearings on each date) and technical hearings during May 2-5, 2023 regarding the proposed changes in rates and charges. After the conclusion of the above hearings and upon consideration of the evidence presented, the Rate Board deliberated the issues in this matter and adopted a Rate Determination at a public meeting on June 21, 2023. The Rate Determination was filed with the Department of Records on June 22, 2023 ("Rate Determination") and such filing appears on the Department of Records webpage for regulations filed on that date.

As stated in the Rate Determination and consistent with Section 13-101(3)(e) of the Philadelphia Code and Section II(A)(3)(d) of the Rate Board Regulations, the proposed changes in rates and charges will take effect consistent with the Rate Determination approving the general rate increase



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for FY 2024 and FY 2025. More specifically, approved rates and charges for FY 2024 and FY 2025 will become effective on September 1, 2023 and September 1, 2024, respectively.

TAP-R Adjustment — Annual Adjustment of the Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R) Beginning September 1, 2023.

The Rate Board held a public hearing and technical hearing on the annual TAP-R adjustment on April 11, 2023. After the above hearings and upon consideration of the evidence presented, the Rate Board deliberated the issues in this matter and adopted a Rate Determination at a public meeting on June 21, 2023 approving the Joint Petition for Settlement of the TAP-R Proceeding (dated April 18, 2023) entered into by the active participants: Public Advocate and the Water Department. The Rate Determination was filed with the Department of Records on June 22, 2023 and such filing appears on the Department of Records webpage for regulations filed on that date.

As stated in the Rate Determination and consistent with Section 13-101(3)(e) of the Philadelphia Code and Section II(C)(2)(c) of the Rate Board's Regulations, the changes in rates and charges will take effect on September 1, 2023.

New Rates and Charges

Attached for filing are the new Rates and Charges of the Philadelphia Water Department, incorporating the approved changes in rates and other issues addressed in the aforesaid Rate Determinations relating to the General Rate Case and TAP-R Proceedings.

Also, please find attached a memorandum from the Law Department approving these new Rates and Charges.

Thank you for your assistance in this matter.

A handwritten signature in blue ink, appearing to read "Randy E. Hayman", is positioned above a horizontal line.

Randy E. Hayman, Commissioner
Philadelphia Water Department

Attachments

cc: Kevin Birriel, Divisional Deputy City Solicitor
Adriana Gonzalez, Deputy City Solicitor, Tax & Revenue Unit