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MEMORANDUM

TO: James Leonard, Records Commissioner

FROM: Sonny Popowsky, Chair, Philadelphia Water, Sewer and Storm Water Rate Board SP

DATE: June 15, 2022

RE: 2022 Special Rate Proceeding – Redetermination of Water Department General Rates

and Charges Beginning 9/1/2022

Pursuant to 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, and at the direction of the Rate Board in its public meeting of June 15, 2022, I am forwarding herewith for filing the Rate Determination of the Philadelphia Water, Sewer and Storm Water Rate Board on the 2022 Special Rate Proceeding, which constitutes the Rate Report and Rate Determination of the Rate Board, along with a memorandum of approval from the Law Department. The Rate Board has modified the changes in rates and charges previously set to take effect on September 1, 2022.

On February 25, 2022, following Advance Notice filed with City Council and the Rate Board on January 21, 2022, the Water Department filed a Formal Notice entitled "Special Rate Filing / Reconciliation Proceeding for Fiscal Year 2023," commencing a Special Rate Proceeding. In Section VII(7) of its Rate Determination of June 16, 2021 in the 2021 General Rate Proceeding, the Rate Board had directed the Water Department to initiate such a proceeding to determine whether and by how much the \$34.110 million in FY 2023 base rate increases the Rate Board approved in the 2021 Rate Determination should be reduced pursuant to the terms of a partial settlement approved by the Rate Board. This was thus properly a Special Rate Proceeding pursuant to Section I(t) of the Rate Board's Regulations.

In accordance with the Charter, Code, and Regulations noted above, the Rate Board's Hearing Officer held two procedural conferences and supervised discovery among the four entities and two individuals registered as participants in the rate proceeding. Two public hearings on this matter were held on March 23, 2022, at which a dozen people registered to speak and six presented comments. The Board received two additional public comments outside of the hearings before the record was closed. A technical hearing was held on April 27, 2022, and the participants added additional documents to the record.

On May 24, 2022, the Hearing Officer filed her Report, summarizing the record and making recommendations for the resolution of the remaining contested issues. Three participants filed exceptions. The Rate Board then deliberated the issues in its monthly public meeting on June 8, 2022, and adopted this Rate Determination at a special public meeting on June 15, 2022. All meetings and hearings were duly noticed.

We expect that the Water Department will timely file Rates and Charges in conformance with the Rate Determination.