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IN THE MATTER OF
THE PHILADELPHIA WATER DEPARTMENT'S
PROPOSED INCREASE IN RATES
FOR WATER AND WASTEWATER UTILITY SERVICES

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POST-HEARING CONFERENCE

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August 25, 2008
2:30 p.m.

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The Dispute Resolution Institute
Two Logan Square, Sixth Floor
Philadelphia, PA

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BEFORE: HARRIS T. BOCK, ESQ.
Hearing Officer

- - -

VERITEXT NATIONAL COURT REPORTING COMPANY
KNIPES COHEN
1801 Market Street - Suite 1800
Philadelphia, Pennsylvania 19103

APPEARANCES:

ANDRE C. DASENT, ESQ.
Counsel to Philadelphia Water Department

COMMUNITY LEGAL SERVICES, INC.
BY: PHILIP A. BERTOCCHI, ESQ.
Counsel to Public Advocate

ROX ROTHSCHILD, LLP
BY: PHILIP L. HINERMAN, ESQ.
Counsel to Philadelphia Housing Authority

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ALSO PRESENT:

MICHAEL L. GALBRAITH, ESQ.
The Dispute Resolution Institute

JOSEPH S. CLARE, III

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1 THE HEARING OFFICER: Good
2 afternoon, everyone. We are at a
3 scheduled post-hearing conference to
4 receive other submissions that we were
5 awaiting and to maybe review the schedule
6 for the filing of briefs, et cetera, as
7 well as any other matters that are
8 appropriate to be brought before the
9 Hearing Officer.

10 Mr. Dasent?

11 MR. DASENT: We have an exhibits
12 list that has been new and improved. It
13 includes even the most recent submissions
14 this morning of TR-5. We had some
15 supplemental Table 11 runs that were
16 requested by the Public Advocate which we
17 have provided now. We have some updates
18 from the Controller's audit which were
19 promised during the hearing and are
20 provided.

21 We now have some of the letters to
22 the Hearing Officer which I think came
23 via Michael back to us but, nonetheless,
24 were circulated to the parties.

25 THE HEARING OFFICER: A circuitous

1 route, but it made it in there.

2 MR. DASENT: It made it in there,
3 nonetheless.

4 So I think we are as close to being
5 finished as we can be in terms of
6 creating the exhibits list and a record
7 for purposes of your decision. So we're
8 feeling good about that.

9 We also have in progress a
10 memorandum to you, as you've requested,
11 concerning an alternate rate process and
12 any legal impediments that might be
13 presented by it and it's being vetted by
14 the Law Department right now.

15 THE HEARING OFFICER: When can I
16 expect that?

17 MR. DASENT: I'm hopeful by the end
18 of business tomorrow to have their
19 approval. I know they're looking at a
20 draft right now. They just got back or
21 at least my general counsel just got back
22 from vacation today so I wanted to give
23 him enough time to feel comfortable.

24 THE HEARING OFFICER: Depending upon
25 the results of that I may reopen the

1 record to question him about the opinion
2 if I have any issues with regard to that.
3 So I just wanted you to know that.

4 MR. DASENT: All right.

5 THE HEARING OFFICER: We need not
6 mark the exhibits list as an exhibit per
7 se?

8 MR. DASENT: I have seen it done.

9 THE HEARING OFFICER: Okay. Let's
10 do it then.

11 MR. DASENT: We will mark for
12 identification as PWD-Exhibit 38 the
13 exhibits list that has been revised as of
14 today's date.

15 THE HEARING OFFICER: Okay.

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17 (Whereupon the document was marked,
18 for identification purposes, as PWD
19 Exhibit 38.)

20 - - -

21 MR. DASENT: The last page of my
22 copy but also circulated to the parties
23 is a proposed schedule revision which
24 relates to --

25 THE HEARING OFFICER: Let's deal

1 with the exhibits list first.

2 Is everybody here comfortable with
3 the exhibits list?

4 MR. HINERMAN: Yes.

5 MR. BERTOCCI: Yes.

6 MR. DASENT: I have also spoken with
7 Charis Mincavage for PLUG and Dan Delaney
8 for the Commercial Customer Coalition a
9 few moments ago and they indicated they
10 had no problems with the exhibits list as
11 well.

12 THE HEARING OFFICER: Did we put
13 into the record the exhibits that we had,
14 Mr. Galbraith?

15 MR. GALBRAITH: The letters to the
16 Hearing Officer?

17 THE HEARING OFFICER: And the PLUG
18 agreement.

19 MR. GALBRAITH: I do have a copy
20 here for the court reporter.

21 THE HEARING OFFICER: Have they been
22 marked?

23 THE COURT REPORTER: Yes, they have
24 been.

25 THE HEARING OFFICER: Mr. Dasent?

1 parties did not object, well, what would
2 this do to the rest of the schedule, and
3 everything moves up basically four days,
4 I think with one exception, Your Honor,
5 you got another day, so you're at five
6 days. And that was just to give you
7 incentive to approve it, I think.

8 THE HEARING OFFICER: Off the
9 record.

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11 (Discussion held off the record.)

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13 THE HEARING OFFICER: This matter is
14 concluded. We will issue a new order
15 relative to the schedule for the
16 conclusion of this portion of the
17 hearings.

18 Thank you all very much.

19 MR. GALBRAITH: We had from Dan
20 Delaney a request with guidance from the
21 Hearing Officer as to whether or not we
22 would ask for findings of fact and
23 conclusions of law. That was the one
24 thing that he wanted us to say by proxy.

25 THE HEARING OFFICER: We will put

1 that in the order. We are going to
2 request findings of fact and conclusions
3 of law.

4 MR. DASENT: Good. That makes it
5 really easy to write decisions at the end
6 of the day.

7 THE HEARING OFFICER: I may even
8 adopt one or two of the couple hundred
9 you submit.

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11 (Whereupon the post-hearing
12 conference recessed at 2:50 p.m.)

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14 Reported By: Susan Marie Migatz, RMR, CRR

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INDEX OF EVIDENCE

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WATER DEPARTMENT STATEMENTS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Direct Testimony of Joseph S. Clare, III	86	91
2	Direct Testimoy of Debra A. McCarty	88	91
3	Direct Testimony of James Palladino	371	371
5	Direct Testimony of J. Rowe McKinley and Exhibits	91	91
6	Direct Testimony of Keith Richardson	575	575

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WATER DEPARTMENT DIRECT TESTIMONY

WITNESS	DR.	CR.	RDR.	RCR.
Joseph S. Clare, III	59	92	155	
Debra A. McCarty	86	92	155	
J. Rowe McKinley	88	92	155	
James Palladino	363	376		
J. Rowe McKinley	363	376		
Keith Richardson	573	575		
Joseph S. Clare, III	639	654		
J. Rowe McKinley	639	654		

WATER DEPARTMENT REBUTTAL EVIDENCE

WITNESS	DR.	CR.	RDR.	RCR.
Joseph S. Clare, III	257	296		
J. Rowe McKinley	257	296		
Anthony M. Griffith	309	326	358	
Debra S. McCarty	554	560		
J. Rowe McKinley	554	560		

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PUBLIC ADVOCATE STATEMENTS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Direct Testimony of Michael A. Bleiweis and Exhibits	197	742
2	Direct Testimony of Jerome D. Mierzwa and Schedules	35	36
3	Direct Testimony of Roger D. Colton and Exhibits	632	635

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PUBLIC ADVOCATE DIRECT TESTIMONY

WITNESS	DR.	CR.	RDR.	RCR.
Jerome D. Mierzwa	34	36		
Michale A. Bleiweis	196	199		
Roger D. Colton	631			

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COMMERCIAL CUSTOMER COALITION STATEMENTS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Direct Testimony of Kenneth J. Baithwaite	462	462
2	Direct Testimony of John J. McCaffrey	462	462
3	Direct Testimony of Robert Rossi	427	429
4	Direct Testimony of Floyd Ruppel, Jr.	443	445
5	Direct Testimony of Larry G. Spielvogel, PE	449	451
6	Direct Testimony of Ron Pluto	462	462
DMK-1	Direct Testimony of Dennis M. Kalbarczyk with Tables and Appendix	514	518

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COMMERCIAL CUSTOMER COALITION DIRECT TESTIMONY

WITNESS	DR.	CR.	RDR.	RCR.
Robert Rossi	427	429	439	440
Floyd Ruppel, Jr.	443	445		
Larry G. Spielvogel	449	451		
Dennis M. Kalbarczyk	515	519		

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PHILADELPHIA HOUSING AUTHORITY STATEMENTS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Direct Testimony of Kirk Dorn	464	631

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HEARING OFFICER EXHIBITS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Proof of Publication of Hearing Notices for Public Input and Technical Hearings	24	742
2	List of and all written letters received by the Hearing Officer	13	742

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WATER DEPARTMENT EXHIBITS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Letter, 4/4/08, to Verna	pre	742
2	Letter, 5/5/08, to Decker	pre	742
3	PWD Proposed Revisions to Rates and Charges	pre	742
4	PWD Standard Interrogatory Responses (inc. Attachments 1-27)	pre	742
5	Black & Veatch Workpapers Supporting Direct Testimony of J. Rowe McKinley	pre	742
6	PWD Supplemental Documentation for FY 2009-2012 Rate Case	pre	742
7	WRB Supplemental Interrogatory Responses	pre	742
8	Responses to PA-MAB series data requests (MAB-1 thru MAB-78)	pre	742
9	Responses to PA-JM series data requests (PA-JM-1 thru JM-22)	pre	742

WATER DEPARTMENT EXHIBITS

NUMBER	DESCRIPTION	MKD.	EVD.
10	Responses to PA-RDC series data requests (Sets 1 and 2)	pre	742
11	Responses to PA-RDC series data requests (Sets 3 and 4)	pre	742
12	Responses to CCC series data requests (Sets 1 and 2)	pre	742
13	Responses to PLUG series data requests (PLUG 1-11)	pre	742
14	Electronic Response - BRC Contract Analysis	pre	742
15	Electronic Response - Miscellaneous Charges Workpapers	pre	742
16	Electronic Response - Stormwater Design Manual	pre	742
17	Electronic Response - WRB Enforcement Training Manual; WRB Payment Agreement Procedures Manual; WRAP Assistance Manual	pre	742
18	Electronic Response - Suburban Customer Disputes/ Objections	pre	742
19	Supplemental Response to MAB-8	pre	742
20	Water Security Grant documentation	pre	742
21	City Council Budget Proceedings Transcript (PWD FY 2008 Budget - 3/26/07)	pre	742

WATER DEPARTMENT EXHIBITS			
NUMBER	DESCRIPTION	MKD.	EVD.
22	City Council Budget Proceedings Transcript (WRB FY 2008 Budget - 4/17/07)	pre	742
23	City Council Budget Proceedings Transcript (PWD FY 2009 Budget - 4/7/08)	pre	742
24	City Council Budget Proceedings Transcript (WRB FY 2009 Budget - 3/24/08)	pre	742
25	Department Exhibits for Cross Examination and Rebuttal - Revenue Requirements Issues	58	742
26	Document entitled "James Palladino - Errata Sheets - 8/13/2008"	365	742
27	Document entitled "James Palladino - 8/13/2008"	372	742
28	Resume of Anthony M. Griffith	375	742
29	Spreadsheet labeled "PHA"	469	742
30	Document entitled "Ten Largest Retail Customers," five pages	469	742
31	Document entitled "Producer Price Index"	636	636
32	Document entitled "Table 11," Pages #1 thru #5	639	742

WATER DEPARTMENT EXHIBITS

NUMBER	DESCRIPTION	MKD.	EVD.
33	Document entitled "Request for Information by the Hearing Officer for the Value of the Discount Received by Saint Joseph's University for Water and Sewer Billing	674	674
34	Document entitled "Errata Sheet for Minor Changes to Direct Testimony of J. Rowe McKinley" and attached Table 21 and Table 21A	734	734
35	Standard & Poor's and Moody's Rating Agency Reports	pre	742
36	ID responses (1-4)	pre	742
37	TR responses	pre	742
38	Exhibits List (As revised at the Close of Technical Hearings)	740	742

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PUBLIC ADVOCATE EXHIBITS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Response to PA-MAB-81	102	742
2	Document entitled "Controller: Water agency failed to collect \$161M in water bills"	118	742
3	Document entitled "PA's Proposed Revisions Regarding Draft Stipulation Concerning Basic Customer Compact	623	742
4	Errata Sheet to Direct Testimony of Roger D. Colton	635	742

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PHILADELPHIA LARGE USERS GROUP EXHIBITS

NUMBER	DESCRIPTION	MKD.	EVD.
1	Joint Statement of Settlement	pre	742

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me on August 25, 2008, and that this is a true and correct transcript of same.

SUSAN MARIE MIGATZ
Registered Professional Reporter
Certified Realtime Reporter
Notary Public

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