



*The ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107-2994*

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[Water Commissioner Lowers Rate Change to \\$5.33 a Month](#)

[Rates Still Among the Lowest in the Region](#)

(Philadelphia, PA – January 21, 2005) - Water Commissioner Bernard Brunwasser has announced that the Philadelphia Water Department is implementing rate changes that are lower than those originally requested: \$5.33 increase a month rather than \$6.48.

Beginning February 1, 2005, a typical residential customer's monthly bill will change by an additional \$5.33 a month or a total monthly bill of \$47.09. This change is for the period February 1, 2005 to June 30, 2005. A typical senior citizen's monthly bill will change by an additional \$3.04 or a total monthly bill of \$27.39 for those seniors who qualify for the department's 25-percent senior citizen discount. The income test to qualify for this discount has been raised to \$26,100.

In addition, the Department is seeking proposed rate changes to be phased in over a three-year period for Fiscal Years 2006, 2007 and 2008 (July 1, 2005 to June 30, 2008). These proposed changes include:

- \$2.39 increase in the typical monthly bill (total monthly bill of \$49.48) for July 1, 2005 to June 30, 2006;
- \$4.79 increase in the typical monthly bill (total monthly bill \$54.27) from July 1, 2006 to June 30, 2007; and
- \$4.03 increase in the typical monthly bill (total monthly bill \$58.30) from July 1, 2007 to June 30, 2008.

The proposed rate changes to be phased in over the three-year period are still subject to the public hearing process. Hearing Officer Henri P. Marcial, Esq. will determine the schedule for these public hearings in the near future, and the public will be invited to attend and participate.

The new rates will enable the Water Department to continue a variety of initiatives that are critical to protecting Philadelphia's drinking water quality, preserving its

waterways, and improving stormwater management programs. A list of some of these initiatives is attached.

According to Commissioner Brunwasser, "After reviewing all of the documentation presented during the public hearing process, I believe it is necessary for us to hold any rate change to a minimum. Many of our customers are dealing with economic hardships, and it is imperative for us to hold rates as low as possible." Based on the Hearing Officer's recommendations, the Commissioner has asked Water Department managers to postpone some programs and projects without jeopardizing public health and safety, as well as the quality of services that the department provides to customers. "We don't want to have to change rates but if we must, we need to do so with as little impact to our customers as possible," Commissioner Brunwasser explained.

The new rates will enable the Philadelphia Water Department to meet its obligations under the City Charter of having a balanced budget through June 2005 and to meet its bond covenants.

The Water Department has implemented numerous measures to improve service, reduce costs, and enhance revenues over the past decade. It has greatly reduced the cost of operating at its Biosolids and wastewater facilities. The Department has greatly contributed to the noticeably improved quality of Philadelphia's rivers and streams. It has re-financed more than \$1.7 billion in revenue bonds for net present value savings of \$92 million in debt service expense.

In 2000, the Department created a Revenue Protection Unit that has recovered more than \$13.5 million to date. It has implemented the largest Automatic Meter Reading

program among water utilities in the nation, and has steadily improved the credit rating of its revenue bonds.

This decision is a culmination of a process that began in January 2004 with the announcement of the proposed rate increase to City Council. In February 2004, PWD filed revised rate regulations with the Department of Records. Then Mayor Street, in conjunction with the City Council President and City Controller, appointed a Public Advocate and an Independent Hearing Officer. Formal and informal discovery periods followed in December 2004 and January 2005. The Hearing Officer held a Pre-Hearing Conference on December 17, 2004 and a Public Hearing on January 10, 2005 to give the public an opportunity to express its opinion. On January 18, 2005, the Hearing Officer delivered his report to the Water Commissioner, which assisted the Commissioner in making his decision.

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