



PWD's Water, Sewer and Stormwater Bill
July 2011

Beginning on July 1, 2011, a typical Water Department residential customer who uses 700 cubic feet (5,200 gallons) per month will have a scheduled rate increase of 5.9%, along with a related adjustment to the advance service charge. The August bill will reflect typical monthly charges.

Q. How do the PWD's rates compare to other water/sewer/stormwater rates in the region?

A. In terms of rates, the Philadelphia Water Department continues to have some of the lowest rates in the region for water, wastewater, and stormwater services. In April of 2008, the Water Department announced a revision of rates for the period covering Fiscal Year 2009 through Fiscal 2012. After the conclusion of the rate process, the Commissioner issued his opinion granting rate increases on November 1, 2008, July 1, 2009, July 1, 2010 and July 1, 2011. The new rates enable the Philadelphia Water Department to meet its obligations under the City Charter of having a balanced budget through June 2012 and to meet its bond covenants. The new rates will allow the Water Department to meet rapidly escalating costs of fuel, chemicals, employee benefits, regulatory demands, and debt service, and to continue a variety of initiatives that are critical to protecting Philadelphia's drinking water quality, preserving its waterways, and improving stormwater management programs. Demographic changes in the City over recent decades have caused the Department's fixed costs (to maintain water mains, sewer mains, pumping stations, treatment plants, sewer inlets, etc.) to be spread over fewer customers.

Unlike many neighboring communities where sewer bills are separate from water bills or assessed through an annual charge, Philadelphians receive a bill that combines water, wastewater, and stormwater charges. Unfortunately, this combined billing sometimes leads to the impression that our water rates are high. In fact, even with the most recent revisions to rates, Philadelphia's water and sewer charges continue to be among the lowest in the region.

As shown on the following table, PWD's water rates are less than half those charged by many neighboring investor-owned utilities.

2010 Regional Residential* Water and Sewer Charges		
	Monthly Water Bill	Monthly Sewer Bill
Aqua Pennsylvania+	\$60.42	N/A
Pennsylvania American Water+	\$54.31	N/A
New Jersey American Water+	\$37.18	N/A
North Penn Water Authority +	\$25.08	N/A
North Wales Water Authority +	\$22.85	N/A
Doylestown Township	\$31.54	\$42.15
Lower Gwynedd Municipal Authority **	N/A	\$33.16
CCMUA (Camden County) **	N/A	\$26.25
Trenton	\$30.25	\$28.93
Philadelphia Water Department	\$26.84	\$19.12
<small>Rates in effect on November 8, 2010. Storm water charges (\$13.48) are excluded from sewer calculations, because many jurisdictions fund such services from the general tax base or a separate utility assessment. *Calculations based on 5,236 gallons/month (700 cu.ft.) ** Sewer-only utility. + Water-only utility. Source: Philadelphia Water Department</small>		

Q. What is the impact of this rate increase on the typical residential customer?

A. Beginning July 1, 2011, a typical residential customer's bill increases by an additional \$3.50 a month, or a total monthly bill of \$62.94. This change is for the period of July 1, 2011 to June 30, 2012. A typical senior citizen's monthly bill will change by an additional \$2.05, or a total monthly bill of \$38.96, for those seniors who qualify for the Department's 25-percent senior citizen discount. The income test to qualify for this discount is currently at \$30,500.

Q. What about the stormwater fee that appears on the bill? Is this a new charge?

A. No. Beginning on July 1, 2010, the Water Department began changing the way that we charge for stormwater collection and treatment. This new method – which is the only new thing about the stormwater fee - best represents the proportion of rain water generated by a particular property, and will be phased in over four years. This new method is revenue neutral and based on the fair cost of service to our system. In the past this charge was included as part of the sewer service charge. However, this is not the fairest and most accurate method because it does not take into account the amount of stormwater that customers' properties typically deliver to the sewer system. With the advent of new technology, we are now able to charge customers based on both the size and imperviousness (or the inability to absorb rainwater) of their properties. Residential properties will

be charged the uniform monthly amount of \$13.66 that is based on a city wide average of lot size and impervious characteristics. All non residential customers will be charged based on the actual size of their property and the impervious area at the following rates:

Gross Area - \$0.528 / 500 square feet

Impervious area - \$4.169 / 500 Square feet

Q. Are there any changes in the way that the PWD charges for stormwater services on July 1, 2011?

For residential customers there will be no change other than the rate increase. However, for non-residential customers, phase two of the implementation of parcel-based billing will begin. Under this phase, customers' stormwater bills will be based on 50% of the traditional basis which is related to a customer's meter size(s) and 50% based on the customer's parcel (or lot) size and drainage characteristics or imperviousness. This represents a shift from last year when the ratio was 75% meter-based and 25% parcel-based.

Q. What is the Advanced Service Charge (ASC) that appears on the July bill?

A. The PWD charges an ASC for all of its customers, which acts in a similar manner as a deposit that is required by other utilities for first time customers. PWD's ASC is a three month, upfront fee that covers the customer's water/sewer/stormwater service charge component of their bill. Whenever PWD adjusts its rates, as it is doing this July as it implements the final phase of its rates revision, an adjustment is made to the ASC which is the difference between this and last July's ASC. For residential customers, this adjustment will be a one time fee of \$2.05 on their July 2011 bill.

Q. Where can customers go for more information?

A. PWD has posted information about its July bill and the stormwater fee on its website. Customers are directed to visit www.phila.gov/water. July bill information is on the top of the front page of the website. Stormwater fee information can be accessed by choosing "Stormwater Billing" on the left hand menu of the front page. Customers may also call 215-686-6880 for billing inquiries and 215-685-6300 for stormwater information. Information will also be mailed to customers that do not have computer access.