



**PHILADELPHIA**  
**WATER**  
— DEPARTMENT —

TIERED ASSISTANCE PROGRAM (TAP)

# Proposed TAP-R Reconciliation

JULY 2020

# What is the Tiered Assistance Program (TAP)?

TAP is an assistance program that allows low-income customers to pay reduced bills based upon a percentage of their household income.

INCOME 0-50% FPL	INCOME 50-100% FPL	INCOME 101-150% FPL	INCOME >151% FPL + SPECIAL HARDSHIP	INCOME 151-250% FPL
Monthly bill capped at 2% of monthly income	Monthly bill capped at 2.5% of monthly income	Monthly bill capped at 3% of monthly income	Monthly bill capped at 4% of monthly income	Monthly payments toward arrears set so that total monthly bill is about 4% of monthly income
No payments toward arrears required	No payments toward arrears required	No payments toward arrears required	No payments toward arrears required	

FPL = Federal Poverty Level

**Eligible customers pay a percentage of their bills based on their income.**

Bills do not go up based on usage. Customers pay a fixed amount. Bills are capped as a percentage of income and are constant each month. Customers in the lowest income bracket pay a bill equivalent to 2% of their monthly income or a minimum of \$12/month.

# What is the “TAP Rate Rider”?

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The “TAP Rate Rider” is a ratemaking tool that allows PWD to recover lost costs OR reduce future rates if actual costs are less than projections.

The cost of TAP may change over time due to:

- the number of PWD customers that enroll in the program
- level of discounts needed to provide affordable bills to TAP customers

	Prior Estimate FY 2020	Updated Estimate FY 2021	Difference
Projected Monthly TAP Participants	16,227	15,180	<b>-1,047</b>
Projected Monthly Discount	\$51.89	\$51.25	<b>-\$0.64</b>

PWD reviews and adjusts the TAP Rate Rider on an annual basis to account for changes in TAP costs.

# FY 2021 TAP-R Rate Adjustments

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Based upon reconciliation results, **the Water Department is proposing to reduce the TAP-R rates.**

TAP-R Rates	Current	Proposed	Difference
Water (\$/Mcf)	\$0.71	\$0.57	<b>-\$0.14</b>
Sewer (\$/Mcf)	\$1.16	\$0.78	<b>-\$0.38</b>

# Typical Customer Bill Impacts

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With approval of the updated TAP-R rates, **overall customer bills for FY 2021 will be lower than bills under current rates.**

	Current	Proposed <sup>4</sup>	Total Change in Bill
Residential <sup>1</sup>	\$66.99	\$66.73	<b>-\$0.26</b>
Senior Citizen <sup>2</sup>	\$38.54	\$38.43	<b>-\$0.11</b>
Business <sup>3</sup>	\$112.45	\$112.13	<b>-\$0.32</b>

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<sup>1</sup> Reflects a 5/8" meter with 5 ccf of water consumption.

<sup>2</sup> Reflects a 5/8" meter with 3 ccf of water consumption. Includes Senior Citizen discount of 25%.

<sup>3</sup> Reflects a 5/8" meter with 6 ccf water consumption, and Parcel gross area of 5,500 sq. ft. and impervious area of 4,000 sq. ft.

<sup>4</sup> Effective October 1, 2020



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