Philadelphia Water’s Tiered Assistance Program (TAP)

TAP COST RECOVERY & FINANCIAL SAFEGUARDS

-- Brian Merritt
What is the revenue impact?

TAP Costs and Recovery

**TAP Costs**
- Pre-launch estimate of revenue loss (FY 2018): $16.3 Million*
- Post-launch estimate of revenue loss (FY 2018): $3.9 Million

**Cost Recovery**
- FY 2018: TAP costs (revenue loss) recovered through rates and charges
- FY 2019 and onwards: TAP costs to be recovered via a distinct surcharge

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Enrollees</th>
<th>Projected Cost ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>11,211</td>
<td>$3,900</td>
</tr>
<tr>
<td>FY 2019</td>
<td>16,924</td>
<td>$9,800</td>
</tr>
<tr>
<td>FY 2020</td>
<td>22,981</td>
<td>$13,700</td>
</tr>
<tr>
<td>FY 2021</td>
<td>26,397</td>
<td>$17,000</td>
</tr>
</tbody>
</table>

* Full enrollment revenue loss assumed in FY 2018 rates and charges
What are the risks?

Risks & Challenges

Program Participation
- Slower enrollment than initially anticipated
- Participation expected to ramp up

Cost Recovery
- Actual FY 2018 losses turned out to be much lower than anticipated

Contributed to a higher fund balance & Raised concerns on how to better align cost recovery with actual experience
How can these risks & challenges be addressed comprehensively?

**TAP Rate Rider Mechanism**

Key challenges that had to be addressed:

1. **Scalability issues related to TAP program growth over-time**;
2. **Financial Safeguards** for both the utility and customers with respect to TAP cost recovery; and
3. **Flexibility** to adjust rates outside of a formal rate proceeding

**Solution:** Adopt a reconcilable cost recovery mechanism that:

1. Provides a distinct recovery mechanism for TAP costs
2. Aligns revenue losses and cost recovery with actual experience
3. Allows for annual adjustment and reconciliation outside of a formal rate proceeding
What else needs to be considered?

Other Key Objectives

• Be simple to administer;

• Be flexible to accommodate:
  • Available data on TAP and Non-TAP Customers;
  • Future evolution of the TAP Rate Rider;
  • Changes to the calculation methodology;
  • Enable timely updates to the Adopted Rates; and

• Be legal and defensible.
### How do electric & gas utilities address affordability?

#### Examples from Philadelphia’s Electric & Gas Utilities

<table>
<thead>
<tr>
<th>Utility</th>
<th>Service</th>
<th>Low Income Assistance Program Cost Recovery Mechanism</th>
<th>Charge Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia Electric Company (PECO)</td>
<td>Electricity</td>
<td>Universal Service Fund Charge (USFC)</td>
<td>Usage ($ per kWh)</td>
</tr>
<tr>
<td>Philadelphia Gas Works (PGW)</td>
<td>Natural Gas</td>
<td>Universal Service and Energy Conservation (USEC)</td>
<td>Volume Surcharge ($ per Mcf)</td>
</tr>
</tbody>
</table>

**Advantages:**
Philadelphia Water customers may be familiar with these riders and their impacts.

**Challenges:**
Philadelphia Water provides water, sewer and stormwater service; and TAP customers receive a discount on their entire bill.
How will it work?

TAP Surcharge Overview

- TAP Costs will be recovered via a distinct surcharge ($/MCF)
- Cost recovery will be split between water and wastewater (sewer and stormwater)
- Resulting TAP Surcharge consists of two sub-components:
  - “Water TAP-R”
  - “Sewer TAP-R”
- Surcharges are added to “base rates” for quantity charges
### What is the resulting surcharge?  
#### TAP-R (Effective September 1, 2018)

Total TAP Revenue Loss is split between water and sewer.

<table>
<thead>
<tr>
<th></th>
<th>Water</th>
<th>Sewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,800,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected TAP Revenue Loss</td>
<td>$4,018,000</td>
<td>$5,782,000</td>
</tr>
<tr>
<td>41% Allocated to Water</td>
<td>59% Allocated to Sewer</td>
<td></td>
</tr>
<tr>
<td>6,036,638 Mcf</td>
<td>6,133,068 Mcf</td>
<td></td>
</tr>
<tr>
<td>$0.67 per Mcf</td>
<td>$0.94 per Mcf</td>
<td></td>
</tr>
</tbody>
</table>

**C** - FY 2019 Projected Revenues Loss  
**S** - FY 2019 Projected Sales Volume  
**TAP-R FY 2019 Surcharge Rates**
**What will customers see?**

**Quantity Charge Rate Schedule**

Customer’s quantity charges are based on the base charge plus the TAP-R surcharge rate

### Water Quantity Charge

<table>
<thead>
<tr>
<th>Mcf</th>
<th>Base Charge</th>
<th>TAP-R</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 2</td>
<td>$44.85</td>
<td>$0.67</td>
<td>$45.52</td>
</tr>
<tr>
<td>2.1 – 100</td>
<td>$38.54</td>
<td>$0.67</td>
<td>$39.21</td>
</tr>
<tr>
<td>100.1 - 2,000</td>
<td>$29.87</td>
<td>$0.67</td>
<td>$30.54</td>
</tr>
<tr>
<td>2,000+</td>
<td>$29.05</td>
<td>$0.67</td>
<td>$29.72</td>
</tr>
</tbody>
</table>

### Sewer Quantity Charge

<table>
<thead>
<tr>
<th>Mcf</th>
<th>Base Charge</th>
<th>TAP-R</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>All billable Water Usage</td>
<td>$30.82</td>
<td>$0.94</td>
<td>$31.76</td>
</tr>
</tbody>
</table>
How is the reconciliation incorporated?

**TAP Reconcilable Surcharge Equation**

\[ TAP-R = \frac{(C) - (E + I)}{S} \]

**TAP-R** - Surcharge Rate ($/MCF)

**C** – Cost in dollars of the estimated TAP Billing Loss for the projected period

**E** - The net over or under collection of the TAP-R surcharge amount for the Most Recent Period

**I** - Interest on any over or under recovery of the TAP-R for the most recent period computed on annual basis

**S** - Projected sales in MCF for Non-TAP customers
What might reconciliation look like?

TAP-R FY 2020 Illustration

$13,700,000
Projected TAP Revenue Loss

$5,617,000
41% Allocated to Water

$8,083,000
59% Allocated to Sewer

($401,800)

$6,018,800

$8,661,200

5,944,644 Mcf

6,041,075 Mcf

$1.01 per Mcf

$1.43 per Mcf

Total TAP Revenue Loss is split between water and sewer

Less Net Over/ (Under) recovery from last period with interest

Respective revenue loss is then divided by Non-TAP Sales

C - FY 2020 Projected Revenues Loss

E + I - FY 2019 Reconciliation Amount

C - (E+I) – Net Recoverable Costs

S – FY 2020 Projected Sales Volume

TAP-R FY 2020 Surcharge Rates
What is the process for reconciliation?

**TAP Surcharge Reconciliation Timing**

- TAP-R will go into effect September 1, 2018
- Reconciliation will be filed annually
- Philadelphia’s Water, Sewer and Stormwater Rate Board will have 60 days to render a decision
What are the benefits?

TAP Surcharge and Rate Rider Benefits

Addresses **scalability**

- Adjusts annually to better align with program enrollment and recovery of associated discounts
- Reconciles TAP Revenue Losses and TAP-R Revenues with actual experience

Provides **financial safeguards**

- Protects PWD Customers by reducing the surcharge in the event costs are over-recovered
- Protects PWD Revenues by increasing the surcharge in the event costs are under-recovered

Rates are **adjusted outside of a formal rate proceeding**

- Provides formulaic basis for rate setting and streamlines approval process
- Similar to mechanisms used by other local utilities
THANK YOU!
The Tiered Assistance Program (TAP) is the City of Philadelphia’s new affordability program for low-income customers and those with special hardships to help reduce their monthly water bills. TAP provides customers with significant savings by offering a consistent bill based on their income.
The primary mission of the Philadelphia Water Department is to plan for, operate, and maintain both the infrastructure and the organization necessary to purvey high quality drinking water, to provide an adequate and reliable water supply for all household, commercial, and community needs, and to sustain and enhance the region’s watersheds and quality of life by managing wastewater and stormwater effectively.
WHAT’S THE ISSUE?
ADDRESSING AFFORDABILITY

26%
POVERTY RATE IN PHILADELPHIA

40K
RESIDENTIAL PROPERTIES IN SHUTOFF STATUS (AS OF APRIL 2017)
AT A GLANCE
THE ROAD TO TAP

A City Council Ordinance and Water, Sewer and Storm Water Rate Board Decision requires the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.
## WHAT'S DIFFERENT?

### PWD ASSISTANCE PROGRAMS

**FY2017 ASSISTANCE PROGRAMS TOTAL:** $31M

<table>
<thead>
<tr>
<th>Senior Citizen Discount</th>
<th>Homeowners Emergency Loan Program (HELP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Organization Discount</td>
<td>Conservation Assistance Program</td>
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<td>Water Revenue Assistance Program (WRAP)</td>
<td>Cross Connection Abatement Program (CCAP)</td>
</tr>
<tr>
<td>Utility Emergency Services Fund</td>
<td>Basement Protection Program (BPP)</td>
</tr>
</tbody>
</table>
## WHAT’S DIFFERENT?
### WRAP VS TAP

<table>
<thead>
<tr>
<th>WRAP</th>
<th>TIERED ASSISTANCE PROGRAM (TAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 250% FPL</td>
<td>Up to 150% FPL</td>
</tr>
<tr>
<td>UESF + City Grant</td>
<td>USEF - 150 to 250% FPL/No city grant</td>
</tr>
<tr>
<td>Need to be delinquent</td>
<td>Proactive - delinquency not a requirement</td>
</tr>
<tr>
<td>Assistance based on outstanding bill, income and consumption</td>
<td>Bill is percentage-based:</td>
</tr>
<tr>
<td></td>
<td>0-50% FPL (2% of income)</td>
</tr>
<tr>
<td></td>
<td>51-100% FPL (2.5% income)</td>
</tr>
<tr>
<td></td>
<td>101-150% FPL (3% income)</td>
</tr>
<tr>
<td></td>
<td>Special hardship (4% income)</td>
</tr>
<tr>
<td>Minimum bill $25/month</td>
<td>Minimum bill: $12/month</td>
</tr>
<tr>
<td>Shut off suspension with consistent WRAP payments</td>
<td>Shut off suspension with consistent payments (customer cannot breach)</td>
</tr>
<tr>
<td></td>
<td>Debt suspension</td>
</tr>
<tr>
<td>WRAP arrears placed in suspension</td>
<td>24 payments achieves forgiveness of Penalties. Pre-TAP arrears may be paid</td>
</tr>
<tr>
<td>Delta between WRAP monthly bill and actual bill based on consumption is moved to arrears</td>
<td></td>
</tr>
<tr>
<td>~11,000 current households</td>
<td>Estimated 60,000 eligible households</td>
</tr>
</tbody>
</table>
Eligible customers will pay a percentage of their bill based on their income.

Bills do not go up based on usage. Customers pay a set amount. Customers in the lowest income bracket will pay a bill equivalent to 2% of their monthly income for a minimum of $12/month. Bill is capped as a percentage of income and is constant each month.
WHAT DID YOU HAVE TO DO?

PREPARING FOR TAP

- Assessment of current billing system
- Creation of a stand alone system
- Formulate plan for receiving applications
- Secure vendors through RFP process
- Continued coordination of TAP stakeholders
WHAT’S NEXT?

GETTING THE WORD OUT

• Advertising on radio, news and transportation
• Customer website for TAP info and program updates
• TAP informational workshops + PWD Town Hall Meetings in the community
• Info materials + applications developed w/ user feedback
WHAT’S AT STAKE?
RISKS & CHALLENGES

**TIME**
12 month timeline until start of implementation

**COST**
Significant costs for consulting resources

**TRUST**
Obtaining customers’ personal information for application process

**SCALABILITY**
Slower program growth than initially anticipated

**FINANCIAL SAFEGUARDS**
TAP as a cost recovery mechanism
HOW DOES IT WORK?

TAP RATE RIDER PROCESS
EXAMPLES OF COST RECOVERY MECHANISM

1. Reconcile TAP Revenue Loss and LICAP costs
PWD must reconcile assumed and actual costs in the current period from the TAP and LICAP programs to propose the amount of the revenue adjustment for the next fiscal year.

2. Adjustments are applied to the water and wastewater systems
PWD splits the $5,400,000 adjustment between the water and wastewater system.

3. PWD applies adjustments to water quantity and sewer quantity charges for ratepayers.
PWD reduces rates across water and wastewater customer base to align with reduced revenue requirements.

Water Quantity Revenues

<table>
<thead>
<tr>
<th>mcf</th>
<th>rate case adopted</th>
<th>true-up rates</th>
<th>rate change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>$50.00</td>
<td>$49.47</td>
<td>$0.53</td>
</tr>
<tr>
<td>2.1-100</td>
<td>$45.00</td>
<td>$44.52</td>
<td>$0.48</td>
</tr>
<tr>
<td>1001-2,000</td>
<td>$40.00</td>
<td>$39.58</td>
<td>$0.42</td>
</tr>
<tr>
<td>2,000+</td>
<td>$35.00</td>
<td>$34.63</td>
<td>$0.37</td>
</tr>
</tbody>
</table>

Sewer Quantity Revenues

<table>
<thead>
<tr>
<th>mcf</th>
<th>rate case adopted</th>
<th>true-up rates</th>
<th>rate change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$40.00</td>
<td>$39.38</td>
<td>$0.62</td>
</tr>
</tbody>
</table>

Here are the impacts to water quantity and sewer quantity charges.
**WHAT’S NEXT?**

**CONTINUING IMPLEMENTATION**

13,577 TOTAL APPROVED APPLICATIONS AS OF 7/28/18

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Participants</td>
<td>11,211</td>
<td>16,924</td>
<td>22,981</td>
<td>26,397</td>
</tr>
<tr>
<td>Program Cost (in $000s)</td>
<td>3,900</td>
<td>9,800</td>
<td>13,700</td>
<td>17,000</td>
</tr>
</tbody>
</table>

**PROGRAM MILESTONES**

- Program reporting submitted to City Council - annual
- Working through rate proceeding - late July
- Technology enhancements (i.e. mobile)

**WHAT’S LEFT?**

- Enhanced customer application experience - mobile devices, etc.
- Continued Support and training for community partners
- Additional outreach
THANK YOU!
FIXING AFFORDABILITY CHALLENGES REQUIRES A FULL TOOLBOX

2019 UTILITY MANAGEMENT CONFERENCE
Customer Assistance Programs

Choosing the best tool for the job!
Agenda

• Chronic Low-Income Populations
• Other Income-Distressed Populations
  » Fixed Income Seniors
  » Payment Plans
  » Housing Assistance
  » Plumbing Assistance
  » Emergency Assistance
• Affordability-Friendly Rate Structures
Addressing Chronic Poverty

Your Multi-tool
The Job: Addressing A Broad Spectrum Of Chronic Poverty Within The Service Area

• Low income populations have more difficulty paying water bills

• Why?
  » Water, wastewater, and storm water costs are rising
  » Incomes are stagnant – particularly in the lowest income quintile
  » Cost of living is high – Housing, food, transportation, medical, child care, etc

• Why does it matter?
  » Lower collections rates
  » Higher account arrearages
  » More shut-offs
  » Public health concerns
  » Decreased ability to adjust rates
Who?

- Lowest quintile
- Below 150% of Federal Poverty Level
- Working poor
- Minimum wage earners

Median Income: $49,445

Data source: http://www.census.gov/hhes/www/cpstable/032011/hhinc/new06_000.htm
The Best Tool:

• Types of program structures
  » Discount programs
  » Free/reduced cost units of service
  » Income-based billing

• Additional considerations
  » Assessing enrollment (10-15% of residential customer base)
  » How to offset program costs
  » Inter-operability with other local programs (energy, social services)
  » Teaming arrangements
  » Communications planning
Other Affordability-Challenged Groups

Your Specialized Tools
The Job: Addressing Fixed-Income Customers

The Best Tools: Senior Citizen and Disability Programs

• Adding age and disability status to income criteria

• Why does it matter?
  » Strong advocacy within the community

• Additional considerations
  » Assessing enrollment (3-7% of residential customer base)
  » Outreach opportunities through social service agencies
The Job: Addressing Customers With Arrearages

The Best Tools: Payment Agreements

• Customers with an overdue account balance may be offered standard payment agreements (up to 12 months) or extended payment agreements.

• Why does it matter?
  » Reduce shut-offs
  » Promote housing stabilization

• Additional considerations
  » Developing a standard processes
  » Term of agreements
The Job: Addressing Customers With High Usage Or Plumbing Issues

The Best Tools: Conservation Assistance

- Customers may receive free or reduced cost water audits, low-flow fixture replacement, leak correction, or lateral maintenance

- Why does it matter?
  - Reduce shut-offs
  - Promote housing stabilization

- Additional considerations
  - Partnering arrangements
The Job: Addressing Financial Emergencies

The Best Tools: Emergency Assistance Grant Program

• One-time payment assistance for customers facing acute financial hardship
  » Job loss, medical hardship, death of family member, or similar

• Why does it matter?
  » Building an image as a caring member of the community

• Additional considerations
  » Funded through voluntary donations
  » Participation limited by available funding
Rate Structures And The Affordability Message

Affordability-friendly Rate Structures
The Job: Allowing All Customers To Manage Their Water Bills

• Your rate structure can **enhance** or **undermine** your affordability message

• Affordability-friendly:
  » Variable charges allow customers to reduce their bill by conserving
  » Lifeline rates discount the initial increment of usage to recover only base costs

• Less friendly:
  » Minimum charges may force customers to pay for services they did not use
  » High fixed charges do not allow customers to control their bill through conservation
Measuring the Affordability-Friendliness of Common Rate Structures

- **Lifeline Rates**
- **Inclining Block Rates**
- **Declining Block Rates**
- **High Minimum Charges**
- **Water Budget Rates**
- **Uniform Volumetric Rates**
- **High Fixed Charges**
Thank you!

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Raftelis
(704) 936-4434
jdavis@raftelis.com
PHL TAP²
Design and Implementation of Large Scale Programs in Philadelphia
PHL TAP²

Two initiatives that involved multiple stakeholders and large scale communication rollouts

- PWD Tap Water Initiatives
- Tiered Assistance Program (TAP)
PHL TAP²

PWD Tap Water Initiatives
Philadelphia Water Department
Tap Water Initiatives

- Overview of ongoing survey work
- Tap water survey findings
- Tap water Initiatives
  - Public Art
  - Philly Water Bar
  - DrinkPhillyTap Coalition
  - Tap Water Ambassadors
Customer Research at PWD

<table>
<thead>
<tr>
<th>Source</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill insert</td>
<td>2069</td>
<td>57%</td>
</tr>
<tr>
<td>Email marketing</td>
<td>701</td>
<td>19%</td>
</tr>
<tr>
<td>Direct Email to past survey respondents</td>
<td>512</td>
<td>14%</td>
</tr>
<tr>
<td>QR Code</td>
<td>206</td>
<td>6%</td>
</tr>
</tbody>
</table>
What do we do with this information?

- Evaluate current programs
- Plan for future program implementation (AMI, Ebilling)
- Work with units to evaluate their programs and develop recommendations
- Guide communications development
- Inform drinking water initiatives
Drinking Water Choices

For the fourth year in a row, about 40% of Philadelphians say they **drink bottled water** most often at home.
Drinking Water Choices

Philadelphians drink bottled water because they have concerns with the safety of tap water, prefer the taste of bottled water, and feel bottled water is more convenient.
Perception of Water Quality and Customer Satisfaction

Residents who were aware of the Water Quality Report rated the quality of PWD water higher and were more satisfied, overall.

Survey project lead: Hailey Stern
Hailey.Stern@phila.gov
Tap Water Initiatives

EVERYDAY HEALTHY HABIT:

Run that tap!
Flush out water that’s been sitting in your pipes.

When:
AM + PM
Run your tap anytime you have not used water for six hours, like in the morning when you wake up or when you come home from work or school.

Water quality can decline when static water in your home plumbing.

How long:
3–5 MINUTES
Running the cold kitchen tap for 3–5 minutes gets you the coldest, freshest water.

Peace of mind doesn’t cost much. It only costs pennies to use your cold water for your shower or flush the toilet to help get top-quality water in your home.
Public Art: Water Themed Murals
CITY OF PHILADELPHIA | PHL TAP2 | Drink Philly Tap Water
CITY OF PHILADELPHIA | PHL TAP² | Drink Philly Tap Water
Water Bar & Public Studio - Minneapolis
Philly Water Bar
Drink Philly Tap Coalition

CITY OF PHILADELPHIA | PHL TAP2 | Drink Philly Tap Water
Developed systematic review of literature around tap water consumption
Evaluated similar campaigns from peer cities
Used findings to develop current program and guide ideas
Ongoing evaluation of current project important to monitor success
DrinkPhillyTap - Branding & Campaign

*Money saving, water flowing*

“My family drinks Philly tap, saving us hundreds of dollars a year.”

*EVERYDAY HEALTHY HABIT:*

**Run that tap!**
Flush out water that's been sitting in your pipes.

When: **AM + PM**
Run your tap anytime you haven't used water for six hours, like in the morning when you wake up or when you come home after work or school.

Water quality can decline when it sits for hours in your home plumbing.

How long: **3–5 MINUTES**
Running the cold kitchen tap for 3–5 minutes gets you the coldest, freshest water.

The time depends on how far your tap is from the water main.

Peace of mind doesn't cost much. If only costs pennies a day, you can also shower or flush the toilet to help get top-quality water in your home.
DrinkPhillyTap.org

Drink Philly Tap

Philly tap water is safe, healthy, affordable and good for the environment. Single-use bottled water is expensive and harmful to the planet. Know the truth about your water.

Join millions of Philadelphians choosing to Drink Philly Tap!

TAKE THE PLEDGE

Want to learn more?
DrinkPhillyTap Pledge

Join the movement – take the pledge.

The choice to Drink Philly Tap is clear – it’s clean, safe, and affordable. On average, you could save hundreds to thousands of dollars every year if you stop purchasing bottled water and choose tap instead. Join millions of Philadelphians who are drinking tap water today.

I pledge to choose tap water over bottled water.

I’m going to:

☐ Drink tap water at home instead of buying bottled water
☐ Carry a reusable water bottle when I’m out
☐ Ask for tap water when I’m offered bottled water
☐ Ask my friends to share this pledge

First Name *

Last Name *

State *

ZIP *

Email *

☐ I would like to receive updates and Tap Tips from Drink Philly Tap by email.

SUBMIT MY PLEDGE

Goal: Collect 10K pledges from Philadelphians

Over 2500 pledges already signed
Tap Water Ambassadors Program

20 Ambassadors selected, mainly from North and West Philadelphia, tasked to be tap water champions in their neighborhoods.

Paid to spend 6-8 hrs/month doing outreach, at events, etc. facilitating conversations.
PHL TAP^2
Tiered Assistance Program (TAP)
Assistance has always been available for those who need it.

### Existing Assistance Programs Summary

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<thead>
<tr>
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<th>Homeowners Emergency Loan Program (HELP)</th>
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</thead>
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<td>Basement Protection Program (BPP)</td>
</tr>
</tbody>
</table>

Approximate total of all assistance programs in fiscal year 2017 (prior to TAP’s launch):

**Over $34 million**
The Road to Affordability: Tiered Assistance Program (TAP)

A City Council Ordinance combined with the Water, Sewer and Storm Water Rate Board’s Decision required the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.

- **November 19, 2015**: An Ordinance providing for the establishment of low-income rates.
- **December 1, 2015**: Mayor Michael Nutter signed the ordinance passed by City Council.
- **June 8, 2016**: The Rate Board issued its decision setting the parameters for the TAP Program.
- **July 1, 2017**: First day customers could submit an application for the TAP program.
## Eligibility by Income at a Glance

<table>
<thead>
<tr>
<th>TAP</th>
<th>Extended Payment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income 0-50% FPL</td>
<td>Income 151-250% FPL</td>
</tr>
<tr>
<td>Monthly bill capped at 2% of monthly income</td>
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What is Different About TAP?

- Past due amounts are suspended and not enforced upon while successfully enrolled in the program, preventing debt from increasing.
- Program is income-based and not a payment agreement, making bills more predictable and affordable.
- Bills do not go up based on usage. Customers pay a set amount.
- Proactive assistance to keep customers from becoming delinquent or in danger of disconnection.
- Earned forgiveness of prior penalties after 24 months of on-time payments.
- More accessible to customers through online, mobile friendly presence and robust language access.
- Program accountability through enhanced metrics.
Implementation Timeline

**Process and Policy Development**
Business requirements & SOP created, regulations drafted, IT design, testing, and implementation

- **June 2016**
- **January 2017**
- **March 2017**
- **July 2017**
- **September 2019**

**Applications & Program Go-Live**
### Implementation Timeline

- **June 2016**: Process and Policy Development
  - Business requirements & SOP created, regulations drafted, IT design, testing, and implementation

- **January 2017**: Outreach to current WRAP customers
  - Mail letters in January and ongoing as needed

- **March 2017**: Applications & Program
  - Go-Live

- **July 2017**: September 2019
Implementation Timeline

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- **March 2017**: Outreach to all customers
  - Implementation of communications toolbox

- **July 2017**: Applications & Program
  - Go-Live

- **September 2019**:
Launch Communication Tool Kit

Struggling with your water bill? Philadelphia is helping more people lower their water bills. Sign up for more info at philadelphia.gov/water-bill-help.

Hector
Hector and his wife are seniors with some unpaid bills. With a senior discount, they lowered their bill from $72 to $33. Start here: philadelphia.gov/water-bill-help or call 215.685.6300
Process and Policy Development
Business requirements & SOP created, regulations drafted, IT design, testing, and implementation

Outreach to current WRAP customers
Mail letters in January and ongoing as needed

Outreach to all customers
Implementation of communications toolbox

Workshops
Review Program & Application

Applications & Program Go-Live

Implementation Timeline

- June 2016
- January 2017
- March 2017
- July 2017
- September 2019
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  - Implementation of communications toolbox

- **July 2017**: Workshops
  - Review Program & Application

- **September 2019**: Processing of CAP Applications
  - Applications & Program Go-Live to Public
Assistance Successes

Applications Submitted: 47,643
Approved Applications: 32,608
Applicants Receiving Assistance: 68%
What Customers Say About TAP

- The majority of TAP participants (67%) applied for the program because they were struggling to pay their water bill.

- The large majority of TAP participants (78%) found the application process either very easy or easy.

- Nearly all (98%) of TAP participants found the supporting documents helpful in preparing the TAP application.

- Nearly all (96%) of TAP participants have not had water shutoffs since enrolling in the program.

- The majority (88%) of TAP participants feel like the program has helped them with their budget.

- Almost half (42%) of TAP participants feel like they are using the same amount of water as before enrollment.
Continuous Improvement

- Attending utility fairs and senior centers
- Developing a multifaceted, targeted mailing
- Enhancing communications between conservation vendor and TAP customers
- Continuing feedback from stakeholder groups

Dear Customer,

In 2017, Philadelphia improved its water assistance and discount programs, following updates to our regulations. Even though you currently receive a Senior Citizen Discount on your water bill, you could be eligible for an even lower monthly bill.

What's New?

- Expanded eligibility for help with your bill.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Household Income Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>$2,502/month</td>
</tr>
<tr>
<td>2 people</td>
<td>$3,252/month</td>
</tr>
<tr>
<td>3 people</td>
<td>$4,444/month</td>
</tr>
<tr>
<td>4 people</td>
<td>$5,365/month</td>
</tr>
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</table>

Income limits have increased for every household size!

- Your income is higher than these limits. We can also help people experiencing special hardships, such as high medical bills.
- You don't need to be behind on your water bill to apply for help.
- For anyone on a fixed income, it's easier to budget and plan!

Questions?
Call (215) 685-8300 or visit philawaterbill-help.org

Send me my personalized application right away!

Preferred Application Language?
If you do not select a box, we'll send you an application in English.
THANK YOU!
CITY OF PHILADELPHIA

Reducing and Avoiding Disconnections Through Affordability
Assistance has always been available for those who need it.

## Pre-TAP Assistance Programs Summary

<table>
<thead>
<tr>
<th>Program</th>
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<td>Cross Connection Abatement Program</td>
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<tr>
<td>Utility Emergency Services Fund (UESF)</td>
<td>Basement Protection Program (BPP)</td>
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</table>

Approximate total of all assistance programs in fiscal year 2017:

Over $34 million
The Road to Affordability: Tiered Assistance Program (TAP)

A City Council Ordinance and Water, Sewer and Storm Water Rate Board Decision requires the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.

- December 1, 2015: Mayor Michael Nutter signed the ordinance passed by City Council.
- June 8, 2016: The Rate Board issued a decision that set the parameters for the FY2017-2018 Rate
- July 1, 2017: First day a customer can submit an application for the TAP program.
Implementation Timeline

- **June 2016**: Process and Policy Development
  - Software and system design, testing, implementation

- **January 2017**: Outreach to current WRAP customers
  - Mail letters in January and ongoing as needed

- **March 2017**: Outreach to all customers
  - Implementation of communications toolbox

- **March 2018**: Workshops
  - Review Program & Application

- **Online and Program Call Ctr Customer resources**

- **Applications & Program Go-Live**
What is Different About TAP?

• Monthly bills based on income which can range from 2-4% of a customer’s total household income. Lowest income bracket may have a minimum bill of $12.

• Proactive assistance to keep customers from becoming delinquent or in danger of disconnection.

• Program is income-based and not a payment agreement, making bills more predictable and affordable.

• Bills do not go up based on usage. Customers pay a set amount.

• Past due amounts are suspended and not enforced upon while successfully enrolled in the program, preventing debt from increasing.

• Earned forgiveness of prior penalties after 24 months of on-time payments

• More accessible to customers through online, mobile friendly presence and robust language access.

• Program accountability through enhanced metrics.
## Eligibility by Income at a Glance

<table>
<thead>
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<th>TAP</th>
<th>Extended Payment Plan</th>
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<td><strong>Income 0-50% FPL</strong></td>
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Assistance Successes

Applications Submitted: 29,674
Approved Applications: 17,811

Applicants Receiving Assistance: 60%
Declining Disconnections

Number of Disconnections

Calendar Year

2016 2017 2018
THANK YOU!
Assistance has always been available for those who need it.

### Pre-TAP Assistance Programs Summary

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The Road to Tiered Assistance Program (TAP)

A City Council Ordinance and Water, Sewer and Storm Water Rate Board Decision requires the establishment of an assistance program that allows low-income customers to pay reduced rates based upon a percentage of their household income.

**Bill No. 140606-AA:**
An Ordinance providing for the establishment of low-income rates.

**Mayor Michael Nutter:**
Signed the ordinance passed by City Council.

**The Rate Board:**
Issued a decision that set the parameters for the FY2017-2018 Rate

**First day a customer can submit an application for the TAP program:**

- **November 19, 2015**
- **December 1, 2015**
- **June 8, 2016**
- **July 1, 2017**

**IMPLEMENTATION**
Implementation Timeline:

1. **June 2016**: Process and Policy Development
   - Software and system design, testing, implementation

2. **January 2017**: Outreach to current WRAP customers
   - Mail letters in January and ongoing as needed

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   - Implementation of communications toolbox

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