



PHILADELPHIA  
**WATER**  
— DEPARTMENT —



TIERED ASSISTANCE PROGRAM (TAP)

# Proposed TAP-R Reconciliation

MAY 2021

# 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 2021	Updated Estimate FY 2022	Difference
Projected Monthly TAP Participants	15,180	15,403	<b>+223</b>
Projected Monthly Discount	\$51.25	\$51.04	<b>-\$0.21</b>

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

# FY 2022 TAP-R Rate Adjustments

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Based upon reconciliation results, **the Water Department is proposing to adjust the TAP-R rates effective September 1, 2021.**

TAP-R Rates	Current	Proposed	Difference
Water (\$/Mcf)	\$0.57	\$0.69	<b>+\$0.12</b>
Sewer (\$/Mcf)	\$0.78	\$1.09	<b>+\$0.31</b>

# Typical Customer Bill Impacts

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This year, the Department is pursuing its base rate increase at the same time as its TAP-R Reconciliation. The table below shows what portion of the rate change is attributed to TAP-R.

	Current	Proposed <sup>4</sup>	Total Change in Bill	Total Change due to TAP-R
Residential <sup>1</sup>	\$66.73	\$69.15	<b>\$2.42</b>	<b>\$0.21</b>
Senior Citizen <sup>2</sup>	\$38.43	\$39.80	<b>\$1.37</b>	<b>\$0.10</b>
Business <sup>3</sup>	\$112.13	\$111.59	<b>-\$0.54</b>	<b>\$0.25</b>

<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> Currently in the Settlement Process and subject to approval by the Rate Board.



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