

TIERED ASSISTANCE
PROGRAM (TAP)

Proposed TAP-R Reconciliation

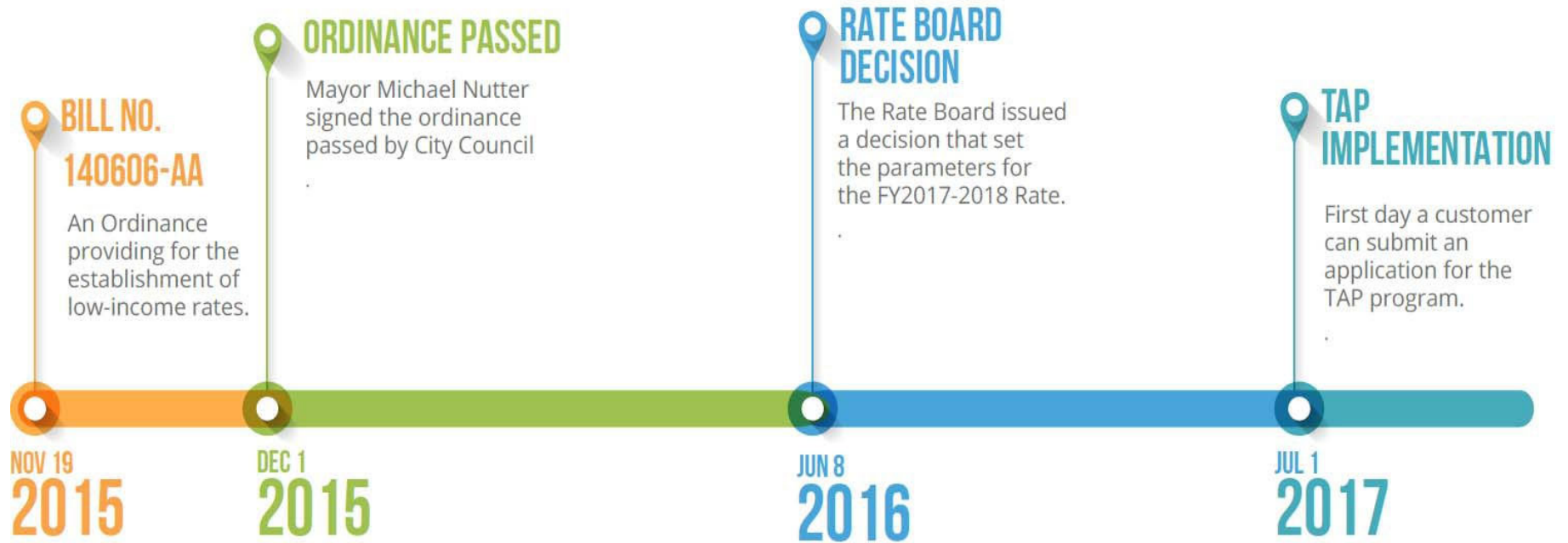


MAY 2024



PHILADELPHIA
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What is the Tiered Assistance Program (TAP)?



In 2015, City Council passed an ordinance requiring the establishment of an assistance program that would allow low-income customers to pay reduced rates based upon a percentage of their household income. In 2016, the Water, Sewer and Storm Water Rate Board (the Board) established the Tiered Assistance Program (TAP).

How does TAP work?

The Tiered Assistance Program (TAP) 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 No payments toward arrears required	Monthly bill capped at 2.5% of monthly income No payments toward arrears required	Monthly bill capped at 3% of monthly income No payments toward arrears required	Monthly bill capped at 4% of monthly income No payments toward arrears required	Monthly payments toward arrears set so that total monthly bill is about 4% of monthly income

FPL = Federal Poverty Level

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

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

Reaching Our Customers in Need

The City is making TAP more accessible for all qualifying customers through the following methods:

- **Expedited Enrollment** - The City is working to expedite customer enrollment without separate application based on:
 - LIHWAP¹ grant recipients.
 - Customers identified in the City's IDEA² database.
- **Coordinated Citywide approach:** PWD is also working with other utilities and state agencies to make program improvements.



1. **LIHWAP** – Low-Income Household Water Assistance Program administered by the Pennsylvania State Department of Human Services
2. **IDEA** - The City's Office of Integrated Data for Evidence and Action (IDEA) database.

What is the “TAP Rate Rider”?

Adopted by the Rate Board in 2018, the TAP Rate Rider helps PWD recover (or reimburse) TAP program costs through rates. PWD reviews and adjusts the TAP Rate Rider on an annual basis to account for changes in TAP costs.

The cost of TAP may change over time due to:

- the number of PWD customers enrolled in the program; and/or
- the level of discounts needed to provide affordable bills to TAP customers

The cost of providing discounts to TAP customers is borne by all other rate payers within the City.

Primary Impacts on the TAP Rider

In the initial TAP-R filing, 34,000 new TAP participants were projected to be enrolled. This is a result of the City’s enhanced efforts to enroll vulnerable households in TAP.

	Previous FY 2024 Estimate	Projected FY 2025	Difference
Monthly TAP Participants	16,479	55,974	+39,495
Monthly Discount	\$50.31	\$55.49	\$5.18
Annual Discount	\$9.9 M	\$37.3 M	\$27.4 M

In January 2024, there were approximately 21,900 TAP participants. The City has exceeded its projections for enrolling new TAP participants as of April 2024.

FY 2025 TAP-R Rate Adjustments

Based upon reconciliation results, **the Water Department is proposing to increase the TAP-R rates effective September 1, 2024.**

TAP-R Rates	Current	Proposed	Difference
Water (\$/Mcf)	\$0.15	\$4.19	+\$4.04
Sewer (\$/Mcf)	\$0.24	\$6.04	+\$5.80

Overall Typical Bill Impacts

The Water Department is proposing adjustments to the TAP-R rates per the annual adjustment process. The table below shows the combined impact of previously adopted base rate adjustments and the proposed TAP-R rates.

	Current	Proposed ⁴	Base Rate Increase ⁵	TAP-R Increase ⁶	Total Bill Impact
Residential ¹	\$74.81	\$85.27	\$6.03	\$4.43	\$10.46
Senior Citizen ²	\$45.12	\$50.94	\$3.61	\$2.21	\$5.82
Small Business ³	\$127.42	\$144.68	\$11.35	\$5.91	\$17.26

¹ Reflects a 5/8" meter with 4.5 ccf of water consumption.

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

³ 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.

⁴ Based upon proposed TAP-R rates and the implementation of previously approved FY 2025 rates on September 1, 2024.

⁵ Previously adopted base rates per the 2023 Rate Board Determination.

⁶ TAP-R rates are subject to Rate Board Approval.



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