

TIERED ASSISTANCE
PROGRAM (TAP)

Proposed TAP-R Reconciliation

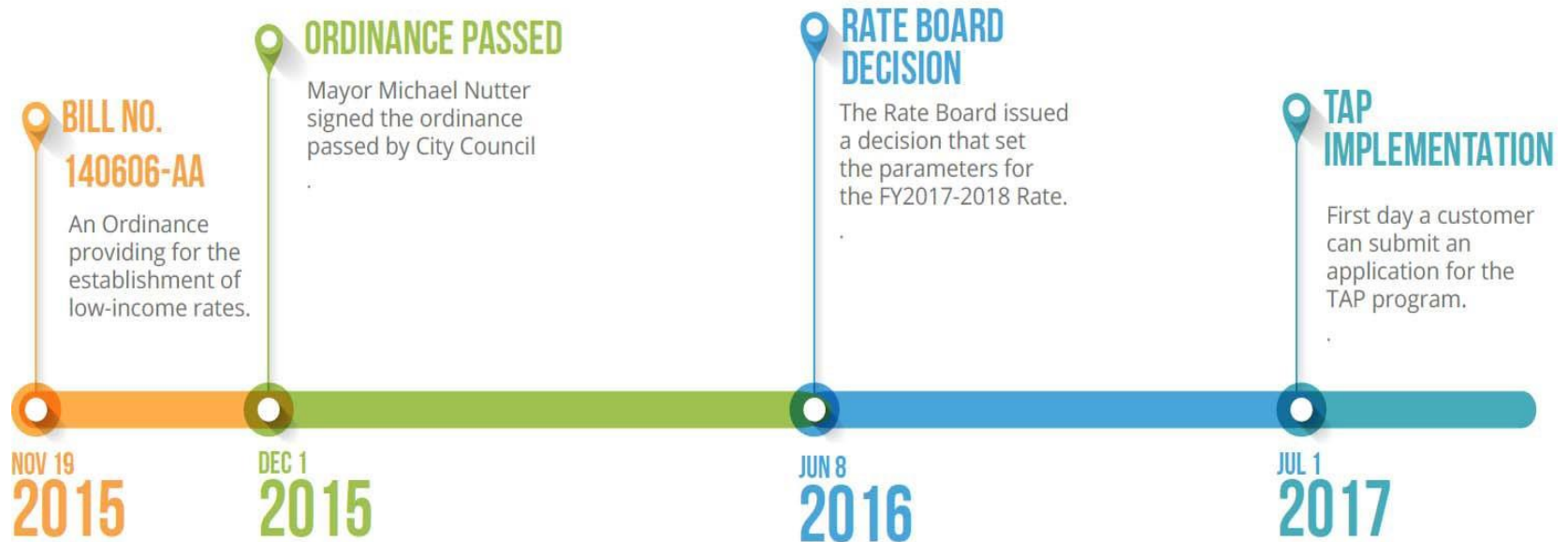


May 2025



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 arrear required	Monthly bill capped at 2.5% of monthly income No payments toward arrear required	Monthly bill capped at 3% of monthly income No payments toward arrear required	Monthly bill capped at 4% of monthly income No payments toward arrear required	Monthly payments toward arrear 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 has made TAP more accessible for all qualifying customers through the following methods:

- **Expedited Enrollment** - The City expedites customer enrollment without separate application based on:
 - LIHWAP¹ grant recipients
 - Customers identified in the City's IDEA² database.
- **Coordinated Citywide approach:** PWD continues to work 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 (February 2025), 60,827 average 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 2025 Estimate	Initial FY 2026 Projection	Updated FY 2026 Projection
Monthly TAP Participants	55,974	60,827	64,283
Monthly Discount	\$40.00	\$54.62	\$53.50
Annual Discount	\$26.9 M	\$39.9 M	\$41.3 M

In December 2024, there were approximately 60,300 TAP participants. As of March 2025 there are currently 64,283 TAP participants – exceeding initial projections. This is the reason for the updated FY 2026 projections.

FY 2026 TAP-R Rate Adjustments

Based upon reconciliation results, **the Water Department is proposing to increase the TAP-R rates effective September 1, 2025.**

TAP-R Rates	Current	Initial Proposal	Updated Proposal
Water (\$/Mcf)	\$3.08	\$3.87	\$4.17
Sewer (\$/Mcf)	\$4.40	\$5.67	\$6.10

Overall Typical Bill Impacts

This year, the Department is pursuing its base rate adjustment at the same time as its TAP-R Reconciliation. The table below shows the combined impact of proposed base rate adjustments and the proposed TAP-R rates based on the updated TAP-R proposal, if approved.

	Current	Proposed ⁴	Base Rate Increase ⁵	TAP-R Increase ⁶	Total Bill Impact
Residential ¹	\$81.77	\$91.62	\$8.65	\$1.20	\$9.85
Senior Citizen ²	\$50.32	\$56.03	\$5.09	\$0.62	\$5.71
Small Business ³	\$137.38	\$150.89	\$11.98	\$1.53	\$13.51

¹ Reflects a 5/8" meter with 4.3 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 5.5 ccf water consumption, and Parcel gross area of 5,500 sq. ft. and impervious area of 4,000 sq. ft.

⁴ Based upon combination of proposed TAP-R and base rates to be effective September 1, 2025, if approved.

⁵ Subject to approval by the Rate Board in the 2025 General Rate proceeding.

⁶ Subject to approval by the Rate Board in the 2025 Annual TAP-R Adjustment proceeding.



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