

**BEFORE THE**  
**PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD**

**In Re: Philadelphia Water Department     :**  
**Proposed FY 2026 TAP-R Rates And     :**     **Formal Notice Filed March 19, 2026**  
**Charges                                     :**

**May 13, 2026**

**PUBLIC ADVOCATE**

**HEARING EXHIBIT 1**

PUBLIC ADVOCATE HEARING EXHIBIT 1

PA Response to PWD-TAP-I-9

BEFORE THE

PHILADELPHIA WATER, SEWER, AND STORM WATER RATE BOARD

In the Matter of the Philadelphia :  
Water Department's Proposed : TAP-R Rates to Become Effective  
Tiered Assistance Program Rate : September 1, 2026  
Rider Surcharge Rates :

PUBLIC ADVOCATE RESPONSES  
TO PHILADELPHIA WATER DEPARTMENT DISCOVERY REQUESTS  
TO THE PUBLIC ADVOCATE, SET I

PWD-TAP-I-9. Please confirm that Mr. Morgan's testimony and schedules, in eliminating the .25% growth factor proposed by PWD, assume essentially "zero growth" in the number of TAP participants through the Next Rate Period.

Response: Denied. By using the most recent level of enrollment (March 2026: 68,405) for the projected period, Mr. Morgan's testimony and schedules provide for an average participation that is 2,890 TAP participants higher than the most recent 12-month enrollment average (April 2025-March 2026: 65,515).

Responsible witness: Lafayette K. Morgan, Jr.

PUBLIC ADVOCATE HEARING EXHIBIT 1

Rate Rider Reconciliation Workbook Excerpt

CY 2024							
September	October	November	December	January	February	March	April
Actuals (Prior Proceeding(s))				Actuals (Reconcil			
59,251	60,118	58,340	60,300	60,481	59,037	64,283	64,762

  

CY 2025							
May	June	July	August	September	October	November	December
ed Period)				Most Recent Period (Actuals)			
65,114	65,257	65,853	66,393	66,827	67,155	68,281	67,815

PUBLIC ADVOCATE HEARING EXHIBIT 1

Response to PA-TAP-4-2

PHILADELPHIA WATER DEPARTMENT  
Response to PA Interrogatory

1 **RESPONSE PROVIDED BY:** Philadelphia Water Department and Raftelis Financial  
2 Consultants, Inc.

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5 **PA-TAP 4-2** REFER TO REBUTTAL STATEMENT 1, PAGE 9, LINES 2 TO 9. PLEASE  
6 IDENTIFY THE NUMBER OF TAP PARTICIPANTS FROM PWD'S  
7 PARTNERSHIP WITH IDEA THAT WERE ADDED MONTHLY FOR THE  
8 PERIOD SEPTEMBER 2024 THROUGH THE MOST RECENT MONTH  
9 AVAILABLE.

10

11 **RESPONSE:**

12 Auto enrollment through IDEA added 6,179 TAP Participants between September 2024  
13 and March 2026. The average growth in TAP Participants from September 2024 through  
14 March 2026 (19 Months) is 178 participants per month.

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16 **RESPONSE PROVIDED BY:** Philadelphia Water Department and Raftelis Financial  
17 Consultants, Inc.

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2018 Rate Determination Excerpt

PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD  
2018 RATE DETERMINATION  
July 12, 2018

**XI. TAP RIDER**

*A. AREAS OF AGREEMENT*

Throughout this 2018 Rate Proceeding, the Public Advocate and PWD engaged in multiple conversations and exchanges, with the goal of coming to mutual agreement, to the greatest extent possible, on the features and design of a Tiered Assistance Program rate rider (TAP Rider). As a result of these efforts, they have reached agreement regarding many of the significant aspects of a reconcilable TAP Rider. This Rider would track revenue losses resulting from application of the TAP rate and would permit annual reconciliation of such costs in order to prevent either over or under-recovery.

In response to Transcript Request 22, PWD and the Public Advocate each submitted a list of the areas of agreement. In the main, the two participants used identical language. Regarding some of the items, however, the two versions were different in wording, although apparently not in intent. In these cases, the Department's answer appeared to be more fully detailed as to operational effect. Where the language is identical, the following list of areas of agreement uses the Department's response. Where there is a language difference with no apparent intent to disagree, the Department's version is set out, and the PA version is shown in a footnote. There was one item addressed by the PA but not by the Department in response to Transcript Request 22:

AREAS OF AGREEMENT ON TAP RIDER -  
COMBINATION (PWD/PA) RESPONSE TO TRANSCRIPT REQUEST 22

1. Expenses for the Low-Income Conservation Assistance Program (LICAP) will not be recovered through the TAP Surcharge Rate Rider ("TAP-R Surcharge" or "TAP Rider").
2. During the annual reconciliation submission, the TAP Rider will be calculated based on both the reconcilable TAP expenses (in this case the TAP revenue loss associated with providing discounts to TAP program participants) and the amount of TAP-R surcharge revenue collected through the rider from the Non-TAP customers.<sup>26</sup>
3. The TAP-R surcharge will be calculated on a "dollars per unit of consumption (MCF)" basis.
4. In calculating the TAP Rider in the annual reconciliation submission, for the 12-month period<sup>27</sup> prior to the effective date of the TAP Rider:

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<sup>26</sup> PA language: "The TAP Rider will be calculated based on both the TAP expenses and the amount of TAP revenue collected through the rider."

<sup>27</sup> PA language: "...based on the 12-month period..."

# PUBLIC ADVOCATE HEARING EXHIBIT 1

## PHILADELPHIA WATER, SEWER AND STORM WATER RATE BOARD 2018 RATE DETERMINATION July 12, 2018

- a. PWD will use actual TAP revenues and expenses data from approximately the first 9 to 10 months of the current period, and annualized/projected revenues and expenses for the remaining months of the current period in order to estimate the full 12-month period of TAP revenue loss and surcharge revenues, which are subject to reconciliation.<sup>28</sup>
  - b. PWD will reconcile TAP Rider calculations of the current period, based on the difference between (i) annualized/projected TAP surcharge revenues and expenses, and (ii) the actual TAP surcharge revenues and expenses experienced during that current period.<sup>29</sup>
5. The TAP Rider will not include provisions for emergency TAP Rider adjustments based on financial emergencies associated with TAP surcharge revenues and/or TAP expenses.<sup>30</sup>
  6. TAP over- and under-recovery shall be subject to an interest rate equal to the 52-week Treasury Bill rate as compiled and published in the Federal Reserve Statistical Release H.15 (519) as of the first day of the month preceding the month of the annual reconciliation submission.

The Public Advocate included a further point of agreement, not listed on the Department's response:

PWD and the Public Advocate agree to the principle that the TAP Rider should include an embedded lost revenue adjustment.

The TAP Rate Rider would go into effect beginning in FY 2019. Specifically, with the implementation of the rider, all revenue losses associated with TAP would be recovered via the associated surcharge rates which would become effective beginning in September 1, 2018. The reconciliation component would begin with the filing of the FY 2020 surcharge rates, which will include a projection for FY 2020 TAP revenue loss and reconcile actual discounts provided to TAP participants with revenue recovered via the TAP-R surcharge from non-TAP customers.

It is important to note that to establish distinct Water TAP-R surcharge rate and Sewer TAP-R surcharge rate, the total TAP revenue loss and reconcilable TAP over- or under-collection must be apportioned between water and sewer services, as further discussed below.

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<sup>28</sup> PA language: "PWD will use actual TAP revenues and expenses for the first 9-10 months, and annualized/projected

revenues and expenses for the last 2-3 months."

<sup>29</sup> PA language: "PWD will 'true up' prior TAP Rider calculations based on the difference between (i) annualized/projected TAP revenues and expenses, and (ii) actual TAP revenues and expenses."

<sup>30</sup> PA language: "The TAP Rider will not include provisions for emergency adjustments based on financial exigencies."

PUBLIC ADVOCATE HEARING EXHIBIT 1

Response to PA-TAP-4-1

PHILADELPHIA WATER DEPARTMENT  
Response to PA Interrogatory

1 **PA-TAP 4-1** REFER TO REBUTTAL STATEMENT 1, PAGE 4, LINES 4 TO 6 AND THE  
2 RESPONSE TO PA-TAP-1-5. PLEASE CONFIRM OR DENY THAT THE .25%  
3 MONTHLY GROWTH RATE WAS JUDGMENTALLY DERIVED. IF YOUR  
4 RESPONSE IS ANYTHING OTHER THAN AN UNQUALIFIED “CONFIRM,”  
5 PLEASE PROVIDE THE DERIVATION THAT RESULTS IN THE .25%.

6  
7 **RESPONSE:**

8 Raftelis used its expertise, experience, and subjective opinion as well as the recent trend in  
9 participation to project the 0.25% monthly growth rate. The 0.25% monthly growth rate  
10 was explained in Schedule PWD-4, which is part of the Formal Notice.

11  
12 TAP participation is projected to increase 0.25% per month, on average, over the  
13 projection period. These modest monthly increases are expected due to small monthly  
14 increases in IDEA pre-qualified candidates and traditional enrollment candidates, and  
15 align with the recent trend in participation, notwithstanding the historical variation in TAP  
16 participant billing based on the length of the month and number of business days. This  
17 projection does not anticipate additional enrollment caused by a potential change to  
18 underlying TAP eligibility requirements, such as those in a recent proposed City Council  
19 bill.

20  
21 The average growth in TAP Participants from September 2024 through March 2026 is 178  
22 per month. See the Department’s Response to PA-TAP-4-2.

23  
24 The 0.25% monthly growth rate used in Schedule PWD-5 results in an additional 171 to  
25 178 participants per month for an average increase of 174 participants per month for  
26 September 2026 to August 2027. Observe that the 0.25% monthly growth rate is half of  
27 the actual compound monthly average growth rate of 0.5% as provided in the response for  
28 PA-TAP-4-3.

Response to PA-TAP-1-5

PHILADELPHIA WATER DEPARTMENT  
Response to PA Interrogatory

1 **PA-TAP 1-5** PLEASE PROVIDE THE SUPPORTING DOCUMENTATION AND  
2 CALCULATIONS SHOWING THE DERIVATION OF THE .25% MONTHLY  
3 INCREASE IN PARTICIPANTS.  
4

5 **RESPONSE:**

6 Changes in participation in prior months are related to both enrollment and the way billing  
7 cycles/days fall throughout the month. Projected increase in enrollment is a simplified  
8 forward-looking estimate, assuming a lower percentage increase month-over-month than  
9 the recent average of just under .5%. This recent average is calculated as the difference  
10 between December participation (67,815) and September Participation (66,827), an  
11 increase of 988 participants or a total of .147% over three months. This averages out to  
12 .49% monthly. We anticipate that growth in participation will slow down further over the  
13 next period, such that the average rate of increase would settle to about .25% monthly.  
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16 **RESPONSE PROVIDED BY:** Raftelis Financial Consultants, Inc.  
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PUBLIC ADVOCATE HEARING EXHIBIT 1

Response to PA-TAP-4-4 (Attachment)

	A	Z	AA
1			
2	Data Type	Actual	Actual
3	Projected Increase in Participants		
4		Jan 2025	Feb 2025
5	<b>Total Participants</b>	60,286	58,843
6	Discount	Jan 2025	Feb 2025
7	<b>Total Discounts</b>	\$ 3,630,279.19	\$ 2,978,785.48
8	Water Consumption	Jan 2025	Feb 2025
9	<b>Total TAP Water Consumption (CCF)</b>	431,332	362,543
10	Sewer Consumption	Jan 2025	Feb 2025
11	<b>Total TAP Sewer Consumption (CCF)</b>	431,025	362,258
12			
15			
16	Discount Per Participant (No Adjustment)	\$ 60.22	\$ 50.62
17			
18	Water Usage Per Participant (CCF)	7.15	6.16
19			
20	Sewer Volume Per Participant (CCF)	7.15	6.16
21			
22	Typical Bill Sept 1, 2025 to Aug 31, 2026	\$ 110.91	Based on 6 CCF
23	Typical Bill Sept 1, 2024 to Aug 31, 2025	\$ 100.97	Based on 6 CCF
24	<b>Change in Typical Bill Effective Sept 1, 2025</b>	\$ 9.94	
25			
26	Estimated Bills	60,286	58,843
27			
28	Backward Adjustment (Dollars)	\$ 599,242.84	\$ 584,899.42
29			
30	<b>Total Discounts WITH Adjustment</b>	\$ 4,229,522.03	\$ 3,563,684.90
31			

Redacted TAP Bill

**CITY OF PHILADELPHIA**  
DEPARTMENT OF REVENUE  
WATER REVENUE BUREAU

**City of Philadelphia**

Page 1 of 1

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**Water/Sewer & Stormwater Bill**

Questions?  
[www.phila.gov/revenue](http://www.phila.gov/revenue)  
(215) 685-6300 Monday-Friday, 8am-5pm

Please pay [REDACTED]

Customer Name: [REDACTED]  
Service Address: [REDACTED]  
Bill Date: February 23, 2026 (Bill Period: Jan 23, 2026 - Feb 22, 2026)

Account Number: [REDACTED]  
Water Access Code: [REDACTED]  
Bill Number: [REDACTED]  
Includes Payments Through: February 23, 2026

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**Your Account**

Water/Sewer/Stormwater balance at last bill [REDACTED]  
Water/Sewer/Stormwater adjustments [REDACTED]  
You last paid on 01/22/26 - thank you  
Unpaid Balance [REDACTED]

**This Bill**

Usage Charge (3 ccf, see page 2 for details)	\$37.93
Service Charge	\$14.01
Stormwater Charge	\$21.04
Senior Citizen Discount	\$0.00
TAP Discount	-\$7.41
<b>Total Current Charges</b>	<b>\$65.57</b>
Previous Unpaid TAP Balance	[REDACTED]
<b>Total Account Balance</b>	<b>[REDACTED]</b>
<b>Please Pay Now</b>	<b>[REDACTED]</b>
Your monthly TAP charge	\$65.57

**Past Due Balance**  
When your water bill is past due, your service is subject to shut-off. To avoid shut-off, pay your balance in full at one of our payment centers in the city. Payment information can be found on the back.

**TAP Monthly Principal Forgiveness earned**  
On 02/05/2026 you earned [REDACTED] in TAP monthly principal forgiveness.

**Payment Types**  
Pay by phone (877) 309-3709; credit card or e-check at [www.phila.gov](http://www.phila.gov). Select water bill from pay menu options.

See back for more information and contact details →

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See page 2 for your water usage →

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**Paying by mail?**  
Send this coupon with your payment.  
See back for other ways to pay →

Account Number: [REDACTED]

Please pay [REDACTED]

Late payment penalty [REDACTED]  
Total amount due if paid after Mar 25, 2026 [REDACTED]

015 **CITY OF PHILADELPHIA**  
DEPARTMENT OF REVENUE  
WATER REVENUE BUREAU

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PUBLIC ADVOCATE HEARING EXHIBIT 1

Example of Embedded Surcharge

		1 TAP HH	1 TAP HH	2-50HH	2-50HH	Total
	Typical Bill	Payment	Discount	Surcharge	Bill	Revenue
<b>Year 1</b>	\$ 100.00	\$ 50.00	\$ 50.00	\$ 1.02	\$ 101.02	\$ 5,000.00
<b>Year 2</b>	\$ 101.02	\$ 50.00	\$ 51.02	\$ 1.04	\$ 101.04	\$ 5,001.02
<b>Year 3</b>	\$ 101.04	\$ 50.00	\$ 51.04	\$ 1.04	\$ 101.04	\$ 5,001.04