



FY2026–2027

Proposed Rate Increase Public Presentation

Spring 2025



New transmission mains reduce risks of future main breaks.

How will the rate increase impact water bills?

The table below shows impacts on typical residential and small business monthly bills if the proposed rate changes are approved.

Customer Impacts (Typical Monthly Bill¹)

Residential Account (Typical)		Small Business Account (Typical)
<i>Effective Date</i>	<i>Increase</i>	<i>Increase</i>
September 1, 2025	11.7%	9.5%
September 1, 2026	5.9%	6.9%

Understanding “Cost of service”

We only request enough money to operate according to health and safety standards.

- PWD does not make a profit.
- As a public utility, we keep costs lower than private water companies that must realize profits.
- We pay for services from rates, not taxes.

1. Typical Monthly Bill includes Quantity Charges, TAP Rider Surcharge, Service Charge, and Stormwater Charges.

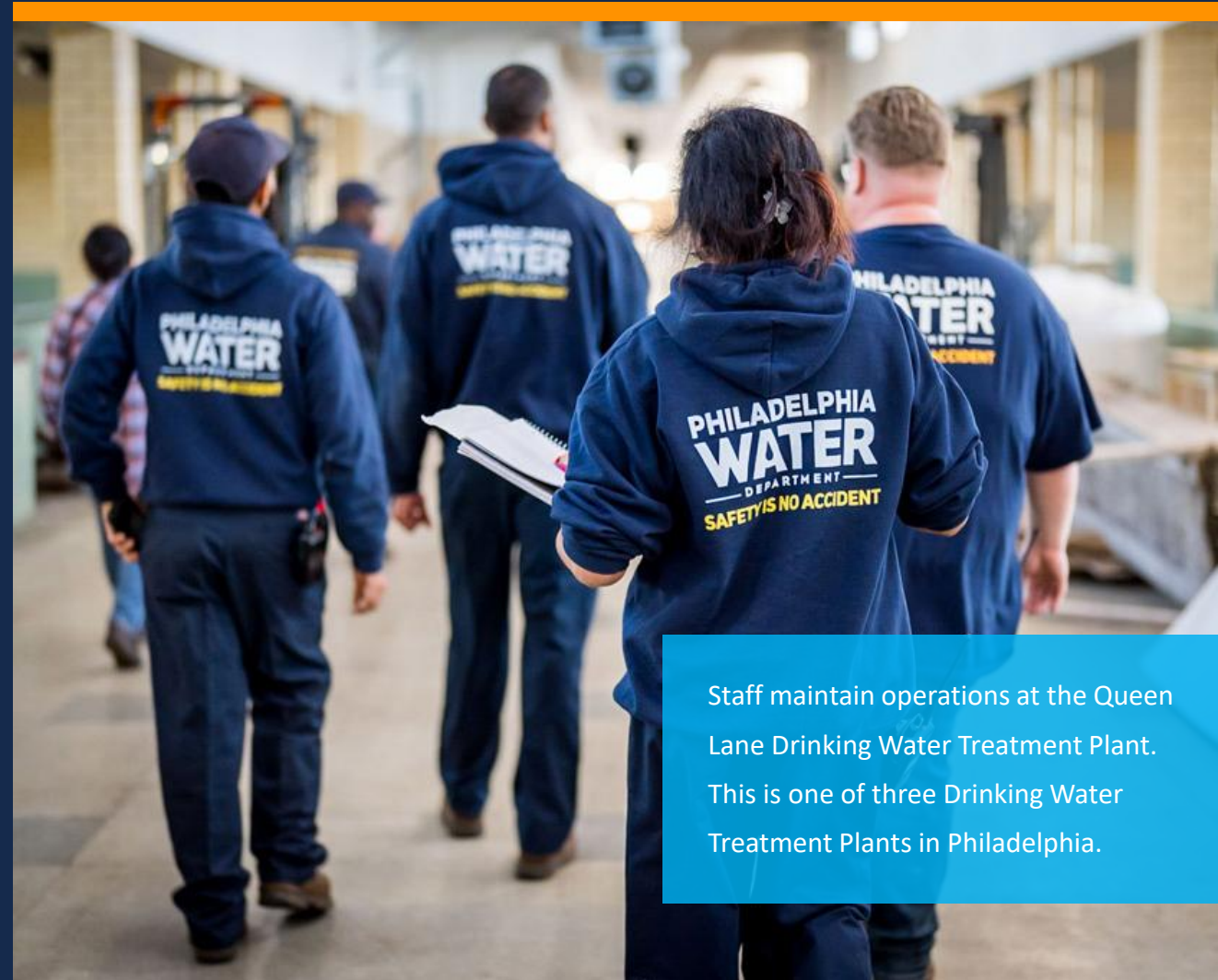
2. Reflects a 5/8" meter with 4.3 ccf of water consumption.

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

The City's water systems are essential.



These services are critical for Philadelphia's homes, communities and businesses.



Staff maintain operations at the Queen Lane Drinking Water Treatment Plant. This is one of three Drinking Water Treatment Plants in Philadelphia.

Safety is our priority.

The primary mission of the Philadelphia Water Department is to provide reliable, safe drinking water, wastewater, and stormwater services to our communities. We protect our region's environment and support public health and safety.

In fulfilling our mission, we seek to be customer-focused, delivering services in a fair, equitable, and cost-effective manner, with a commitment to public involvement.



Our scientists must monitor the aquatic health of our water sources to meet PWD's obligations to health and safety.

Investment in our infrastructure is critical and necessary.

PWD maintains a network of more than 3,100 miles of water mains, 3,700 miles of sewers, six treatment facilities, and over 30 pumping stations.

The Department must make major investments and delaying improvements is not a long-term solution. System maintenance is needed to:

- Ensure the overall integrity of system infrastructure
- Comply with stringent water quality regulations
- Decrease the frequency of water main breaks and other emergencies



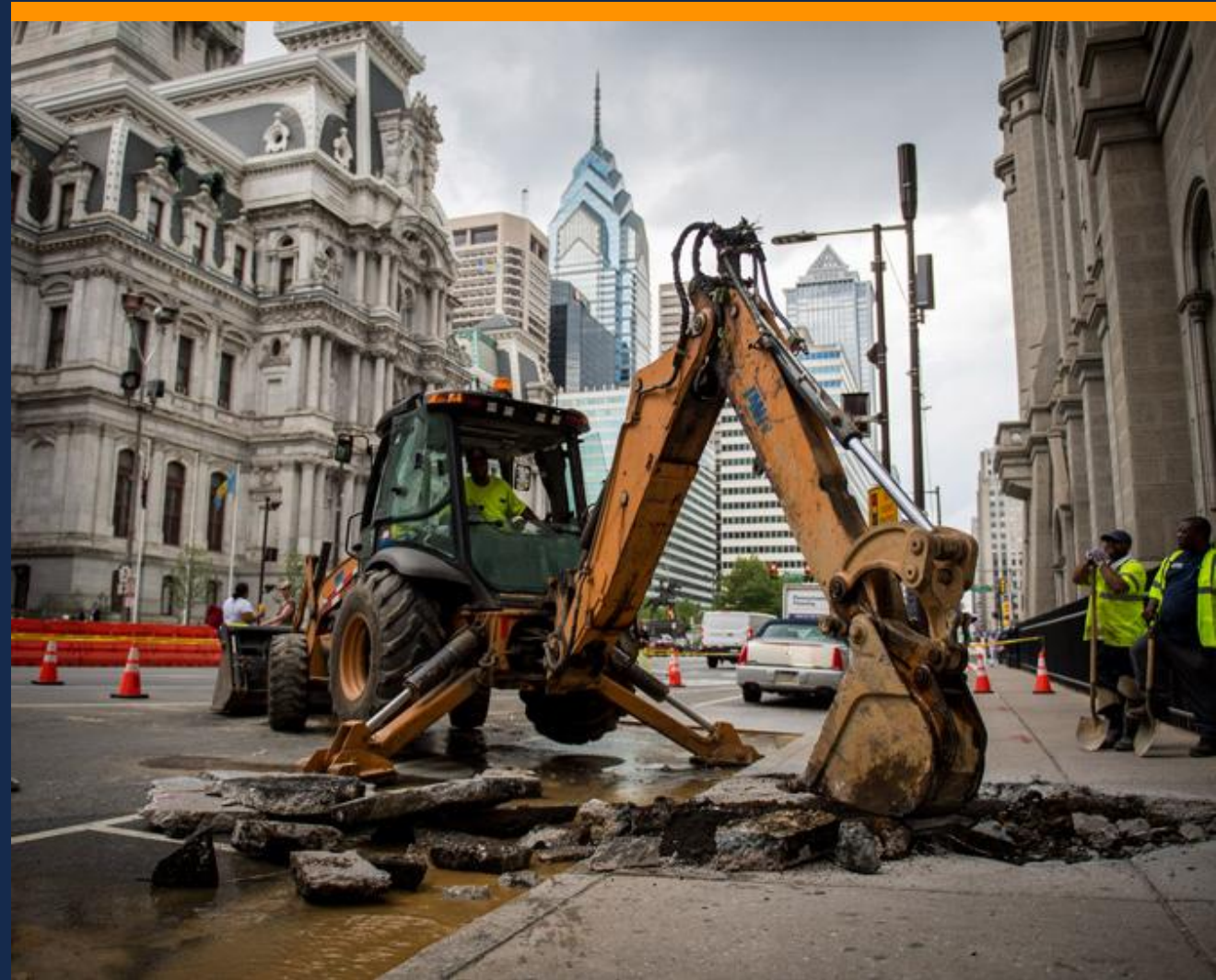
Upgrades are underway at Torresdale Pumping station. PWD operates more than 30 pump stations in Philadelphia.

Proposed rates are necessary for PWD to meet its legal and financial requirements.

Without new rates, PWD will have insufficient revenues to meet operating and legal requirements during the Rate Period: FY26-27.

The use of financial reserves to temporarily avoid rate increases is not feasible: reserves are needed in the event of an emergency.

Lower reserves may have adverse effects, resulting in a downgrade in credit rating and increased borrowing costs.



Proposed rates are needed to ensure that PWD can meet operating requirements and maintain Philadelphia's aging infrastructure.

The Water Department urgently needs additional revenues in FY 2026 and 2027 to eliminate its current financial deficit, meet day-to-day operating needs and to specifically address the following:



Decline in operating revenues compared with prior projections.



Increases in operating costs such as work force costs, contract services, materials, and equipment, and power.

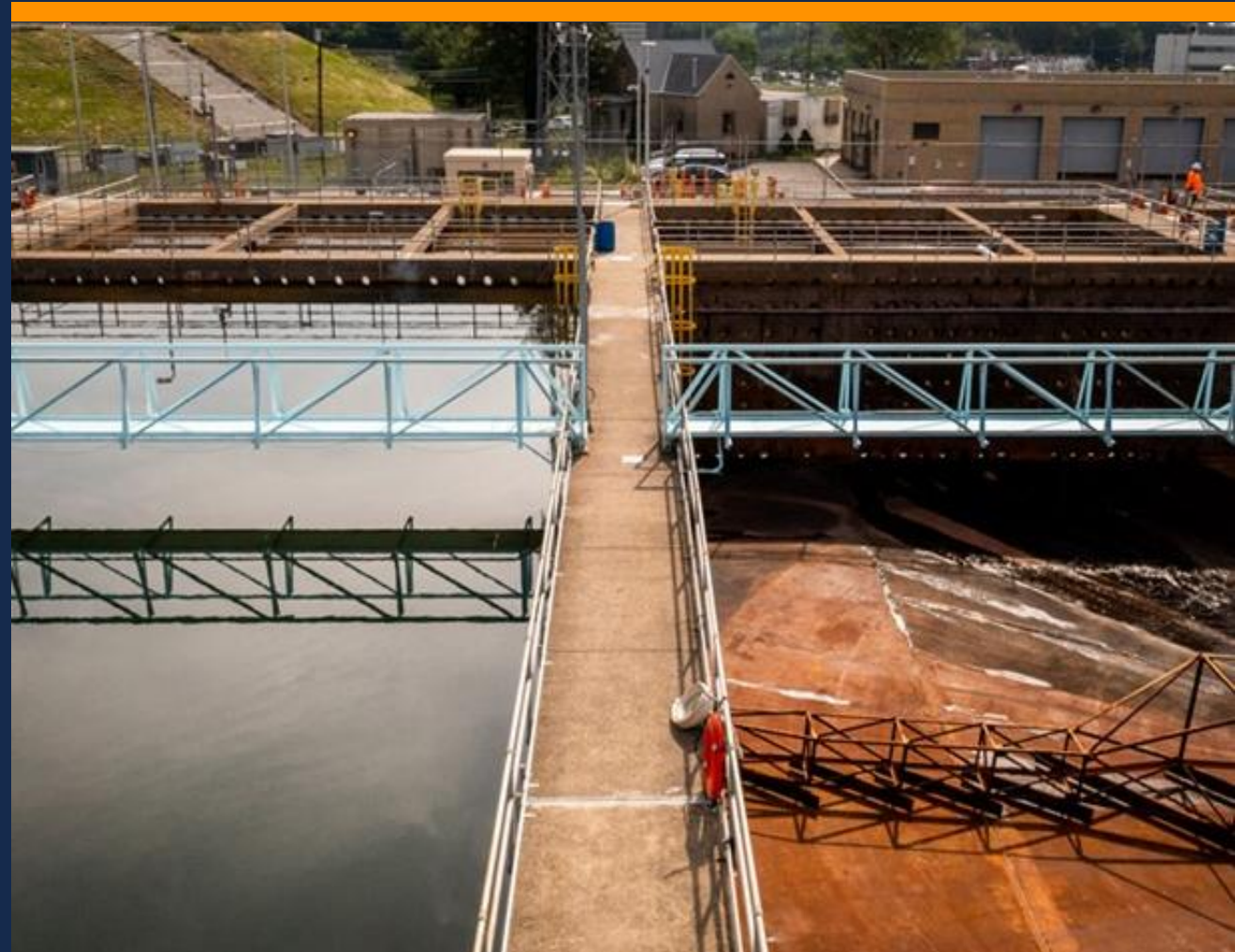


The need to replenish financial reserves. Unless we meet mandatory metrics, finances are impacted negatively.

Rate changes to meet increasing costs are a national trend. Most water/sewer utilities face similar challenges.

PWD is reducing costs and actively pursuing government funding.

For example, we are limiting budget requests, reducing stormwater management grants, refinancing debt, and obtaining low-cost loans and grants from PENNVEST and other sources.



We're increasing our assistance and outreach.

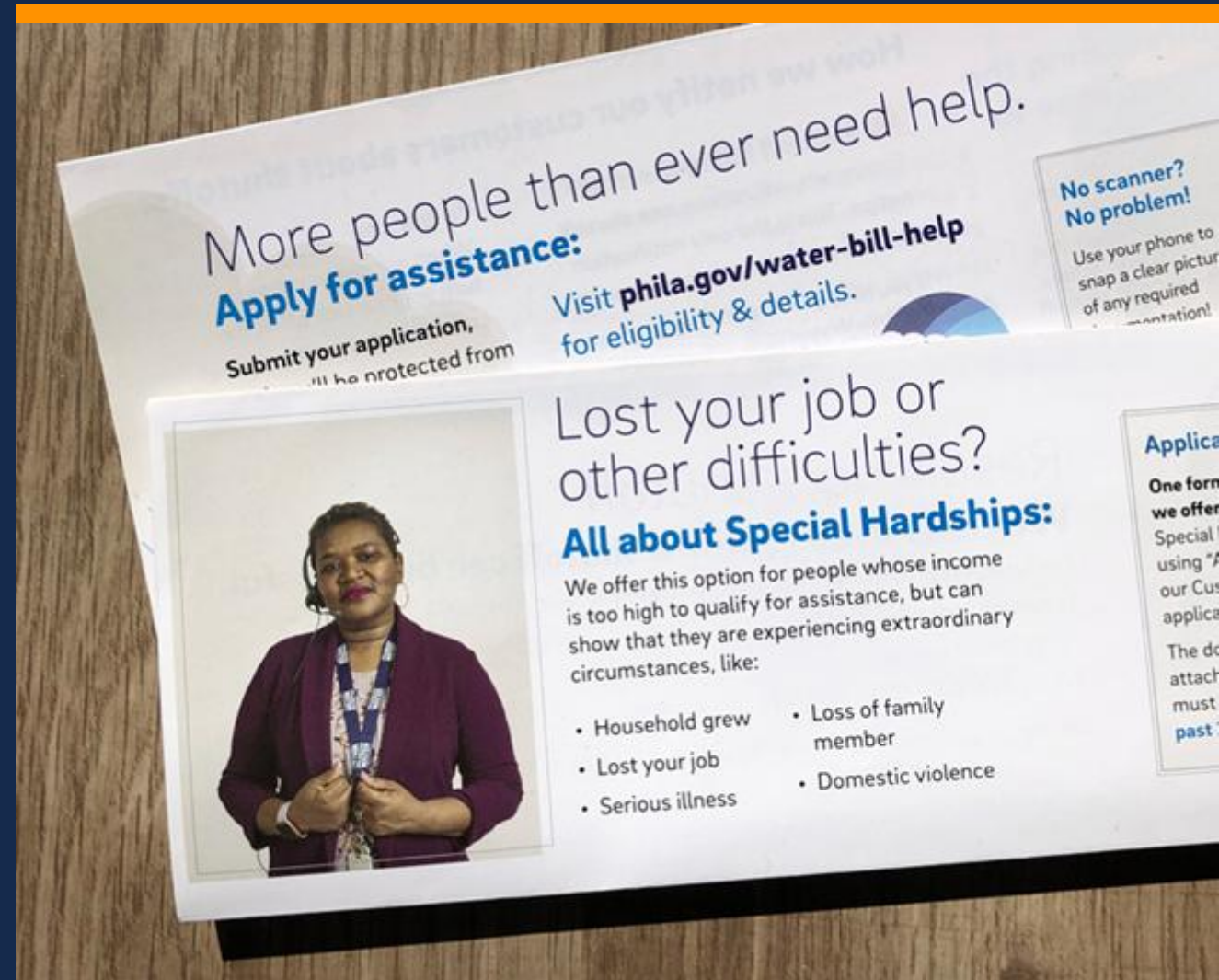
The Tiered Assistance Program (TAP)

Over 40,000 customers have been auto-enrolled using data sharing agreements.

TAP now includes **Principal Debt Forgiveness**: Customers enrolled in TAP are automatically eligible. Provides a **path to forgiveness of pre-TAP debts** after 24 monthly payments.

We also offer:

- Payment Agreements
- Senior Citizen Discount
- Charitable Organization Discount
- UESF Grants
- Low Income Water Conservation Assistance
- HELP Loans



Continuing shutoff protections are in place to ensure vulnerable customers maintain service.

- PWD customers enrolled in the Tiered Assistance Program are exempt from shutoff.
- PWD customers enrolled in the Senior Citizen Discount program are exempt from shutoff.
- As an additional safeguard, the City matched data with enrollment data from other low-income assistance programs and provided exemptions to those households.
- “Raise Your Hand” allows customers to self identify for protection from shutoff if a household includes a senior, a child under 18, or a person with special needs.

We're here to help prevent a water shutoff.

You may be eligible for our shutoff exemption initiative:
“Raise Your Hand”



Child at home?
Customers with a child (under 18 years old) living under your roof will not be shut off.

Disabled?
Customers with disabilities will not be shut off.

Senior?
Customers who are 65 years or older will not be shut off.

Contact us to prevent a shutoff or restore service:
✉ wrbhelpdesk@phila.gov ☎ (215) 685-6300

PHILADELPHIA
WATER
— DEPARTMENT —

CITY OF PHILADELPHIA
DEPARTMENT OF REVENUE
WATER REVENUE BUREAU

The Ratemaking Process

The Rate Board is an independent City agency responsible for setting and regulating water, sewer and stormwater rates in accordance with standards set by City Council. The Rate Board determines rates and charges when the Water Department requests changes.

1. The Department requests a rate change when its operating revenues are insufficient to cover the cost of serving PWD customers.
2. PWD must show that its proposed rate change is necessary and reasonable and provide supporting documentation.
3. Within 120 days of PWD's request, the Rate Board must render a detailed, written decision to approve, modify or reject the proposed rate change, based on a hearing record including financial, accounting and engineering data, public testimony and expert testimony.

Who's on the Rate Board?

The Rate Board consists of five members appointed by the Mayor and approved by City Council.

For more information on the Rate Board and its members, visit www.Phila.gov/water/rateboard

We encourage public participation!

Submit a public comment by May 28, 2025:

Email comments to: WaterRateBoard@phila.gov

or send written comments by mail to:

Philadelphia Water, Sewer, and Storm Water Rate Board
1515 Arch Street, 17th Floor
Philadelphia, PA 19102

Written comments as well as testimony at public input hearings will become part of the public record.

Information on the rate case, including instructions for joining the hearings, can be found on the Rate Board site:

<https://www.phila.gov/departments/water-sewer-storm-water-rate-board/meetings/>

