

MEMORANDUM

TO: James Leonard, Records Commissioner

FROM: Sarah Stevenson, Deputy Commissioner

DATE: July 30, 2025

RE: Water Department's Rates and Charges for FY 2026 and FY 2027

Changes in Water, Wastewater and Stormwater Rates and Related Charges for FY 2026 and FY 2027 effective September 1, 2025 and September 1, 2026, respectively ("General Rate Proceeding"); and

Annual Adjustment of the Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R) Beginning September 1, 2025 ("TAP-R Adjustment").

In accordance with Section 5-801 of the Philadelphia Home Rule Charter, Section 13-101 of the Philadelphia Code ("Philadelphia Code") and the Regulations of the Philadelphia Water, Sewer and Storm Water Rate Board ("Rate Board Regulations"), the Philadelphia Water Department ("Water Department") filed with the Department of Records on March 31, 2025 (i) a Formal Notice of the General Rate Proceeding ("GRP") to increase water, sewer and stormwater rates and charges for FY 2026 and FY 2027; and (ii) a Formal Notice of the TAP-R Adjustment to revise related water, sewer and fire service connection quantity charges for FY 2025. The Department's Formal Notice, in both proceedings referenced above, included detailed financial, accounting and engineering supporting documentation together with either prepared written testimony or a detailed narrative describing the proposed changes in rates and charges.

General Rate Proceeding — Changes in Water, Wastewater and Stormwater Rates and Related Charges for FY 2026 and FY 2027.

The Rate Board held four public input hearings on April 22 and 23, 2025 (afternoon and evening hearings on each date) and technical hearings on May 21 and 22, 2025 regarding the proposed changes in rates and charges. After the conclusion of the above hearings and upon consideration of the evidence presented, the Rate Board deliberated the issues in this matter at a public meeting on July 16, 2025 and adopted its Rate Determination at a public meeting on July 23, 2025, approving the Joint Petitions for Partial Settlement (dated May 30, 2025 and June 20, 2025) of the General Rate Proceeding. The Rate Determination was filed with the Department of Records on July 23, 2025 ("GRP Rate Determination") and such filing appears on the Department of Records webpage for regulations filed on that date.

As stated in the GRP Rate Determination and consistent with Section 13-101(3)(e) of the Philadelphia Code and Section II(A)(3)(d) of the Rate Board Regulations, the approved changes in rates and charges for FY 2026 and FY 2027 will become effective on September 1, 2025 and September 1, 2026, respectively.

TAP-R Adjustment — Annual Adjustment of the Tiered Assistance Program Rate Rider Surcharge Rates (TAP-R) Beginning September 1, 2025.

The Rate Board held a public hearing and technical hearing on the TAP-R Adjustment on May 8, 2025. After the above hearings and upon consideration of the evidence presented, the Rate Board deliberated the issues in this matter at a public meeting on July 16, 2023 and adopted its Rate Determination for the TAP-R Adjustment at a public meeting on July 23, 2025 (“TAP-R Rate Determination”) approving the Joint Petition for Settlement of the TAP-R Proceeding (dated May 29, 2025) entered into by the active participants, the Public Advocate and the Water Department. The TAP-R Rate Determination was filed with the Department of Records on July 23, 2025 and such filing appears on the Department of Records webpage for regulations filed on that date.

As stated in the TAP-R Rate Determination and consistent with Section 13-101(3)(e) of the Philadelphia Code and Section II(C)(2)(c) of the Rate Board 's Regulations, the changes in rates and charges will take effect on September 1, 2025.

New Rates and Charges

Attached for filing are the new Rates and Charges of the Philadelphia Water Department, incorporating the approved changes in rates and other issues addressed in the GRP Rate Determination and the TAP-R Rate Determination.

Also, please find attached a memorandum from the Law Department approving these new Rates and Charges for FY 2026 and FY 2027.

Thank you for your assistance in this matter.



Sarah Stevenson, Deputy Commissioner
Philadelphia Water Department

Attachments

cc: Laurice Smith, Divisional Deputy City Solicitor, Regulatory Law Unit, Water Division
Adriana Gonzalez, Divisional Deputy City Solicitor, Tax Litigation & Collections Unit