



DEPARTMENT OF
**PUBLIC
UTILITIES**

DIRECTOR'S FINAL REGULATORY ACTION

In accordance with Section 28-26 of the Code of the City of Richmond, Virginia (2020), I hereby make the following final decision regarding the proposed MetroCare Assistance Program Regulation.

DECISION

The MetroCare Assistance Program Regulation is hereby **ADOPTED AS PROPOSED**.

STATEMENT OF BASIS AND PURPOSE

Legal Authority: This action is taken pursuant to Section 28-26 of the Code of the City of Richmond, Virginia (2020), which vests the Director of Public Utilities with the power to make reasonable rules and regulations for the proper management, conduct, operation and control of the gas, wastewater, water, and stormwater utilities. Additional authority is provided by City Code Section 28-271 to provide such discounted water and sewer fees and charges to water utility and wastewater utility customers of the City for eligible customers.

Purpose: The Payment Plan Agreement Incentive Credit regulation establishes a financial incentive program to improve payment plan completion rates among MetroCare-eligible customers. The regulation provides a \$500 upfront credit to qualifying customers who enter into payment plan agreements, contingent upon maintaining twelve (12) consecutive monthly payments within thirty (30) days of each due date. This approach addresses the identified need to reduce non-payment, increase compliance with payment plans, and minimize service disconnections among low-income utility customers.

Necessity: This regulation is necessary to:

1. Address low payment plan completion rates among MetroCare-eligible customers
2. Provide immediate financial relief to income-qualified customers facing utility arrearages
3. Incentivize consistent payment over a sustained twelve-month period
4. Reduce customer arrearages and associated collection costs
5. Minimize service disconnections among protected populations
6. Improve program cost-effectiveness and reduce impact on rate payers
7. Support service continuity and equitable access to essential utility services

The regulation balances several important considerations:

1. Customer Benefits: Immediate \$500 financial relief; lower monthly payments through payment plan arrangements; continued access to essential utility services



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2. Financial Sustainability: Estimated 200-300 participants annually with costs of \$100,000 to \$150,000, offset by reduced collection costs, lower bad debt, and decreased disconnection expenses
3. Administrative Feasibility: Implementation requires CIS system modifications, staff training, and enhanced monitoring procedures
4. Program Integrity: Clear eligibility requirements (household income at or below 225% of Federal Poverty Guidelines per Section 28-273(a)); meaningful compliance standard (twelve consecutive monthly payments); immediate revocation mechanism for late payments (more than 30 days late)

The approach was selected after evaluation of alternatives including status quo, post-payment reward, graduated incentives, modified compliance periods, and general payment incentive programs without income restrictions. The selected approach provides the strongest incentive while maintaining program integrity and statutory authority.

SUMMARY OF PUBLIC PARTICIPATION

Public Notice: Notice of the proposed MetroCare Assistance Program Regulation and public hearing was published in the Richmond Times-Dispatch on January 16, 2026, providing the required ten (10) days advance notice in accordance with Richmond City Code Section 28-26(a)(2). The notice included information about the public hearing scheduled for February 3, 2026.

Public Inspection: The complete proposed regulation was made available for public inspection in convenient form at the Director's Office and on the Department website for the required minimum ten (10) day period prior to the public hearing. Supporting materials included a plain language summary and the pre-adoption procedures memorandum dated January 13, 2026.

Public Hearing: A public hearing was conducted on February 3, 2026, from 6:00 p.m. to 7:00 p.m. at 730 East Broad Street, Richmond, VA 23219, in accordance with Richmond City Code Section 28-26(a)(3). The hearing was conducted to provide an opportunity for all people to appear and be heard for or against the adoption of the proposed regulation.

RESPONSE TO PUBLIC COMMENTS

Written Comments Received: None.

Public Attendance: None.

Oral Comments at Public Hearing: None.

Analysis of Public Comments: Not Applicable



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EFFECTIVE DATE AND IMPLEMENTATION

Effective Date: MetroCare Assistance Program Regulation shall become effective upon Director approval.

Implementation:

1. The regulation shall be filed in the Director's Office as required by Richmond City Code Section 28-26(a)(4)
2. Electronic copies will be made available on the Department website
3. CIS system modifications will be completed within 90 days of adoption
4. Staff training will be conducted at least 30 days of adoption
5. Customer notification will be provided through multiple channels including:
 - a. Department website publication
 - b. Billing inserts
 - c. Social media and community engagement
 - d. Targeted outreach to MetroCare participants and community organizations
 - e. Multilingual materials in accessible formats
6. The regulation applies prospectively to new payment plan agreements executed after the effective date
7. Enhanced monitoring and customer communication systems will be implemented to support program administration

REGULATORY PROVISIONS

New Definition (Section II):

Payment Plan Agreement – A payment arrangement between DPU and a customer of record for repayment of outstanding water and/or wastewater utility charges over an agreed-upon period.

New Provision:

Payment Plan Agreement Incentive Credit. Pursuant to Section 28-271, customers who meet the eligibility requirements set forth in Section 28-273(a) and who enter into a Payment Plan Agreement with DPU shall receive a one-time credit of five hundred dollars (\$500.00) applied against their water utility account or wastewater utility account, or both, at the time the Payment Plan Agreement is executed. To retain this credit, the customer must make twelve (12) consecutive monthly payments in accordance with the terms of the Payment Plan Agreement, with each payment made within thirty (30) days of its due date. If any payment under the Payment Plan Agreement is more than thirty (30) days late, the entire five-hundred-dollar (\$500.00) credit shall be immediately revoked and added back to the customer's account balance. Once revoked, the credit cannot be reinstated or cured.



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FINANCIAL IMPLICATIONS

Annual Projected Costs: \$100,000 to \$150,000 for 200-300 participants

Funding Source: Existing MetroCare program sources per City Code § 28-275

Offsetting Benefits:

1. Reduced collection costs through improved payment compliance
2. Lower bad debt expense due to decreased arrearages
3. Decreased disconnection and reconnection costs
4. Improved revenue recovery from sustained payment behavior

FILING REQUIREMENT

In accordance with Richmond City Code Section 28-26(a)(4), a true copy of this decision and the adopted MetroCare Assistance Program Regulation: Payment Plan Agreement Incentive Credit shall be filed in the Director's Office.

Scott Morris

February 9, 2026

Scott Morris, DBA, P.E.
Director of Public Utilities
City of Richmond

MetroCare Assistance Program

I. Purpose.

This Department regulation provides guidance for applying the provisions of City Code §§ 28-28, and 28-271 through 28-275 which authorize the Director of Public Utilities to implement the MetroCare heating assistance program and MetroCare water assistance program to provide discounted natural gas, water, and wastewater fees and charges for low-income customers. Pursuant to City Code § 28-28 and 28-272, the Director shall establish rules, regulations and guidelines to implement the assistance programs and may amend such rules, regulations and guidelines from time to time, as the Director may deem necessary.

II. Definitions

Applicant — The customer of record responsible for payment of water utility, wastewater utility service, or natural gas utility service or any combination thereof, at the premises for which application for assistance is made.

Assistance Programs — The MetroCare water assistance program and the MetroCare heating assistance program.

Assistance Program Agency (Agencies) — an entity or entities designated by the Director to perform the functions set forth in Sections III and IV of this Regulation.

DHHS Guidelines — Federal Income Poverty gross household income levels published by the U. S. Department of Health and Human Services

Director — Director of the City of Richmond, Virginia Department of Public Utilities.

Discounted Fees and Charges — Credits applied against the natural gas utility, water utility, wastewater utility accounts, or any combination thereof for low-income customers pursuant to the City of Richmond's Assistance Program.

DPU — City of Richmond, Virginia Department of Public Utilities.

Program Administrator — The MetroCare Assistance Program Administrator designated by the Director to manage the on-going operations of the Assistance Program.

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Payment Plan Agreement – A flexible, interest-free payment arrangement between DPU and a customer for repayment of outstanding utility charges while allowing for the continuation of service.

Regulation — The MetroCare Assistance Program Department Regulation.

III. Assistance Program Oversight and Management.

- A. The Director may designate a Program Administrator to manage the Assistance Programs as set forth in this section.
- B. The Director or Program Administrator shall oversee and shall have responsibility for implementation of the Assistance Programs in a manner consistent with this Regulation, City Code, and other applicable law.
- C. The Director may designate one or more Assistance Program Agencies in accordance with applicable law to coordinate and provide management and administrative support for the Assistance Programs.
- D. The Director or Program Administrator shall work with the Assistance Program Agency (Agencies) to determine intake locations which shall act on behalf of the Director to receive and review customer applications, to determine eligibility, and to approve or deny such applications.
- E. The Director or Program Administrator will determine the frequency and amount for allocating funds based upon consumer demand for the Assistance Programs and available Assistance Program funding.
- F. DPU and the Assistance Program Agency (Agencies) shall enter into an agreement concerning the parties' respective responsibilities pursuant to the Assistance Programs.

IV. Assistance Program Eligibility; Application Review, Approval, and Priority; Manner of Discounting Fees and Charges.

- A. The Assistance Program Agency (Agencies) shall use all the following criteria to determine Applicant Assistance Program eligibility for discounted fees and charges:
 - i. The Applicant shall be an active DPU water utility, wastewater utility , or natural gas utility customer of record, or any combination thereof.
 - ii. The Applicant shall be the customer of record of the premises for which application is made.
 - iii. The water, wastewater, and natural gas service, or any combination thereof, shall be of the residential service classification.

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- iv. The Applicant shall have a total gross monthly household income, adjusted for family size, that is at or below 225% of the Federal Poverty Guidelines as published by the U. S. Department of Health and Human Services (the "DHHS Guidelines") as applicable at the time of Assistance Program application and as adjusted for monthly income. The threshold maximum total gross monthly household income shall be the quotient calculated by dividing the applicable gross annual household income set forth in the DHHS Guidelines by the denominator 12.
- B. Application Review, Approval, and Priority. The Assistance Program Agency (Agencies) shall apply the following requirements in reviewing applications for discounted fees, approving or denying applications, and prioritizing allocation of discounted fees to approved Applicants:
 - i. Receive Assistance Program applications and stamp the applications with the date received.
 - ii. Review Assistance Program applications for completeness, including applicable signatures. The Assistance Program Agency (Agencies) shall not process any applications that do not include, at a minimum, all of the following supporting documentation:
 1. A valid photo identification of the Applicant issued by the United States or the Commonwealth of Virginia (e.g., a valid Virginia state driver's license).
 2. A current bill for water utility services, wastewater utility services, or natural gas utility service, or any combination thereof, for the residential class of service, listing the Applicant as the customer of record of the premises for which application is made.
 3. The Applicant's written statement that the Applicant is the resident of the premises for which the application is made.
 4. Satisfactory written support for establishing the size of the household residing at the premises for which the application is made.
 5. Copies of recent paystubs, completed tax return forms, or other reasonable documentation to establish the Applicant's household income.
 - iii. Approve or deny each application received based on the information contained in the application, in compliance with the Assistance Program eligibility requirements set forth in Section IV.A of this Regulation.

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iv. Prioritize the discounted fees and charges to approved Applicants based upon the following criteria:

1. The date on which the application is received, according to the application's date stamp.
2. For applications received the same day, those applications reflecting a household income that is the furthest below 225% of the DHHS Guidelines for the household size shall receive first priority.

C. The Director shall revoke an approved Assistance Program application and associated discounted fees and charges in the event the Director determines that the Applicant no longer meets the Assistance Program eligibility requirements set forth in Section IV.A of this Regulation, or if the Applicant has committed any unlawful act as set forth in City Code Section 28-2. The Director shall provide the Applicant with written notice of any revocation of Assistance Program discounted fees and charges within 30 days of the Director's determination.

D. Discounted fees and charges shall be applied in the following manner:

- i. Discounted fees and charges provided pursuant to the Assistance Programs shall consist of credits applied against the approved Applicant's City water utility, wastewater utility, natural gas utility account, or any combination thereof. Such credits shall not be applied against utility account deposits or in connection with any bill dated more than one calendar year prior to the date of the Assistance Program application.
- ii. Approved Applicants shall receive credit for their water utility, wastewater utility, or natural gas utility charges, or any combination thereof, not to exceed \$500 for water/wastewater and \$500 for natural gas.

E. Payment Plan Incentive Credit

- i. The Director may at his discretion establish a Payment Plan Incentive Credit Program once per fiscal year, contingent on the availability funds for the program.
- ii. Customers who meet the eligibility requirements set forth in Section 28-273(a) and who execute Payment Plan Agreement may receive a one-time credit of up to five hundred dollars (\$500.00) applied against their water, wastewater, or natural gas utility account, or any combination thereof, at

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the time the Payment Plan Agreement is executed. No customer may receive more than a \$500 Incentive Credit within a twelve-month period.

- iii. To retain this credit, the customer must make all consecutive monthly payments in accordance with the terms of the Payment Plan Agreement.
- iv. If any payment under the Payment Plan Agreement is more than thirty (30) days late, the total credit applied shall be revoked and added back to the customer's account balance. Once revoked, the credit cannot be reinstated or cured, and the customer is ineligible for a Payment Plan Incentive Credit for twelve months from time the credit is revoked.

F. The Assistance Program Agency (Agencies) shall ensure compliance with the following additional Assistance Program requirements:

- i. No Applicant shall be approved for Assistance Program discounted fees or charges more than once during any given fiscal year.
- ii. No Assistance Program discounted fees or charges provided to an Applicant shall exceed the total amount of \$1,500.
- iii. Any Applicant whose application has been denied by the Assistance Program Agency (Agencies) shall be ineligible to reapply for Assistance Program discounted fees until at least three months from the date of denial of the application, absent the Applicant showing good cause for reconsideration.
- iv. The Assistance Program Agency (Agencies) shall provide to the Program Administrator a monthly report listing all Assistance Program application approvals, denials, discounted fees and or charges for customers in a format prescribed by DPU.

V. Assistance Program Funding

A. Assistance Program funds may come from customer donations received through DPU's customer bill payment remittance process and other gifts to the City in support of the Assistance Programs, and any additional sources as may be otherwise authorized by law. DPU will process and account for Assistance Programs funds using its Customer Information System (CIS) bill remittance processing function and Financial Accounting System (FAS) policies and procedures as appropriate for the Assistance Programs fund sources. The Director shall regularly review the accounting procedures to determine the need for updates as a result of changes in technology, business process controls, accounting standards, and policies and procedures. The Director or Program

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Administrator shall verify projected available Assistance Program funds and amend this regulation as needed.

B. The Assistance Programs fiscal year will coincide with the DPU fiscal year.

VI. Audit

- A. The Assistance Program Agency (Agencies) shall retain records of the disposition of all received Assistance Program applications, including applications received, approved, and denied.
- B. The Director and Program Administrator shall have the right to review Assistance Program Agency (Agencies) locations, practices, and site recordkeeping on a periodic basis, and to recommend or require changes as determined by the review.
- C. The City Internal Auditor shall have the right to audit the Assistance Programs as necessary, including the right to access the records of the Assistance Program.

VII. Special Provisions

- A. Nothing in this Regulation shall be construed to limit or alter the Director's discretion or authority, as otherwise required or permitted by law.

These rules and regulations shall become effective the 9th the day of February 2026 and at that time shall supersede, to the extent necessary, any and all other conflicting City of Richmond Department of Public Utilities rules, regulations, policies, and guidelines.