**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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|  | Public Meeting held December 6, 2018 |

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| Commissioners Present: |
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| Gladys M. Brown, Chairman  Andrew G. Place, Vice Chairman | |
| Norman J. Kennard | |
| David W. Sweet  John F. Coleman, Jr. | |

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| Petition of Pennsylvania-American Water Company For Approval of Tariff Changes and Accounting and Rate Treatment Related to Replacement of Lead Customer-Owned Service Pipes | P-2017-2606100 |

**ERRATA NOTICE**

A review of the Opinion and Order entered January 4, 2019, in the above-captioned proceeding, revealed a typographical error in the last sentence of the first paragraph on page ten. The sentence currently reads, “The Company then would retain ownership of the service pipe and the responsibility to maintain, repair, and replace the service pipe after it is replaced by the Company. PAWC St. No. 2 at 4-5.”

The sentence is amended to read, “The customer then would retain ownership of the service pipe and the responsibility to maintain, repair, and replace the service pipe after it is replaced by the Company. PAWC St. No. 2 at 4-5.”

In all other aspects the Opinion and Order remains in its entirety. Please find the corrected page attached to this notice. The Opinion and Order on the PA PUC website will be corrected as indicated above.

PAWC Exhibit No. 1, be added to Tariff No. 5, to provide the Company the ability to, at its sole cost and with the agreement of the customer, replace LSPs on a customer’s premises pursuant to its proposed two-part Replacement Plan. **The customer then would retain ownership of the service pipe and the responsibility to maintain, repair, and replace the service pipe after it is replaced by the Company.**  PAWC St. No. 2 at 4-5.

As described above and by PAWC witness Kaufman on page 6 of PAWC Statement No. 1, prior to 1950 it was common practice to install lead service lines (LSLs) that run from the mains to the structure receiving service. The Company has ongoing efforts to replace all LSLs owned by the Company, from the main to the Company-owned service connection and recognizes that customers have not previously replaced LSPs on their own due to economic constraints. PAWC St. No. 2 at 3; PAWC St. No. 1 at 13. Therefore, in order to take advantage of economies of scale and other efficiencies in order to make the replacements more cost-effective, PAWC has proposed Tariff Rule 4.9.1 that would allow it to perform the replacement work, based on PAWC’s Replacement Plan, on the customers’ premises and spread the costs over all of PAWC water customer base.

1. **Replacement Plan**

PAWC’s Replacement Plan consists of two parts. First, PAWC proposes to proactively remove and replace, with the customer’s consent, LSPs that are encountered during the process of the Company’s regular main and/or service line replacements (Part 1). PAWC St. No. 1 at 11. Second, PAWC proposes to remove and replace LSPs when requested to do so by a customer, subject to certain conditions and verifying that the customer, in fact, has an LSP (Part 2).

During the ten-year period under Part 1 of its Replacement Plan, PAWC expects to identify and replace approximately 18,000 LSLs, which it estimates remain on