



The York Water Company

January 16, 2019

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Docket No. P-2016-2577404, Order Provisions, Lead Service Line Replacement Progress and Customer Outreach Efforts Report

Dear Secretary Chiavetta:

Subject Order directs The York Water Company to report on several aspects of the Company's progress with replacing Company-owned and Customer-owned lead service lines and the Company's customer outreach efforts to advise customers to check their services for the possibility of lead. Since our meeting with Commission staff and representatives of the Joint Petitioners in late March of 2018, York Water has progressed with replacing Company-owned and Customer-owned lead service lines, educating our customers on the health effects of lead and steps our customers can take to reduce their exposure to lead in drinking water. The following summarizes York Water's report for the period January 1 – December 31, 2018.

Company-Owned and Customer-Owned Lead Service Line Replacement

	Company Lead Service Replaced	Customer Lead Service Line Replaced (PHI)
January-18	44	8
February-18	64	5
March-18	38	2
April-18	61	7
May-18	44	3
June-18	33	2
July-18	52	1
August-18	48	1
September-18	48	6
October-18	59	12
November-18	11	3
December-18	6	1

RECEIVED
2019 JAN 17 AM 10:39
PA PUC
SECRETARY'S BUREAU

In 2018 the Company replaced 508 active Company-owned lead service lines and 51 Customer-owned lead service lines (Phase I services). Most importantly, by December 31, 2018 York Water had replaced all the 1,660 known Company-owned lead services identified for replacement and therefore compressed the replacement period from four years to two years. The 51 Customer-owned lead services adjoining a Company-owned lead service replaced in 2018 brings to a total of 159 Phase I Customer-owned lead services replaced since the issuance of the Order. Of the 1,660 Company-owned lead services identified, there remain 0 (none) to replace. Therefore, there should be no additional Phase I Customer-owned lead service line replacements identified.

The average cost to replace a ¾" Company-owned lead service line in 2018 was approximately \$1,400. That includes all York Water labor, indirect costs, contractors, allocations and permits. The average cost to replace a ¾" Customer-owned lead service line in 2018 was approximately \$1,200.

Tap Water Billing Credit

York Water implemented the 200-gallon per month credit for active customers with Company-owned lead service lines with its October 28, 2016 billing cycle. The 200-gallon per month credit was reflected on customers' water bills as a flushing credit. The value of the 200-gallon per month credit was \$0.89 for residential customers on the Company's gravity system or \$1.46 for residential customers on the Company's repumping system. The following table summarizes the number of credits issued by York Water by month.

Month	No. of Credits
October 2016	197
November 2016	1629
December 2016	1601
January 2017	1522
February 2017	1467
March 2017	1403
April 2017	1216
May 2017	1118
June 2017	958 (3 Cycles)
July 2017	923
August 2017	872
September 2017	731 (3 Cycles)
October 2017	725
November 2017	652
December 2017	553

January 2018	523
February 2018	469
March 2018	412
April 2018	358
May 2018	307
June 2018	256 (3 Cycles)
July 2018	240
August 2018	170
September 2018	125
October 2018	91
November 2018	26
December 2018	15

Customer Outreach

Through York Water's public outreach, its annual meter exchange program as well as its normal customer communications and contacts, the Company has catalogued in its master database the material for over 25,000 of the Company's 66,000 customer-owned service lines.

The Company continues to canvass its customers and seek their assistance with identifying the material composition of their customer-owned service lines. The instructions as to how to determine whether the customer-owned portion of the service line is a lead service line is posted to the Company's home page at www.yorkwater.com. Since the Order was issued the Company has catalogued over 25,000 customer-owned service lines in the Company's database. Through York Water's public outreach, the Company has verified 488 customer-owned lead service lines. Of those, 159 were adjoining a Company-owned lead service line and have been replaced while replacing the Company-owned lead service line and at no cost to the customer (Phase 1 Replacements). 68 additional customer-owned lead service lines have been replaced that were not adjoining a Company-owned lead service line and, again, at no cost to the customer (Phase 2 Replacements) bringing to a total of 114 Phase 2 Replacements since the date of the Order. York Water continues its outreach efforts with its customers in seeking their assistance with identifying the material for the customer-owned service line. York Water will verify the material and, if the material is lead, will offer a water test at no cost to the customer. Should the results of the water test exceed the lead AL, the Company will offer a 200-gallon per month flushing credit until the customer-owned lead service line is removed, or a follow-up test indicates that the tap water no longer exceeds 15 ppb lead action level. Of the 25,000 Customer-owned service lines catalogued to date, there remain 215 Customer-owned lead service lines that the Company will replace at little or no cost to the customer. The Company will continue replacing these Phase 2 services at a rate not to exceed 400 each year from March 8, 2017.

In 2018 there were no additional customers who had replaced their customer-owned lead service line as described in York Water Tariff Rule 3.4.2.4 and therefore eligible for reimbursement of a percentage of the Company's contractor lump sum rate. From the date of the Order to present there have been just two customers who have been reimbursed at the 80% rate as described in York Water Tariff Rule 3.4.2.4.

Opportunities for Low or No Cost Funding

York Water hasn't identified any grants or low-cost funding options for the cost of replacement of Customer-owned lead service lines. The Company met with representatives of PENNVEST to discuss options under either the Drinking Water State Revolving Fund or other sources. York Water was deemed ineligible for a grant and the terms and parameters of a loan were not favorable in view of the project definition and current low interest financing options available in the competitive marketplace. Additionally, with the number of Customer-owned lead service lines replaced to date (159 Phase I and 114 Phase 2), the average cost of replacement (\$1,200)

and modest number of 215 catalogued for replacement, the magnitude of the program and costs to replace Customer-owned lead service lines is far less than anticipated in March of 2017 with the issuance of the Commission's Order.

Should the Commission require additional information regarding York Water's lead service line replacement program, please contact the undersigned directly at jeffh@yorkwater.com or (717) 718-2953.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JRH', with a horizontal line extending to the right.

Jeffrey R. Hines
President and CEO

Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

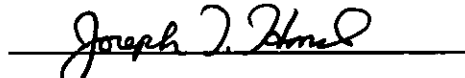
VIA FIRST CLASS MAIL

Phillip C. Kirchner, Esquire
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street – 2 West
P.O. Box 3265
Harrisburg, PA 17105-3265

Christine M. Hoover, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place 5th Floor
Harrisburg, PA 17101-1923

RECEIVED
2019 JAN 17 AM 10:39
PA PUC
SECRETARY'S BUREAU

Dated: January 16, 2019


JT Hand, Chief Operating Officer



The York Water Company

130 EAST MARKET STREET, BOX 15089
YORK, PENNSYLVANIA 17405-7089

NEOPOST

FIRST-CLASS MAIL

01/16/2019

US POSTAGE \$001.21⁰



ZIP 17401
041M11284177

RECEIVED

2019 JAN 17 AM 10:38

PA PUC
SECRETARY'S BUREAU

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265