



May 23, 2019

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Aqua Pennsylvania Wastewater, Inc. – Original Tariff Sewer-PA P.U.C. No. 2 at
Docket Nos. R-2018-3003558 and R-2018-3003561

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Aqua Pennsylvania Wastewater, Inc.'s Original Tariff Sewer-PA P.U.C. No. 2 consistent with the Pennsylvania Public Utility Commission's Order, Ordering Paragraph No. 10, adopted May 9, 2019 in Docket Nos. and R-2018-3003558 and R-2018-3003561. This tariff bears the effective date of May 24, 2019.

Should you have any questions regarding this filing, please contact me at (610) 645-1021.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Marquis", is written over a light blue circular stamp or watermark.

Renee T. Marquis
Manager of Rates and Planning
Aqua Pennsylvania, Inc.

Enclosures

cc: Certificate of Service

AQUA PENNSYLVANIA, INC.
CERTIFICATE OF SERVICE

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Aqua Pennsylvania Wastewater, Inc.

Original Tariff Sewer-PA
P.U.C. No. 2

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals and in the manner listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

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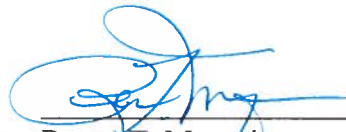
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(email to: maintrieri@pa.gov)

Dated: May 23, 2019



Renee T. Marquis
Manager of Rates and Planning
Aqua Pennsylvania, Inc.

AQUA PENNSYLVANIA WASTEWATER, INC.
(hereinafter referred to as the "Company")

RATES, RULES, AND REGULATIONS

GOVERNING THE COLLECTIONS OF

WASTEWATER

IN PORTIONS OF

ADAMS, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD, DELAWARE,
LACKAWANNA, LUZERNE, MONROE, MONTGOMERY, PIKE, SCHUYLKILL, VENANGO,
AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: May 23, 2019

EFFECTIVE: May 24, 2019

By:

Marc Lucca, President
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

NOTICE

THIS TARIFF PROPOSES INCREASES IN RATES AND CHANGES IN RULES AND
REGULATION OF SERVICE.

LIST OF CHANGES MADE BY THIS TARIFF

This proposed TARIFF SEWER-PA P.U.C. NO. 2 as filed with the Pennsylvania Public Utility Commission at Docket No. R-2018-3003561 by Aqua Pennsylvania Wastewater, Inc. on May 23, 2019 supersedes SEWER-PA. P.U.C. NO.1.

This proposed tariff also resets the Distribution System Improvement Charge (DSIC) to zero percent, simultaneously with the effective date of the new base rates.

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DESCRIPTION OF TERRITORIES SERVED

| | <u>Township</u> | <u>County</u> |
|--|-----------------------|---------------|
| RATE ZONE 1 | | |
| Bunker Hill Subdivision (Rate Zone 1A) | Clinton | Wyoming |
| Bridlewood Division | Thornbury (portion) | Chester |
| Eagle Rock Division | Black Creek (portion) | Luzerne |
| Eagle Rock Division | Hazle (portion) | Luzerne |
| Eagle Rock Division | East Union (portion) | Schuylkill |
| Eagle Rock Division | North Union (portion) | Schuylkill |
| Media Division* | Media | Delaware |
| Penn Township Division (Rate Zone 1B) | Penn | Chester |
| Treasure Lake Division (Rate Zone 1A)* | Sandy | Clearfield |
| Village at Valley Forge Division (Rate Zone 1A)* | Upper Merion | Montgomery |
| RATE ZONE 2 | | |
| Emlenton Borough Division | Richland (portion) | Clarion |
| Emlenton Borough Division | Salem (portion) | Clarion |
| Emlenton Borough Division | Emlenton | Venango |
| Emlenton Borough Division | Richland (portion) | Venango |
| Pinecrest Division | Tobyhanna (portion) | Monroe |
| Rivercrest Division | Tunkhannock | Wyoming |
| Rivercrest Division | Washington | Wyoming |
| White Haven Division (Kidder) | Dennison (portion) | Carbon |
| White Haven Division (Kidder) | East Side (portion) | Carbon |
| White Haven Division (Kidder) | Dennison (portion) | Luzerne |
| White Haven Division (Kidder) | White Haven Borough | Luzerne |
| RATE ZONE 3 | | |
| Beech Mountain Lakes Division | Butler | Luzerne |
| Beech Mountain Lakes Division | Dennison | Luzerne |
| Deerfield Knoll Division | Willistown (portion) | Chester |
| Laurel Lakes Division (Wilbar) | Rice | Luzerne |
| Links at Gettysburg Division | Cumberland | Adams |
| Links at Gettysburg Division | Mount Joy | Adams |
| Stony Creek Division | Worcester (portion) | Montgomery |
| Thornhurst Division | Lehigh | Lackawanna |
| Willistown Woods Division (Chesterdale) | Westtown (portion) | Chester |
| Willistown Woods Division (Chesterdale) | Willistown (portion) | Chester |
| Woodloch Springs Division | Lackawaxen (portion) | Pike |
| Woodloch Springs Division (Woodloch Pines) | Lackawaxen (portion) | Pike |

DESCRIPTION OF TERRITORIES SERVED

| | <u>Township</u> | <u>County</u> |
|-------------------------------------|---------------------------|---------------|
| RATE ZONE 4 | | |
| Honeycroft Village Division | Londonderry (portion) | Chester |
| Lake Harmony Division | Kidder | Carbon |
| New Daleville Division | Londonderry (portion) | Chester |
| Peddlers View Division | Solebury (portion) | Bucks |
| Tobyhanna Township Division | Tobyhanna (portion) | Monroe |
| Twin Hills Division | West Pikeland (portion) | Chester |
| RATE ZONE 5 | | |
| Avon Grove School District | New London (portion) | Chester |
| Avon Grove School District | Penn (portion) | Chester |
| East Bradford Division (Brandywine) | East Bradford (portion) | Chester |
| Little Washington Division | East Brandywine (portion) | Chester |
| Plumsock Division* | Willistown (portion) | Chester |
| The Greens at Penn Oaks Division | Thornbury (portion) | Chester |
| Newlin Green Division | Newlin | Chester |
| Sage Hill Division | Thornbury (portion) | Chester |
| RATE ZONE 6 | | |
| CS Sewer Division (Masthope) | Lackawaxen | Pike |
| RATE ZONE 7 | | |
| Limerick Division | Limerick (portion) | Montgomery |
| RATE ZONE 8 | | |
| East Bradford Township Division | East Bradford (portion) | Chester |
| East Bradford Township Division | Birmingham (portion) | Chester |

*All Divisions and Subdivisions above are billed on a per EDU basis, with the exception of the Media Division, Plumsock Division, Treasure Lake Division, and Village of Valley Forge Division.

DESCRIPTION OF TERRITORIES SERVED

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SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 1 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 1 | Rate Zone 1A | Rate Zone 1B |
|--|-------------|--------------|--------------|
| Fixed (per EDU) | \$ 31.00 | \$ 31.00 | |
| <u>Meter Size:</u> | | | |
| 5/8 inch | 31.00 | 31.00 | |
| 3/4 inch | 46.50 | 31.00 | |
| 1 inch | 77.50 | 31.00 | |
| 1-1/2 inch | 155.00 | 62.00 | |
| 2 inch | 248.00 | 99.20 | |
| 3 inch | 465.00 | 186.00 | |
| 4 inch | 775.00 | 310.00 | |
| 6 inch | 1,550.00 | 500.00 | |
| 8 inch | 2,480.00 | | |
| 10 inch | 3,565.00 | | |
| Residential Fixed (per EDU) | | | \$ 31.00 |
| Commercial Fixed (per EDU) | | | 67.50 |
| Unmetered Charge (per EDU) | \$ 61.40 | \$ 56.20 | \$ 80.00 |
| Special Charges | | | |
| Media Division - Unmetered: | \$ 31.00 | | |
| Bridlewood Division - Unmetered: | | | |
| Apartment Complex will be billed at 217 EDU's | | | |
| Children's World Daycare will be billed at 7 EDU's | | | |

MONTHLY CONSUMPTION CHARGE

| | | | |
|---|---------|---------|----------|
| Consumption Charge for all divisions (per 1,000 gallons water used) | \$ 7.60 | \$ 6.30 | \$ 10.00 |
| <u>Consumption Charge Exceptions: Residential class only</u> (per 1,000 gallons water used over 1,000 gallons) | | | \$ 10.00 |

SCHEDULE OF RATES

RATE ZONE 2 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 2 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 2 |
|-----------------------------------|-------------|
| Fixed (per EDU) | \$ 36.00 |
| <u>Meter Size:</u> | |
| 5/8 inch | 36.00 |
| 3/4 inch | 54.00 |
| 1 inch | 90.00 |
| 1-1/2 inch | 180.00 |
| 2 inch | 288.00 |
| 3 inch | 540.00 |
| 4 inch | 900.00 |
| 6 inch | 1,800.00 |
| 8 inch | 2,880.00 |
| 10 inch | 4,140.00 |
| Unmetered Charge (per EDU) | \$ 68.40 |
| Special Charges | |
| Emlenton Division: | |
| First 20 EDU's | \$ 68.40 |
| Each Additional EDU over 20 EDU's | 34.20 |

MONTHLY CONSUMPTION CHARGE

| | |
|--|---------|
| Consumption Charge (per 1,000 gallons water used) | \$ 8.10 |
|--|---------|

SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 3 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 3 |
|--|-------------|
| Fixed (per EDU) | \$ 46.00 |
| <u>Meter Size:</u> | |
| 5/8 inch | 46.00 |
| 3/4 inch | 69.00 |
| 1 inch | 115.00 |
| 1-1/2 inch | 230.00 |
| 2 inch | 368.00 |
| 3 inch | 690.00 |
| 4 inch | 1,150.00 |
| 6 inch | 2,300.00 |
| 8 inch | 3,680.00 |
| 10 inch | 5,290.00 |
| Unmetered Charge (per EDU) | \$ 80.00 |
| Special Charges | |
| Links of Gettysburg Division, Thornhurst Division, Laurel Lakes Division, and Woodloch Springs Division - Unmetered: | \$ 71.50 |

MONTHLY CONSUMPTION CHARGE

| | |
|--|---------|
| Consumption Charge (per 1,000 gallons water used) | \$ 8.50 |
|--|---------|

SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 4 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 4 |
|----------------------------|-------------|
| Fixed (per EDU) | \$ 62.00 |
| <u>Meter Size:</u> | |
| 5/8 inch | 62.00 |
| 3/4 inch | 93.00 |
| 1 inch | 155.00 |
| 1-1/2 inch | 310.00 |
| 2 inch | 496.00 |
| 3 inch | 930.00 |
| 4 inch | 1,550.00 |
| 6 inch | 3,100.00 |
| 8 inch | 4,960.00 |
| 10 inch | 7,130.00 |
| Unmetered Charge (per EDU) | \$ 100.00 |

MONTHLY CONSUMPTION CHARGE

| | |
|--|---------|
| Consumption Charge (per 1,000 gallons water used) | \$ 9.50 |
|--|---------|

Special Charges

QUARTERLY SERVICE CHARGE

| | |
|---|-----------|
| Tobyhanna Division | |
| Customer Charge per EDU | \$ 200.00 |
| Nonresidential User Consumption Charge (per 1,000 gallons water used above 23,000 per quarter) | \$ 10.00 |

The Special Charges for the Tobyhanna Division will remain effective through December 31, 2019. Beginning January 1, 2020, and thereafter; the monthly charges of Rate Zone 4 will be effective for the Tobyhanna Division.

SCHEDULE OF RATES

RATE ZONE 5 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 5 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 5 |
|----------------------------|-------------|
| Fixed (per EDU) | \$ 74.00 |
| <u>Meter Size:</u> | |
| 5/8 inch | 74.00 |
| 3/4 inch | 111.00 |
| 1 inch | 185.00 |
| 1-1/2 inch | 370.00 |
| 2 inch | 592.00 |
| 3 inch | 1,110.00 |
| 4 inch | 1,850.00 |
| 6 inch | 3,700.00 |
| 8 inch | 5,920.00 |
| 10 inch | 8,510.00 |
| Unmetered Charge (per EDU) | \$ 112.40 |

MONTHLY CONSUMPTION CHARGE

| | |
|---|-------------|
| Consumption Charge (per 1,000 gallons water used) | \$ 9.60 |
| Special Charges | |
| Newlin Green Division - Metered: | |
| Fixed Customer Charge per EDU | \$ 110.00 |
| Consumption Charge (per 1,000 gallons water used) | 7.50 |
| Sage Hill Division - Unmetered | \$ 180.00 |
| Avon Grove School District - Flat Rate | \$ 8,281.25 |
| East Brandywine Township Water & Sewer Authority – Wastewater Treatment Plant Consumption Rate (per 1,000 gallons) | \$ 7.74 |

SCHEDULE OF RATES

RATE ZONE 6 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 6 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 6 |
|----------------------|-------------|
| Fixed (per EDU) | \$ 39.64 |

| | |
|----------------------------|----------|
| Unmetered Charge (per EDU) | \$ 43.64 |
|----------------------------|----------|

MONTHLY CONSUMPTION CHARGE

| | |
|--|---------|
| Consumption Charge (per 1,000 gallons water used) | \$ 1.00 |
|--|---------|

SCHEDULE OF RATES

RATE ZONE 7 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 7 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 7 |
|----------------------|-------------|
| Fixed (per EDU) | \$ 28.10 |
| Unmetered Charge | \$ 28.33 |

MONTHLY CONSUMPTION CHARGE

| | |
|---|---------|
| Consumption Charge - per month per EDU | |
| (per 100 cubic feet above 333 cubic feet) | \$ 4.84 |
| (per 1,000 gallons above 2,493 gallons) | 6.46 |

QUARTERLY SERVICE CHARGE

| Customer Charge (\$) | |
|----------------------|----------|
| Fixed (per EDU) | \$ 84.30 |
| Unmetered Charge | \$ 85.00 |

QUARTERLY CONSUMPTION CHARGE

| | |
|---|---------|
| Consumption Charge - per quarter per EDU | |
| (per 100 cubic feet above 1,000 cubic feet) | \$ 4.84 |
| (per 1,000 gallons above 7,481 gallons) | 6.46 |

SCHEDULE OF RATES

RATE ZONE 8 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 8 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

| Customer Charge (\$) | Rate Zone 8 |
|--|-------------|
| Fixed: per Single Family Detached | \$ 68.09 |
| Fixed: per Townhouse | 52.72 |
| Commercial, Public, and Industrial Customers (per EDU) | 26.00 |

MONTHLY CONSUMPTION CHARGE

| | |
|---|----------|
| Commercial, Public, and Industrial Customer Consumption Charge (per 1,000 gallons water used over 2,000 gallons) | \$ 6.90 |
| Special Charges | |
| Monthly Commercial, Public, and Industrial Customer Admin/Operations Charge (per EDU): | |
| First 10 EDU's | \$ 12.58 |
| Each Additional EDU over 10 EDU's | 7.05 |

SCHEDULE OF RATES**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% shall apply to all bills issued on or after the Effective Date at the bottom of this page.

I. General Description

Purpose: To recover the reasonable and prudent costs incurred to repair, improve or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC-eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- Collection sewers, collecting mains and service laterals, including sewer taps, curb stops and lateral cleanouts installed as in-kind replacements for customers. Accounts (360 & 361)
- Collection mains and valves for gravity and pressure systems and related facilities such as manholes, grinder pumps, air and vacuum release chambers, cleanouts, main line flow meters, valve vaults, and lift stations installed as replacements or upgrades for existing facilities that have worn out, are in deteriorated condition or are required to be upgraded by law, regulation or order. Accounts (360;361;362;363;364; & 365)
- Collection main extensions installed to implement solutions to wastewater problems that present a significant health and safety concern for customers currently receiving service from the wastewater utility. Accounts (360 & 361)
- Collection Main rehabilitation including inflow and infiltration projects. (Account 361)
- Unreimbursed cost related to highway relocation projects where a wastewater utility must relocate its facilities. Account (360;361;362;363;364; & 365)
- Other related capitalized costs. Account (389.2)

Effective Date: The DSIC will become effective for bills rendered on and after October 1, 2013.

II. Computation of the DSIC

Calculation: The initial charge, effective October 1, 2013, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2013 and August 31, 2013. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

| <u>Effective Date of Change</u> | <u>Date to Which DSIC Eligible Plant Additions Reflected</u> |
|-------------------------------------|--|
| April 1 | December 1 to February 28/29 |
| July 1 | March 1 to May 31 |
| October 1 | June 1 to August 31 |
| January 1 | September 1 to November 30 |

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax Return: The pre-tax return will be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for wastewater service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep}}{\text{PQR}} + \frac{e}{\text{PQR}}$$

Where:

DSI = The original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR = The pre-tax return rate applicable to eligible distribution system improvement projects.

Dep = Depreciation expense related to eligible distribution system improvement projects.

e = The amount calculated under the annual reconciliation feature or Commission Audit, as described below.

PQR = Projected quarterly revenue for wastewater service will be based on the applicable three-month period, (including all applicable clauses and riders) including revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Bureau of Investigation & Enforcement, the Office of Consumer Advocate, Bureau of Audits and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

All Customer Classes: The DSIC shall be applied equally to all customer classes, with the exception of Woodloch Pines and any future customers with negotiated contracts for which a reduction or exemption is shown to be reasonably necessary.

Cap: The DSIC will be capped at 5.00% of the amount billed to customers (including all applicable clauses and riders) as determined on an annualized basis.

SCHEDULE OF RATESDISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage-lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

New Base Rates: The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearnings on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any over-collection to customers and is entitled to recover any under collections as set forth in Section III Safeguards – Audits/Reconciliations. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE (STAS)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued on or after the Effective Date at the bottom of this page.

The above surcharge will be recomputed using the element prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the Company will, or if the recomputed surcharge is more than the one in effect, the Company may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with section 1308(a) of the Public Utility Code, 66 C.S. section 1308(a)(regarding voluntary changes in rates) unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective.

SCHEDULE OF RATES

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SCHEDULE OF RATES

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RULES AND REGULATIONS**SECTION A – INTRODUCTION**

These Rules and Regulations, files as part of the Company's Tariff, shall govern the manner in which wastewater service is provided to all Applicants and Customers. The Company may supplement these Rules and Regulations, and may revise and amend these Rules and Regulations from time to time subject to the approval of the Pennsylvania Public Utility Commission ("Commission"). The Company will follow Commission regulations not specifically addressed in these Rules and Regulations.

There are four classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:

Residential Class: An individually-metered dwelling unit intended for human habitation (including a detached house, rowhome, townhouse, condominium and mobile home) or an individually-metered home or building consisting of not more than two dwelling units.

Commercial Class: A building store restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, motels, and tanks filled at the Company's premise are included in this class.

Industrial Class: A building or factory which is primarily a site for the manufacture or production of goods.

Public: A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.

RULES AND REGULATIONS**SECTION B - DEFINITIONS**

Wherever used in the Rules and Regulations or elsewhere in the tariff of the company, the following terms shall have the meanings hereinafter set forth:

Applicant: A person, at least 18 years of age, who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either existing or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Company: Aqua Pennsylvania Wastewater, Inc. and its duly authorized officers, agents and wastewater employees; each acting within the scope of his authority and employment.

Customer: A person at least 18 years of age, or entity who is an owner, occupant or who contracts with the Company for or who takes or receives wastewater collection, treatment and/or disposal service.

Customer Service Line: The connecting facilities from the Company sewage supply lines or mains at the curb-line into and within the customer's premises.

Company Service Lateral: The pipe or line extending laterally out from the Company collection main that connects to the building service line at the hypothetical or actual curb line, edge of the right-of-way or the actual property line.

Company's System: The aggregate of the Company's sewage disposal plant, trunk lines or mains and connection facilities to the curb-line at each premise.

Construction Costs: All direct and indirect costs attributable to the material and installation of the subject main extension, services and appurtenances, and/or removal of existing Company facilities (including the net book value of property replaced or retired) whether incurred by the Builder or the Company.

Contributory Industrial User: Any industrial user that the Company has determined discharges specific pollutants to the treatment works at concentrations greater than typical domestic/commercial wastewaters.

Domestic Wastes: A combination of water-carried wastes, consisting of wash water, culinary wastes and liquid wastes containing only human excreta and similar matter flowing in or from a building drainage system of sewer originating from residences, business buildings, institutions, and commercial establishments.

Equivalent Dwelling Unit or "EDU": The unit of measure by which a wastewater service charge shall be imposed upon each improved property, as determined in the Schedule of Rates of this tariff, which shall be deemed to constitute the estimated, equivalent amount of domestic sanitary wastewater discharged by a single-family dwelling unit in a single day. One (1) EDU shall be equal to two hundred and twenty five (225) gallons of wastewater per day for a three (3) bedroom residence.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Grinder Pump: Any mechanical or powered device used to grind, macerate or fluidize waste so that it can be discharged into the Company's facilities. This device is a component of the Customer service line and the sole responsibility of the Customer to own, maintain and operate along with the balance of their Customer service line. The Customer shall be responsible for all power to operate the device in accordance with the manufacture's specifications and guidelines.

Industrial Waste Permit or Contract: A wastewater permit or contract issued as required by the Company to an industrial user.

Industrial Waste Pretreatment Program: A program established by the Company that requires discharges to monitor, test, treat and control as necessary, pollutants in their wastewater prior to discharge into the sanitary and/or combined sewer.

Maximum Allowable Industrial Loading: The maximum mass of pollutants that is allowed to be discharged to the treatment works from all contributory industrial users.

Nondomestic Waste or Industrial Waste: Any wastewater resulting from any process of industry, manufacturing, trade, or business or from the development or recovery of any natural resource, or any mixture of such waste with water or domestic wastewater, as distinct from domestic wastewater.

Person: Any individual, firm, company, association, society, corporation, institution, group, or any other legal entity.

Premise: A single lot or piece of ground consisting of a single residential unit, together with all buildings and structures erected thereon.

Pretreatment: The reduction or elimination of pollutants, or the alteration of the nature of pollutant properties prior to discharging into the sewer system. This reduction or alteration can be obtained by physical, chemical, or biological processes, by process changes, or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

Property: In general terms, a separate parcel of land owned in fee simple absolute, including any home(s), condominium(s), Home Owner's Association or building(s) affixed thereto, which is delineated by the description contained on the recorded deed, and which may be further delineated by any public roads.

Prospective Customer: Any owner, tenant or lessee of a property that is expected to be receiving wastewater service for at least one year following the commencement of wastewater service.

Residential Structure: A home or building which contains only individually - metered dwelling units intended for human habitation.

Service Connection: See Definition for Company Service Line.

Shall: is mandatory; May is permissive.

User or Discharger: Any person that discharges, causes, or permits the discharge of wastewater into a Company sewer.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Waste: Rejected, unutilized or superfluous substances in liquid, gaseous, or solid form resulting from domestic and nondomestic activities.

Wastewater: A combination of the water-carried waste from residences, businesses, buildings, institutions, and industrial establishments, together with any ground, surface, and storm water that may be present, whether treated or untreated, discharged into or permitted to enter a Company sewer.

RULES AND REGULATIONS**SECTION C – APPLICATION FOR SERVICE**

1. Application for Wastewater Service by a New Owner or Occupant at an Existing Service Property: Where a Customer's Service Line exists on a property to be served in compliance with the Company's rules, service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving service takes such service subject to the Company's Tariff, including its Rules and Regulations.

2. Application for Wastewater Service to a Proposed Service Property: Where an adequate sewer main abuts the Customer's property, a service connection will be made as soon as reasonably practicable after the appropriate application forms have been completed by the property owner or his properly authorized agent and subsequently submitted to, and approved by, the Company. Where an adequate sewer does not about the Customer's property, the Customer must make necessary arrangements with the Company's New Business Office for the extension of sewer in accordance with the Company's Rules and Regulations. Service Connection application forms will be furnished by the Company on request.

All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, the lessee may request service as an applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the applicant.

Nonresidential service customers which desire to discharge Industrial/Commercial Wastes into the Sanitary Sewer or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES**

1. Customer Service Line: The Company will install, own or lease, and maintain an integrated sewage system of adequate capacity to provide Residential Class sewage service to the curb-line for residential property lot within the Company's authorized service area. Any additional or larger connection facilities requested by the Customer may be installed provided the proposed discharge into the system is within the capability of the system and the Customer pays the additional costs for the installation.

Contract for Service

- Connection of a premise to the Company's sewage system constitutes a contract for service subject to all rules, regulations and rate schedules as provided for in this tariff.

- No owner or tenant of any premises connected with the sewer lines of this Company will be allowed to permit another person or premises to use or connect with his service line, except upon written permit from the Company.

- Any violation of the Rules and Regulations of the Company shall render the Contract between the Customer and the Company void, and service may be discontinued after due notice, remaining so until such time as the Company is satisfied that the customer will observe the rules and regulations. Service will not be connected until the actual costs of the discontinuing and reconnections are paid in full.

Service Line Inspection Fee

- Charge for the Company's time involved in the inspection of a Service Line tie-in to the Company's wastewater system shall be fifty (50) dollars per service line.

2. Right to Reject: The Company may refuse to connect with any customer service line or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.

3. Separate Trench: The customer wastewater service line shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a utility service.

4. Customer Grinder Pump: In areas of the collection system where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their service line, shall install, own, operate, and maintain and replace a grinder pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The pump shall meet specifications as provided by the Company. The failure of a customer to properly install and maintain a grinder pump, including replacement, shall construe grounds for the Company to initiate action to terminate service to the customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning grinder pump.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)**

5. Individual Service Lines: Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service line connected directly to the Company Service Line, and that Customer Service Line shall not cross over the property of or serve any other customer or premise. The maximum service line length shall be two hundred and fifty (250) feet from the point of connections with clean-outs every 50 feet. The Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any Customer Service Line for any purpose without the express written approval of the Company.

6. Customer Responsibilities:

a. Use shall be restricted to the normal effluent of a residence, unless a special agreement is made satisfactory to the Company as to other uses. No Customer shall discharge into the system roof, storm, surface or ground water, swimming pools, drainage from cesspools or drain fields, cistern, combustible gases or liquids, insoluble solids, industrial type waste or other harmful substances. Any Customer discharging any unauthorized matter into the system, which causes damage to Company facilities or interferes with the operation of the system, will be required to cease using the system and pay whatever damages and costs are incurred as a result.

b. Each Customer's service line shall be installed and maintained by or on behalf of the Customer at his expense and in full accordance with the Company's specifications as to materials, size, location and underground construction, starting at the curb-line at a location designated by the Company.

c. No sewer connection, or disconnection, shall be made to the Company's main except under the supervision, control and approval of the Company's authorized representative. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install, and maintain all service lines from the main to the property line or right of way.

d. No repairs, alterations, or additions to any drain or sewer connection with the Company's sewer shall be made, unless the person desiring to make the same shall first receive permission from the Company for doing so.

e. Connections with sewers that run through private property shall, in all respects, be governed by these Rules and Regulations.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)****7. Company's Service Lateral:**

Except for service connections made in accordance with the section, "Main Extensions", the Company will make all connections to its mains and furnish, install and maintain the Company's service lateral from the main up to the hypothetical or actual curb line, edge of the right-of-way or the actual property line. The Company's service lateral will be the property of the Company and under its control.

The maximum Company investment per Company service lateral shall be as follows:

| <u>Size of Service</u> | <u>Maximum Investment</u> |
|---|---------------------------|
| 1 ½ inch in diameter or less | \$3,000 |
| Greater than 1 ½ inches but not to exceed four inches | \$6,000 |
| Greater than 4 inches | \$12,000 |

The cost of any Company service lateral in excess of the applicable maximum Company investment shall be paid by the Customer. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment of the extent the actual cost is determined to be less than the estimate.

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY****Termination and Discontinuance of Service:**Termination and Discontinuance by the Company

1. Service may be terminated by the Company for any one of the following reasons:
 - a. Failure of a Customer to maintain and repair his Customer's service line;
 - b. Failure of a Customer to pay a bill for service in accordance with the Commission's regulations;
 - c. Vacancy of the premises;
 - d. Violation by a Customer, or with his consent, of any of these Rules and Regulations.
2. The Company may, without notice, discontinue sewage service if an emergency reasonably requires it in order to make necessary repairs or connections or to meet any other emergency; however, the Company will give notice of any discontinuance of service if it is reasonably possible to do so.
3. If you are a victim of domestic violence and have a Protection From Abuse Order or other court order that shows clear evidence of domestic violence, there are special protections available.

Discontinuance by the Customer

1. A Customer desiring the discontinuance of sewage service shall give written notice to the office of the Company and he will be responsible for service charges until such notice is given. A new application must be made on any change of customers on a property as required at the office of the Company, and the Company shall be at liberty to discontinue the service until such new application has been made and approved.
2. The Customer desiring abatement from sewage bills shall report same in writing or call in person at the office of the Company. All vacancies shall date from the day reported at the office of the Company. When vacancy is properly reported, an allowance will be made for the period of vacancy, but not for less than one month.

Restoration of Service: After termination of service it will not be reconnected until all amounts due to the Company have been paid plus the cost of a fifty (50) dollar turn-on charge prior to service reconnection (with the exception of the Masthope Division).

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY (cont'd)****Service Continuity:**

Regularity of Service: The Company may, at any time, interrupt service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code 67.1 and as circumstances permit, notify customers to be affected by service interruptions.

Due to Emergency: As necessity may arise in case of breakdown, emergency, or for any other unavoidable cause, the Company shall have the right to suspend services temporarily, in order to make necessary repairs, connections, etc.; but the Company will use all reasonable and practical measures to notify the Customer of such discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the Customer or any claim against it at any time for interruption in service, or for any causes beyond its control.

Liability for Damages:

1. Limitation of Damages for Service Interruptions: The Company's liability to a customer for any loss of damage from any excess or deficiency in the wastewater collection service due to any case other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the customer charge or minimum bill for the period in questions. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuation in service, but cannot and does not guarantee that such will not occur.

2. Responsibility for Customer Facilities: The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION**

Methods of Payment: Bills are payable by mail, by direct debit, in person at any authorized pay agency or as otherwise authorized by the Company.

Landlord Assumption of Responsibility: If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

Billing History: A Customer may obtain from the Company; at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

Delinquent Bills: If a rendered bill remains unpaid for a period of 20 days for residential customers and 15 days for non-residential customers, it shall be classified as delinquent. However, if the last day of such period falls on a Saturday, Sunday, a holiday or day when the Company's offices are closed, the delinquency date shall be the next succeeding business day. Payments by mail will be deemed made on the date of the postmark. Payments to the Company drop box or authorized payment agent will be deemed received when paid at that location. Service may be terminated for non-payment of bills in accordance with the Commission's regulations. If service is thus terminated it will not be restored until all outstanding charges provided by the Commission's regulations and the tariff of the Company are paid or satisfactory arrangements are entered for payment.

Late Payment Charge: If payment has not been received by the Company for five days after the bill has been classified as delinquent, a late charge (penalty) of 1.25% will be applied to the account and such late charge (penalty) will be calculated every thirty days thereafter only on the overdue portion of the bill excluding previous late charges (penalties), and in no event shall the late charge (penalty) exceed more than 18% annually (simple interest).

Return Check Charge: The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require deposit or turn-on charges to be paid by cash, certified check, money order, or credit card or service may be terminated without additional notice in accordance with Commission regulations.

Turn-on Charge: When service has been terminated to any premise because of violation of the Company's Rules and Regulations or at the Customer's request, a charge of fifty (50) dollars payable in advance will be made for restoration of service. If the Customer request for restoration of service requires the Company to incur overtime or holiday costs, the Company reserves the right to bill the Customer for the additional cost incurred. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, the Customer must reimburse the Company for those expenses in addition to the \$50.00 turn-on charge prior to service reconnection.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION (cont'd)**

Turn-off at Customer's Request: Customers desiring to avoid payment for wastewater service during periods when Properties are vacant or during extended absences shall give notice in writing at the office of the Company requesting the wastewater to be shut off. If a minimum charge or Customer charge for water use is applicable, the bill will be based on the proportion that the period when wastewater service was available bears to the entire period on which such minimum charge or Customer charge is based. Metered consumption in excess of such adjusted minimum shall be billed at normal rates.

RULES AND REGULATIONS**SECTION G – DEPOSITS AND CREDIT STANDARDS**

General: Deposits may be required from Applicants for new service extension of service. Residential Customers will not be required to pay a security deposit in order to receive service from the Company. The Applicant will be required to pay income tax on any deposit, advance, contribution or other like amounts received from an applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service and required by the Pennsylvania Public Utility Commission.

Creditworthiness: Upon application for wastewater service, the Company may require the applicant/customer to provide valid identification, a valid deed lease or mortgage evidencing the applicant/customer's residency at the property/premise, and/or payment of an outstanding balance owed by the customer which accrued within the past 4 years for which the applicant/customer is legally responsible.

The Company may determine liability for a past due balance by:

- Use of Company records that contain information previously provided to the Company;
- Information contained on a valid mortgage, lease or deed;
- Use of commercially available public records databases; and
- Government and property ownership record.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS****General Requirements:**

1. The owner agrees to cooperate with the company in its efforts to implement or enforce its wastewater pre-treatment program, including any monitoring, reporting and treatment that the company may deem necessary to ensure that discharges into its system are compatible with the capability of its wastewater treatment and collection system.
2. It is agreed and understood that the company's facility is not a Publicly Owned Treatment Works (POTW), and that discharger is not entitled to, and may not claim or otherwise take advantage of, any statutory or regulatory exemptions that may apply to discharges into the sewage collection system of a Publicly Owned Treatment Works (POTW).
3. The owner is required to install and maintain, at their own expense, all interconnecting lines, grease traps, pretreatment equipment, sampling wells and any lift stations required to collect your sewage at connecting points per our approval.
4. It is agreed and understood that user may not dispose of or permit disposal of waste generated offsite by the user, or any other party, by discharge through the user's sewer system connection.
5. Grease and oil traps shall be provided when necessary for the proper handling of liquid wastes containing grease or oil when required by the state plumbing codes. All traps and drains shall be located so as to be readily and easily accessible for cleaning and inspection. All grease and oil traps shall be maintained by the owner, at the owner's expense. Prior to installation, plans shall be submitted to the company for approval. The Company reserves the right to require owners of grease, oil, sand traps, or interceptors to submit records of cleaning to the Company at the Company's discretion.
6. It is agreed and understood that discharger shall install and maintain a waste interceptor, grease trap or pre-treatment unit of sufficient design to prevent the discharge or introduction of trash, debris, grease, oil or any other solid material having maximum dimensions equal to or greater than one and one-half inches (1½") into the sewage collection system, and that the design of such interceptor or pre-treatment unit shall be subject to approval by the company prior to commencement of discharge into the sewage collection system or wastewater treatment plant.
7. The User will indemnify and hold harmless the Company from any and all claims, demands, damages, costs, fines, expenses (including attorney's fees), judgements or liabilities arising out any damage, injury, or loss sustained by Company ("Losses") on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, failure to install required Pretreatment, or failure to otherwise comply with the Company's Pretreatment requirements by the User. The Company shall have the right to charge the User as a part of the User's wastewater service charges any Losses incurred, or any other expenses or costs incurred by the Company including but limited to cleaning and removal on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, or failure to otherwise comply with the Company's Pretreatment requirements by the User.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Requirements (cont'd):**

8. The Company shall have the right to terminate or otherwise refuse service in accordance with its rules and regulations to any user on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, failure to install required Pretreatment, or failure to otherwise comply with the Company's Pretreatment requirements by the User.

9. The Company shall not be liable to the user for a failure to provide sewage collection services. It is understood and agreed that service interruptions may, from time to time, occur. The Company agrees to use its best efforts to provide continuous service.

10. If any measurement, test, inspection or analysis determines that a user has created a situation which is in violation of any statute, ordinance, rule or regulation, the user shall be required to pay all costs incurred to remedy the situation.

11. Where necessary in the Company's opinion, the User shall provide, at the User's expense, preliminary treatment as may be necessary to reduce the characteristics or constituents to within the maximum limits provided for in these rules and regulations or to control the quantities or rates of discharge of water or wastes. Plans and specifications and other pertinent information shall be submitted for the approval of the company and no construction of such facilities shall commence until said approvals are obtained in writing. Preliminary treatment facilities shall be maintained continuously to satisfactory and effective operations. Solely the User is responsible for meeting the compliance limits herein.

12. The Company reserves the right to refuse connection to its sanitary and/or combined sewer connection or to compel the discontinuance of the use of the sanitary and/or combined sewer where the company deems the discharge of the waste harmful to the sewer system or have an adverse effect on the sewage treatment processes.

13. Wastewater raw waste strength shall be limited to that illustrated below:

| | | Maximum Allowable Limits (Grab Sample) | Maximum Allowable Limits (Composite Sample) |
|----------------------------|--------|---|--|
| BOD ₅ | (mg/l) | 250 | 250 |
| TSS | (mg/l) | 250 | 250 |
| COD | (mg/l) | 500 | 500 |
| Total Kjeldahl Nitrogen | (mg/l) | 50 | 50 |
| Ammonia Nitrogen | | 45 | 45 |
| pH | | 6-9 | N/A |
| Copper | (mg/l) | 2.0 | 1.0 |

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Prohibitions:**

1. No storm water from pavements, areas ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company mains
2. The discharge of garbage to the sewer system is expressly prohibited.

Prohibited Discharges: No person shall cause or permit to be discharged into the Company's wastewater system any toxic substances or wastes having any of the following characteristics:

1. Wastes containing gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation. Any pollutants which create a fire or explosion hazard in the collection and treatment system including, but not limited to, waste streams with a closed cup flash point of less than 140 degrees Fahrenheit, using the test methods specified in 40 CFR 261.21.
2. Any liquid or vapor having a temperature in excess of 150 degrees Fahrenheit or any substance which causes the temperature of the total wastewater treatment plant influent to exceed 104 degrees Fahrenheit. Any liquid or vapor less than 20 degrees F. Allowable temperatures may vary by facility.
3. Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
4. Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
5. Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in their opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.
6. Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
7. Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
8. Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit or the ability to meet sludge standards or beneficial reuse of sludge
9. Wastes containing other matter detrimental to the operation of a sewage treatment plant or sanitary sewers causing erosion, corrosion or deterioration in sewers, equipment and structure of a sanitary or sewage treatment plant

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Prohibited Discharges (cont'd):**

10. Any liquid containing fats, wax, grease or oils of mineral or petroleum origin, whether emulsified or not, in excess of 100 mg/l or of animal or vegetable origin in excess of 300 mg/l. Lower limits may be applied to mineral oils where necessary to prevent interference with treatment plant operations or pass through. Allowable grease levels will vary by facility.

11. Wastes containing more than 10 mg/l of any of the following gases, hydrogen sulfide, sulfur dioxide, nitrous oxide, or any of the halogens.

12. Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to human or animals or create any hazard in the sewer system operation and such toxic wastes shall include, but not be limited to wastes containing cyanide, chromium and/or copper ions.

13. Any waste containing toxic substance in quantities sufficient to interfere with the biochemical processes of the sewage treatment that works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.

14. Any waste containing radioactive isotopes.

15. Any wastewater which imparts color which may affect the effluent or may cause violation of the National Pollutant Discharge Elimination System permit or the ability to meet sludge standards or beneficial reuse of sludge.

16. Waste discharged into the sewage collection system shall not include any hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended, and the regulations thereunto, or in those sections of the Pennsylvania Administrative Code governing solid and hazardous waste.

17. The Company reserves the right to set more stringent limitation if the Company determines that the limitation in this section may not be sufficient to protect the operation of the system or to comply with the water quality standards or effluent limitations of the Company's applicable permits.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Sampling Analysis:**

1. All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in these rules may be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved, and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.

2. All measurements, tests, inspection, and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulation of the company, shall be done by the Company or its agents, employees or contractors. If the measurement, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation that the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).

3. Where the Company deems advisable; it may require any person discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes discharged. The owner shall install and maintain a suitable control manhole in the users' sewer lateral to facilitate observation, sampling and measurement of wastes. Any manhole and sampling device shall be publically accessible and in a safe location, constructed in accordance with plans approved by the company and installed and maintained at the expense of the owner of the premises or property to who sewer service is provided.

4. Samples for analyses shall be by either grab sample or composite samples or a 24 hour composite sample collected and proportioned, as directed by the company.

5. Copies of all operational records, analyses, shall be filed with the company unless otherwise directed by the company.

Disposal of Wastes From Septic Tanks and Cesspools: No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's wastewater system, except as designated by the Company.

Penalties: The Company reserves the right to deny wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.

Damage to System and Indemnification: In the event of any damage to the Company's wastewater system caused by a customer, such damage shall be immediately reported to the Company and said customer shall reimburse Company for the costs of such repairs.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS****Definitions:**

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either exiting or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Bona Fide Service Applicant: A person or entity applying for wastewater service to an existing or proposed structure within the Company's franchise territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the applicant or a place of business. An applicant shall not be deemed a bona fide service applicant if:

- An applicant is requesting wastewater service to a building lot, subdivision or a secondary residential dwelling;
- The request for service is part of a plan for the development of a residential dwelling or subdivision; or
- The request for service requires special utility service.

General Provisions:

1. At the time any request is made to the company for a main extension, the company may request a site plan for the lot(s) to which service is to be provided. If such a request is made by the company, the site plan must be provided within the time specified by the company, which shall not be less than fourteen (14) days.
2. The company shall have the exclusive right to determine the type and size of mains to be installed, and any other facilities or fixtures required to render adequate service; provided, however, that where the company decides to install pipe larger than eight (8) inches in diameter, and 8-inch pipe would render adequate service throughout the extension, at the company's discretion, estimated, or actual, cost figures contained in the Sewer System Extension Agreement will include the material cost for pipe eight (8) inches in diameter. All estimated, or actual, cost figures will include a reasonable allowance for overheads.
3. In determining the length and size of, and necessity for, main extensions, the terminal point of such extensions will, in all cases, be at that point in the curb-line which is equidistant from the side property lines of the lot for which sewer service is requested. A street service connection will be provided only for service lines from the curb to the premises to be served, and will be installed in a straight line, at right angles, to the curb line.
4. Should it be necessary, at the company's sole discretion, to extend beyond the last lot in any street to connect to an existing main to provide more adequate and reasonable service, this additional extension shall be considered part of the total and orderly system development so long as the last lot in the street is not more than one hundred fifty (150) feet from that existing main, and may be included in the cost of the extension.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

Bona Fide Customer Initiated Main Extensions: When an extension to serve a Customer is required or requested, such extension will be made under the terms of a "Sewer Main Extension Agreement" or a "Sewer Main Extension Deposit Agreement".

Customer shall contribute all facilities required for the Company to directly connect the Customer to the Sanitary Sewer. This includes pumping stations, vaults, manholes, mains or any other apparatuses where applicable. The Company shall have the right to locate the facilities as required to meet the long term system needs of the Customers.

Builder Initiated Main Extensions: In the event any main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-residential structures except as provided below, the Builder shall be required to install the wastewater main and service lines through a pre-qualified Contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, a "Sewer Extension Agreement" or "Extension Deposit Agreement" shall be applicable except that the Builder will retain financial responsibility for the installation of the wastewater main, service lines and appurtenances as specified herein.

Under the provisions of this Rule, prior to construction, the Builder must enter into an Agreement, in a form acceptable to the Company, detailing the terms and conditions under which the Company will accept, and provide service through, facilities constructed by Builder. All construction costs, whether initially incurred by the Company or the Builder, related to the main extension shall be the responsibility of the Builder. The Agreement shall contain, at a minimum, the following terms and conditions:

1. Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
2. All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all main and service line installation work, and all appurtenances required to serve the project.
3. Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
4. Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of mains or services with existing facilities, shall be performed only by the Company unless Company approves this work to be completed by Builder's Contractor.
5. Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
6. Builder shall obtain all necessary permits from federal, state and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits.
7. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

RULES AND REGULATIONS**SECTION J – WAIVERS**

The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

SECTION K – AMENDMENT OF COMMISSION REGULATIONS

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, the tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

SECTION L – PRIVILEGE TO INVESTIGATE/RIGHT TO ACCESS

The Company shall have the right by its employees to have access at all reasonable times to all parts of any premises connected with the system, including meters, service connections and other property owned by it one the premises of the Customer for the purpose of examining and inspecting the connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause or for purposes of replacement, maintenance, operation or repair thereof. The existing ground grade over any sanitary sewer in the utilities right of way shall not be changed not shall any manhole be covered with earth and no shrubbery or trees be placed over sanitary sewer lines or facilities.

RULES AND REGULATIONS**SECTION M – INDUSTRIAL AND COMMERCIAL SERVICE LIMITATIONS**

Pretreatment: At the Customer's expense, all industrial and commercial waste proposed for discharge into the sewer system shall be studied to determine the degree of pretreatment, if any, necessary in order that the waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to properly control any waste discharge into its sewage system by regulating the rate of any waste discharge into its sewer system by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.

Customer Limitations: Customers specifically agree that service applies exclusively for domestic/household sewage. If any Customer discharges industrial or commercial waste that:

- The existing wastewater treatment plant is unable to satisfactorily treat; or,
- Is not in compliance with discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or
- Requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical domestic wastewater.

Then the customer shall provide, at the customer's own expense, such primary treatment as may be necessary before such waste is discharged into the Company mains. No commercial or industrial waste, whether pretreated or not, may be discharged without prior written authorization from the Company.

Company Limitations: The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate industrial or commercial waste.

Specific Dangers: In general, any waste will be considered harmful to the Company wastewater system if it may cause any of the following damaging effects:

- Chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;
- Mechanical action that will destroy the sewer structures;
- Restriction of the hydraulic capacity of the sewer structures;
- Restriction of the normal inspection or maintenance of the sewer structures;
- Danger to public health and safety; or
- Obnoxious condition contrary to public interest.