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VIA e-Filing

January 9, 2020

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

**Re: Pennsylvania-American Water Company – Water Division
Tariff Changes Related to Replacement of Lead Customer-Owned
Service Pipes**

Utility Code: 212285

Dear Secretary Chiavetta:

At the request of the Technical Utility Services, Pennsylvania-American Water Company is filing revised Page 47.1 and Page 47.2 to Supplement No. 17 to Tariff Water-Pa P.U.C. No. 5.

If you have any questions, please contact me.

Sincerely,

Susan Simms Marsh

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Attachment

cc. Office of Consumer Advocate
Bureau of Investigation and Enforcement
Office of Small Business Advocate
Bureau of Technical Utility Services
Marie Intrieri (Bureau of Technical Utility Services)

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

4. Service Pipes (cont'd)

4.9.1 Replacement of Lead Service Pipes

4.9.1.1

Notwithstanding Rules 2.11, 2.12, 2.14 and 4.9, the Company shall, provided that the customer consents, replace lead Service Pipes pursuant to Parts 1 and 2 of its lead Service Pipe replacement plan (Replacement Plan), subject to the budgeted allotment of \$6.0 million per year for all lead Service Line replacements under its Replacement Plan. Pursuant to its Replacement Plan – Part 1, the Company will replace lead Service Pipes it encounters when replacing its mains and/or Service Lines up to 1,800 lead Service Pipe replacements per year within a maximum amount of approximately \$6.0 million per year. Pursuant to its Replacement Plan – Part 2, the Company will replace a lead Service Pipe at a Customer's request subject to the following conditions: (1) verification that the Customer has a lead Service Pipe; (2) the time when the replacement occurs will be determined by the Company based on factors determined by the Company including, without limitation, the number of customer requests for Service Pipe replacements in Company-designated geographic areas; (3) the annual cap of 1,800 lead Service Pipe; and (4) availability of funds not used for Part 1 replacements under the Company's budgeted allotment of \$6.0 million per year. Lead Service Pipe replacements performed pursuant to Replacement Plan – Part 1 will have priority on the use of funds under the annual budget allotment and, therefore, in any year, funds will be used for lead Service Pipe replacements under Replacement Plan – Part 2 only to the extent that funds are available within the budget allotment and are not allocated to Part 1 replacements planned for that year. Portions of the annual budget allotment of \$6.0 million that are not expended on lead Service Pipe replacements under Part 1 or Part 2 of the Replacement Plan in a year will roll-over to the next subsequent year, but use of the roll-over funds will still be subject to the requirement that priority be given to Part 1 replacements. If the Company does not use the excess budgetary allotment in the subsequent year, the excess budgetary allotment will not carry forward into the following year, i.e. excess budgetary allotments will not carryforward on a cumulative basis, subject to the cap on the number of lead Service Pipe replacements per year. The Company may, but shall not be required, to petition the Commission for approval to modify its annual budget allotment of \$6.0 million if the Company, in its sole discretion, determines that its annual budget allotment no longer meets the future needs of administering both Parts of the Replacement Plan. However, no change may be made without prior Commission approval. Costs the Company incurs to replace lead Service Pipes under the Company's Replacement Plan shall be subject to the accounting and rate treatment approved by the Order of the Pennsylvania Public Utility Commission (Commission) entered October 3, 2019 and Settlement at Docket No. P-2017-2606100 (Approval Order). After a lead Service Pipe is replaced by the Company, the Customer shall own the Service Pipe and shall have full responsibility for the repair, replacement and maintenance of the new Service Pipe, which, upon installation, shall thereafter be subject to the terms of Rules 2.12, 2.14 and 4.9.

4.9.1.2

The Customer shall enter into an Agreement for Replacement of Lead Service Pipe, in a form provided by the Company, prior to the initiation of any work by the Company to replace a Customer's Service Pipe. The Company will provide a two-year warranty on workmanship and materials for any Customer lead Service Pipes it replaces.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

4. Service Pipes (cont'd)

4.9.1.3

The Company will verify whether the property for which a Replacement Plan - Part 2 replacement was requested has a lead Service Pipe, and if so, will test water from the tap of the dwelling within four weeks after receiving such a request from a Customer or property owner, as applicable. The Company will notify the Customer occupying such property within three days of obtaining the test results.

4.9.1.4

The Company will provide a 10-cup filtered water container to low-income residential Customers who request (or if the Customer occupies a rental property, the property-owner has made, or has authorized the Customer to make, such request) that the Company replace their LSPs under Part 2 of the Company's Replacement Plan, provided that:

1. The Customer's household income is at or below 150% of the Federal Poverty Income Guidelines as determined by the Dollar Energy Fund, which the Company will engage to make this determination based on information available to, or obtained by, Dollar Energy Fund in the same manner Dollar Energy Fund determines a residential Customer's low-income status for other low-income programs of the Company;
2. The Company has verified that the Customer has a lead Service Pipe; and
3. The Company's testing of water from the Customer's tap shows that the water has a lead level above the action level established by the Pennsylvania Department of Environmental Protection under the Environmental Protection Agency's Lead and Copper Rule.

4.9.1.5

If the Company, at the request of a Customer or property-owner (as applicable), visits a Customer's site and determines that the Service Pipe has been replaced at or within one-year of the date the Company commenced a project to replace lead Service Pipes and the Customer or property-owner (as applicable) provides the Company with a paid invoice, a certification from a certified plumber, and other documentation determined by the Company to be appropriate to verify the replacement, the Company will reimburse the Customer's or property-owner's (as applicable) reasonable costs up to an amount not to exceed 125% of the costs the Company would have incurred to perform the replacement of a similarly-sized Service Pipe in the project area. A lead Service Pipe project will commence on the date the Company begins physical main replacement work in the project area that includes the Customer's site or when the Company deploys a contractor crew to the geographic area of a Replacement Plan – Part 2 project to perform grouped work activity, whichever is sooner.