

# Morgan Lewis

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September 3, 2020

## **VIA eFILING**

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

**Re: Petition of Aqua Pennsylvania, Inc. for Approval of Tariff Changes  
Authorizing Replacement of Customer-Owned Lead Service Lines  
Docket No. P-2020-**

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Dear Secretary Chiavetta:

Enclosed for filing in the above-referenced matter is the **Petition of Aqua Pennsylvania, Inc. for Approval of Tariff Changes Authorizing Replacement of Customer-Owned Lead Service Lines** (the "Petition"). Copies of the Petition have been served in accordance with the enclosed Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Anthony C. DeCusatis

ACD/tp  
Enclosures

c: Per Certificate of Service (w/encls.)

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF AQUA PENNSYLVANIA,       :**  
**INC. FOR APPROVAL OF TARIFF           :**  
**CHANGES AUTHORIZING                 :**           **Docket No. P-2020-\_\_\_\_\_**  
**REPLACEMENT OF CUSTOMER-         :**  
**OWNED LEAD SERVICE LINES           :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Petition of Aqua Pennsylvania, Inc. for Approval of Tariff Changes Authorizing Replacement of Customer-Owned Lead Service Lines** in the above-referenced proceeding on the following persons, in the manner specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL**

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Dated: September 3, 2020

*Counsel for Aqua Pennsylvania, Inc.*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF AQUA PENNSYLVANIA, INC. FOR APPROVAL OF TARIFF CHANGES AUTHORIZING REPLACEMENT OF CUSTOMER-OWNED LEAD SERVICE LINES** :  
: **DOCKET NO. P-2020-\_\_\_\_\_**  
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**PETITION OF AQUA PENNSYLVANIA, INC.**

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**I. INTRODUCTION**

Pursuant to 52 Pa. Code § 5.41, Aqua Pennsylvania, Inc. (“Aqua” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) to approve revisions to its Tariff-Water PA P.U.C. No. 2 that will authorize Aqua to replace customer-owned lead service lines (“COLSLs”) and recover the associated costs as provided in 66 Pa. C.S. § 1311(b)(2), which was added to the Pennsylvania Public Utility Code by the Pennsylvania General Assembly’s enactment of Act 120 of 2018 (“Act 120”).<sup>1</sup> Aqua’s proposed tariff revisions, which are set forth in Aqua Exhibit No. 1 accompanying this Petition, will allow the Company to replace COLSLs at its sole cost and recover a return on, and a return of, those costs as permitted under Act 120.

**II. OVERVIEW**

Aqua proposes to replace COLSL in conjunction with main replacement projects. When Aqua encounters a COLSL, it will seek the customer’s consent to replace its COLSL at the time the new main is installed and before the Company’s service line is connected to the new main.

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<sup>1</sup> Act of Oct. 24, 2018, P.L. 738, No. 120.

Aqua proposes an annual cap on COLSL replacements of 200 per year or a maximum budgetary amount of \$800,000 per year, whichever comes first.

The Pennsylvania General Assembly has determined that it is in the public interest for water utilities to replace COLSLs “concurrent[ly] with a scheduled utility main replacement project.”<sup>2</sup> Replacing all of the lead components in a service line eliminates a potential source of elevated lead levels in its entirety.<sup>3</sup> Aqua will also continue its existing corrosion control program, which has successfully prevented elevated lead levels in the water entering customers’ homes where existing COLSLs are not impacted by main replacement projects. Replacing COLSLs that Aqua encounters when performing main replacement projects, together with Aqua’s existing corrosion control program, will assure the Company’s continued compliance with applicable environmental and regulatory requirements and avoid the risk of lead leaching into the water delivered to customers’ homes from COLSLs.

For the reasons set forth in greater detail hereafter, Aqua requests that the Commission approve the tariff revisions set forth in Aqua Exhibit No. 1 in order to implement a COLSL replacement program and the accounting and ratemaking treatment requested herein.

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<sup>2</sup> 66 Pa. C.S. § 1311(b)(2)(i). The same section also authorizes COLSL replacements that are not performed concurrently with main replacement projects if those replacements are done “under a commission-approved program.”

<sup>3</sup> As discussed in Section V, *infra*, current best practices in the water industry indicate that, even with an effective corrosion control program, lead service lines should be replaced, in their entirety, as soon as possible because a partial lead service line replacement may increase the risk of lead exposure through drinking water. For that reason, the National Drinking Water Advisory Council (“NDWAC”) has recommended revisions to federal environmental drinking water standards to require comprehensive replacement of utility-owned and customer-owned portions of lead service lines.

### III. REQUEST FOR EXPEDITED APPROVAL

Due to ongoing planned replacement projects where Aqua is encountering, and expects to continue to encounter COLSLs, Aqua requests expedited review and approval for Aqua to begin replacement of COLSLs in its West Chester, Shenango, and Bristol systems.

### IV. BACKGROUND

1. Aqua is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal offices in Bryn Mawr, Pennsylvania. As of December 31, 2019, Aqua furnished water service to approximately 443,000 customers across 32 counties within the Commonwealth of Pennsylvania.

2. As a Pennsylvania public utility, the Company is subject to the regulatory authority of the Commission. In addition, the Company must comply with drinking water, environmental and other operational standards established by the Pennsylvania Department of Environmental Protection (“DEP”) and the United States Environmental Protection Agency (“EPA”), including the Lead and Copper Rule (“LCR”). The LCR regulations promulgated by the EPA and DEP require utilities, among other things, to test drinking water inside older homes for lead and take additional action if more than 10% of tap water samples exceed the lead concentration limit (i.e., 15 parts per billion).<sup>4</sup> The Company regularly monitors the drinking water in its distribution system in accordance with DEP and EPA standards.

3. Lead is a naturally occurring metal that can cause a variety of adverse health effects, including delays in normal physical and mental development of young children. While

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<sup>4</sup> See 40 C.F.R. §§ 141.80 *et seq.*; 25 Pa. Code §§ 109.1101 *et seq.* In 2019, the EPA proposed updates to the LCR that, among other things, would strengthen the requirements for LSL replacement. See *National Primary Drinking Water Regulations: Proposed Lead and Copper Rule Revisions*, 84 Fed. Reg. 61684 (Nov. 13, 2019) (“Proposed LCR”). The comment period for the Proposed LCR closed on February 12, 2020, but the EPA has not yet issued a final rule.

the most common sources of lead exposure are soil, paint chips and dust, drinking water is another route of lead exposure, primarily as a result of corrosion of lead pipes and plumbing materials. Recent events, including those in Flint, Michigan, have heightened customers' concern about the possible presence of lead in their drinking water.

4. Until around 1950, it was common for water utilities to install lead service lines (“LSLs”). In addition, lead was widely used in on-premises plumbing fixtures and solder until “lead free” plumbing was mandated by amendments to the federal Safe Drinking Water Act enacted in 1986 and the Pennsylvania Plumbing System Lead Ban and Notification Act, enacted in 1991.<sup>5</sup> According to Company records, the Company ceased installing LSLs in the 1930’s. However, LSLs remain in service in the portions of Aqua’s distribution system that predate this change.

5. The Company employs a proactive approach to manage the potential risks of lead exposure as part of its commitment to maintain excellent water quality and protect the health and safety of its customers. To that end, the Company has implemented a variety of measures, including effective corrosion control treatment, ongoing research to ensure that sampling and corrosion control protocols reflect the latest available science and best practices, robust customer education and eliminating LSLs.

6. Under the terms of Aqua’s existing tariff, the customer owns the portion of the service line “from the Property to the Curb Stop or curb line or such point as designated by the Company,” and the Company owns the service line from that point to its main.<sup>6</sup> Moreover,

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<sup>5</sup> See 42 U.S.C. § 300g-6; 35 P.S. §§ 723.3-723.5.

<sup>6</sup> Aqua Pennsylvania Inc. Tariff-Water PA P.U.C. No. 2, at Original Pages 34-35 (effective May 24, 2019).

Rules 20 and 25 of Aqua’s tariff state as follows regarding the responsibility of the customer to maintain its portion of the service line:

All connections, service lines and fixtures owned by the Customer shall be maintained by the Customer in good order . . . . All leaks in or other deteriorated condition of the Customer’s service line or any other pipe or fixture in or upon the premises supplied must be repaired immediately by the owner or occupant of the premises.<sup>7</sup>

...

The Company shall in no event be responsible for the condition of, or for maintaining or replacing, any portion of the Customers service line or other lines or fixtures on the Customer's property . . . .<sup>8</sup>

7. The Commission has previously approved COLSL replacement programs for The York Water Company<sup>9</sup> (“York Water”) and Pennsylvania-American Water Company (“PAWC”).<sup>10</sup> After York Water and PAWC filed their petitions with the Commission, the Pennsylvania General Assembly passed, and the Governor signed, Act 120, which became law on October 24, 2018.<sup>11</sup> Act 120 allows a public water utility to replace COLSLs and recover a return on, and return of, the replacement costs through the Company’s base rates and its DSIC.<sup>12</sup> Act 120 requires a public utility to file a new tariff or supplement to an existing tariff with the Commission and receive approval prior to replacing COLSLs and recovering these costs.<sup>13</sup> The

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<sup>7</sup> *Id.* at Original Page 41 (effective May 24, 2019).

<sup>8</sup> *Id.* at Original Page 42 (effective May 24, 2019).

<sup>9</sup> *Petition of The York Water Co. for an Expedited Order Authorizing Limited Waivers of Certain Tariff Provisions and Granting Accounting Approval to Record Costs of Certain Customer-Owned Service Line Replacements to the Company’s Service Account*, Docket No. P-2016-2577404 (Order Entered Mar. 8, 2017).

<sup>10</sup> *Petition of Pennsylvania-American Water Co. For Approval of Tariff Changes and Accounting and Rate Treatment Related to Replacement of Lead Customer-Owned Service Pipes*, Docket No. P-2017-2606100 (Order Entered Oct. 3, 2019).

<sup>11</sup> While PAWC’s Petition was filed prior to enactment of Act 120, PAWC’s replacement plan was approved after Act 120 became effective. PAWC’s PUC-approved replacement plan conforms to the requirements of Act 120.

<sup>12</sup> *See* 66 Pa. C.S. § 1311(b)(2)(ii) and (iii).

<sup>13</sup> *Id.* at § 1311(b)(2)(v).



tariff supplement must contain a cap on the maximum number of COLSLs to be replaced annually.<sup>14</sup> Additionally, a COLSL replacement program must allow for a warranty period for the work completed and reimbursement to customers who have replaced their COLSL within one year of the commencement of a project in accordance with a Commission-approved tariff.<sup>15</sup>

## **V. TARIFF CHANGES RELATED TO REPLACING LEAD SERVICE LINES**

8. The current LCR requires public water suppliers to employ water treatment methods, as necessary, to minimize the corrosive quality of the water they provide because corrosion can cause lead piping and lead solder to leach lead into the water drawn at the customer's tap. If, notwithstanding optimal corrosion control measures, the lead "action level" is exceeded in more than 10% of the samples in a water system, LCR regulations require utility-owned and customer-owned lead piping be replaced. However, the applicable regulation permits the utility to replace only the segment it owns if a customer is unable or unwilling to pay for replacing the portion of the service piping for which the customer is responsible. Aqua's tariff, as currently approved by the Commission, does not allow the replacement of a customer's service line.

### **A. Aqua's Customer Owned Lead Service Line Replacement Plan**

9. Currently, when the Company encounters an LSL on both the customer and Company portion of the line, the Company will replace the Company LSL and inform and encourage the customer to replace the COLSL. However, replacing only the Company LSL may cause lead concentrations in water at that customer's tap to increase for a period after such a

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<sup>14</sup> *Id.* at § 1311(b)(2)(vi).

<sup>15</sup> *Id.* at § 1311(b)(2)(vii).

“partial” replacement occurs. Thus, replacing COLSLs when the corresponding Company LSLs are replaced will eliminate that potential source of lead exposure for Aqua’s customers.

10. LSLs remain in service in Aqua’s distribution system. Notwithstanding the presence of the lead piping, Aqua has not triggered the LCR action level requirements in any portion of its system, which is a result of the effectiveness of the Company’s corrosion control measures and prudent management of its distribution system.

11. Aqua’s main replacement programs are ongoing. Aqua has encountered a number of COLSLs during the course of its main replacement work over the past few months in the Company’s Shenango service area. The Company expects to find additional COLSLs in West Chester and Bristol as main projects occur. Further, Aqua will need an established COLSL replacement program where other LSLs are encountered in the future.

12. A growing body of research indicates that “partial” replacements of lead services, where only the utility-owned segment is replaced and the customer-owned segment remains, potentially elevates the risk of lead exposure through drinking water.<sup>16</sup> Two primary factors contribute to this elevated risk.

a. Removing and replacing the Company LSL and curb box connection may disturb the “scale” or coating that builds up naturally inside of the service line over its years in service. If an insoluble and adherent scale forms, there is a physical barrier that prevents leaching of lead into the water the service line delivers.<sup>17</sup> This protective barrier, however, may be susceptible to releasing lead and other accumulated material in the scales following physical disturbances related to infrastructure work.

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<sup>16</sup> See Proposed LCR at 61697-61699.

<sup>17</sup> See *Optimal Corrosion Control Treatment Evaluation Technical Recommendations for Primacy Agencies and Public Water Systems*, EPA 816-B-16-003 (Mar. 2016), pp. 9-10.

b. If a Company LSL is replaced with a line made of another metal, the conditions are created for bi-metallic corrosion. The lead in the COLSL is a sacrificial metal that loses electrons to the non-lead material it adjoins. This is the cause of corrosion, which affects the interior wall of the COLSL and accelerates leaching of lead into the water passing through the pipe. While optimal corrosion control techniques can mitigate this risk, it is still a risk that should be avoided given the health and safety concerns associated with lead contamination.

13. COLSLs are more likely to still be in service in older neighborhoods, including the Company's Shenango and Bristol service areas, with populations that face economic constraints that make it more difficult for them to bear the cost of replacing their COLSL. The Company's request for expedited treatment for those systems stated above include older neighborhoods where these main replacement projects are scheduled.

14. The Company does not have records of the material used in all Customer service lines that are installed and owned by the customer, and this is not information that water utility would be able to obtain. Consequently, Aqua does not have an exact count of COLSLs that would be replaced under its proposal to replace COLSL encountered when performing main replacement projects. However, Aqua preliminarily estimates that there are approximately 200 Company LSLs remaining on its system. Given the age of the housing stock in the areas where Aqua estimates Company LSLs are located, it is reasonable to assume that the majority of the same customer premises served by the Company's LSL will have COLSLs. As previously explained, an elevation in lead concentration following a "partial" replacement is a function of COLSLs remaining in place. Therefore, Aqua proposes to replace COLSLs when they are encountered in conjunction with the Company's main and/or Company service line replacements

whether or not the associated Company service line that is also being replaced is made of lead or some other material.

**C. Ownership And Maintenance Of Service Pipes After Replacement**

15. Under Act 120, Aqua will replace COLSLs concurrently with main replacement projects, but, after installation, the responsibility for ownership, maintenance, repair, or replacement of the Company-installed replacement customer service line will remain with the customer. The tariff revision set forth in Aqua Exhibit No. 1 provides that an affected customer will enter into an appropriate agreement with the Company to allow Aqua to perform the replacement on the customer's property and document the customer's ownership of the replacement customer service line. If a customer refuses to enter into such an agreement with the Company, Aqua will replace only the Company-owned portion of such customer's LSL and will outline the potential health risks associated with a partial LSL replacement in a communication to the homeowner.

**VI. COSTS AND BUDGETARY ALLOTMENT**

16. Aqua estimates that the average cost to replace a COLSL is approximately \$4,000. The Company's estimate is based on an overall average as many site-specific factors affect the cost to replace a COLSL, including length of the COLSL, construction method, and restoration costs of the customer's property. The Company proposes to begin replacing COLSLs as they are identified in conjunction with its ongoing main and service line replacements as soon as practicable after the Commission approves this Petition. Moreover, the Company is requesting that it receive expedited approval to begin replacements in West Chester, Shenango, and Bristol systems to avoid delay in completing main replacement projects, including road restoration work. For example, some of the COLSLs the Company has encountered in Shenango

are still connected to the existing main and will not be connected to the newly installed main pending the Commission's review and approval of this Petition to avoid the potential risks associated partial LSL replacements.

17. As previously noted, the Company will establish a budget cap of \$800,000 per year to replace COLSLs under its proposal. If, in any year, the entire budgetary allotment is not expended by Aqua, it will be carried forward and added to the budgetary allotment for the next subsequent year, subject to the cap of 200 COLSL replacements per year.

18. Aqua believes that a budgetary allotment of \$800,000 per year is adequate to address COLSLs that are encountered when conducting main replacements given the scope of the projects in areas where Aqua anticipated encountering COLSLs. Additionally, in developing its proposed budget cap, the Company has attempted to balance the impact of replacing COLSLs upon customer rates. If Aqua determines that the proposed annual budget is no longer adequate or appropriate to achieve its goal of replacing COLSLs encountered when performing main replacement projects, the Company may seek Commission approval to modify this amount.

## **VII. AQUA'S PROPOSAL TO REPLACE COLSLS IS IN THE PUBLIC INTEREST**

19. In summary, Aqua's proposal to replace COLSLs when performing main replacement projects is reasonable and in the public interest.

a. Based on recommendations from the NDWAC, the Proposed LCR would require complete replacement of both the utility and customer segments of service connections that contain lead. Aqua has an ongoing infrastructure rehabilitation program that includes replacing mains and associated service lines. Through this program Aqua will be able to replace the Company LSL along with any COLSLs that are encountered during main replacement projects.

b. Aqua is requesting approval of tariff revisions to allow it to replace COLSLs and to bear the cost of the replacement. Because COLSLs largely remain in neighborhoods that face economic constraints making it unlikely the affected customers could bear the cost of such replacements, it is particularly important that the Commission approve the tariff revisions requested in this Petition.

c. As previously noted, the Commission has approved a COLSL replacement plan for PAWC following the enactment of Act 120. Aqua's proposal to replace COLSLs encountered in performing main replacement projects is comparable to Part 1 of the two-part replacement plan the Commission approved for PAWC. Under Part 2 of PAWC's replacement plan, PAWC would also replace COLSLs upon customers' requests outside of planned main replacement projects when a sufficient number of such requests were received in a given geographic area to allow the replacements to be done cost-effectively. Aqua expects that COLSLs that currently remain connected to its distribution system will be properly addressed by replacing COLSLs encountered when performing main replacement projects and, therefore, the Company is not seeking approval for "upon request" replacements comparable to Part 2 of the PAWC replacement plan.

20. As previously explained, the LCR imposes an obligation on drinking water providers to furnish water that is below the lead action level at the customer's tap regardless of the fact that lead may originate in property the water provider does not own, such as the customer's service line or in-home piping. Consequently, remaining in compliance with applicable drinking water regulations necessarily requires taking steps to proactively address possible sources of lead contamination from customer-owned property.

21. The Company's proposal is an efficient and cost-effective way to avoid creating a risk of exposing customers to elevated lead levels in their drinking water from Aqua's extension of its infrastructure rehabilitation program into areas where COLSLs are more likely to exist. The Company will be able to leverage economies of scale to reduce costs and minimize service disruptions related to COLSL replacements. In addition to these efficiencies, Aqua's ability to coordinate the replacement of Company LSLs and COLSLs will streamline project administration and reduce overall costs.

#### **VIII. ACCOUNTING AND RATEMAKING TREATMENT OF COLSL REPLACEMENT COSTS**

22. Under Act 120, Aqua will record the original cost of the COLSL in its Services account (Account 333). Also in accordance with Act 120, the Company plans to recover a return on and a return of its investment in COLSL replacements in future base rate cases and, between base rate cases, to recover the fixed costs of investments in COLSLs through the Company's existing DSIC.<sup>18</sup>

#### **IX. CUSTOMER OUTREACH AND COMMUNICATION**

23. The Company will issue a press release and provide a bill insert to customers upon approval of the Company's Petition describing the requirements of the Company's program and how customers can participate in the program.

24. The Company will update its website to provide information related to lead and lead service lines that will include information for customers on lead including flushing procedures. The Company will also post an example Agreement for the Company to replace a COLSL.

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<sup>18</sup> 66 Pa. C.S. § 1311(b)(2)(iii).

## **X. WARRANTY**

25. Act 120 requires that the work performed by a public utility or the public utility's contractor is accompanied by a warranty term the Commission determines appropriate.<sup>19</sup>

26. COLSLs may be replaced by Company employees in some instances or the Company may arrange for the replacement to be completed by contractors.

27. When COLSL replacements are performed by the Company or contractor, the Company will provide a limited warranty on workmanship and materials of one year, which corresponds to the warranties the Company obtains from contractors it retains to replace Company service lines or laterals. The customer, as owner of the new service line, will be the beneficiary of the warranty.

## **XI. REIMBURSEMENT TO CUSTOMERS WHO RECENTLY REPLACED THEIR OWN LSL**

28. Act 120 requires that a LSL replacement plan shall provide for reimbursement to a customer who has replaced the customer's LSL within one year of the commencement of a project in accordance with a Commission approved tariff.<sup>20</sup>

29. The Company, as set forth in Aqua Exhibit No. 1, proposes to provide a reimbursement to customers who have replaced their COLSL within one year prior to the commencement of a main replacement project. The reimbursement will be at the lower of the customer's actual costs for the replacement of the COLSL as supported and verified by documentation sufficient for the Company or the cost the Company would have incurred to replace the Customer Service Line with a similar size and material.

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<sup>19</sup> *Id.* at § 1311(b)(2)(vii)(A).

<sup>20</sup> *Id.* at § 1311(b)(2)(vii)(B).



## **XII. NOTICE**

30. Aqua is serving copies of this Petition on the Commission's Bureau of Investigation and Enforcement, the Pennsylvania Office of Consumer Advocate, and the Pennsylvania Office of Small Business Advocate. Should the Commission conclude that further notice of this Petition is appropriate, Aqua will provide such additional notice as directed by the Commission.

## **XIII. CONCLUSION**

Based upon the foregoing, Aqua respectfully requests that the Commission grant this Petition and enter an Order:


(1) Approving Aqua's proposed tariff changes as set forth in Aqua Exhibit No. 1 and authorizing Aqua to file the tariff supplement provided in Aqua Exhibit No. 1 on one-days' notice; and

(2) Approve Aqua's proposal to record the costs of COLSL replacements in Account 333 and recover a return on and a return of its investment in the replacement of COLSLs in accordance with Act 120 of 2018.

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Dated: September 3, 2020

Respectfully submitted,



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*Counsel for Aqua Pennsylvania, Inc.*

# **Aqua Exhibit No. 1**

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

RATES, RULES, AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN PORTIONS OF

ADAMS, BERKS, BRADFORD, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD,  
COLUMBIA, CRAWFORD, CUMBERLAND, DELAWARE, FOREST, JUNIATA,  
LACKAWANNA, LAWRENCE, LEHIGH, LUZERNE, MERCER, MCKEAN, MONROE,  
MONTGOMERY, NORTHHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL,  
SUSQUEHANNA, SNYDER, VENANGO, WARREN, WAYNE, AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: [ TBD ]

EFFECTIVE: [ TBD ]

By:

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

## **NOTICE**

THIS TARIFF SUPPLEMENT DEFINES THE COMPANY REPLACEMENT OF  
CUSTOMER OWNED LEAD SERVICE LINES.

AQUA PENNSYLVANIA, INC.

Aqua Exhibit No. 1  
SUPPLEMENT NO. 7  
TARIFF WATER-PA P.U.C. NO. 2  
SEVENTH REVISED PAGE 2  
CANCELING SIXTH REVISED PAGE 2

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LIST OF CHANGES MADE BY THIS TARIFF

Changes: Supplement No. 7 to Tariff Water-PA P.U.C. No. 2 defines the Company replacement of Customer Owned Lead Service Lines (“COLSLs”) on tariff page 41.1, as approved by the Pennsylvania Public Utility Commission at Docket No. P-2020-[\_\_\_\_\_]. Refer to pages 1, 2, 3, 4, 41, and 41.1.

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TABLE OF CONTENTS

	Page Number	
Rates, Rules, and Regulations	1	Seventh Revised Page (C)
List of Changes Made by This Tariff	2	Seventh Revised Page (C)
Table of Contents	3	Seventh Revised Page (C)
Table of Contents (cont'd)	4	First Revised Page (C)
Table of Contents (cont'd)	5	Original Page
Table of Contents (cont'd)	6	Original Page
Description of Territory Served	7	Original Page
Description of Territory Served (cont'd)	8	Original Page
Description of Territory Served (cont'd)	9	Original Page
Description of Territory Served (cont'd)	10	Second Revised Page
Description of Territory Served (cont'd)	11	Original Page

**SCHEDULE OF RATES:**

Metered and Unmetered Service Charge	12.1	First Revised Page
Consumption Charge	12.2	Original Page
Consumption Charge (cont'd)	12.3	Original Page
Consumption Charge (cont'd)	12.4	Second Revised Page
Metered and Unmetered Private Fire Service	12.5	Original Page
Metered and Unmetered Private Fire Service (cont'd)	12.6	Original Page
Public Fire Service	12.7	Original Page
Belle Aire Acres Division	12.8	First Revised Page
Phoenixville Division	12.9	Original Page
Industrial Standby Rate	13	Original Page
Industrial Standby Rate (cont'd)	14	Original Page
Industrial Standby Rate (cont'd)	15	Original Page
Resale and Electric Generation Standby Rate	16	Original Page
Resale and Electric Generation Standby Rate (cont'd)	17	Original Page
Resale and Electric Generation Standby Rate (cont'd)	18	Original Page
Rider DIS - Demand Based Industrial Service	19	Original Page
Rider DRS - Demand Based Resale Service	20	Original Page
Rider EGS - Electric Generation Service	21	Original Page
Rider OPI - Off Peak/Interruptible Rate Service	22	Original Page
Rider OPI - Off Peak/Interruptible Rate Service (cont'd)	23	Original Page
Distribution System Improvement Charge (DSIC)	24	First Revised Page
DSIC (cont'd)	25	Original Page
DSIC (cont'd)	26	Original Page
DSIC (cont'd)	27	Original Page

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TABLE OF CONTENTS

<b>SCHEDULE OF RATES (cont'd):</b>	Page Number	
State Tax Adjustment Surcharge (STAS)	28	Original Page
Page Held For Future Use	29	Original Page
Page Held For Future Use	30	Original Page
Page Held For Future Use	31	Original Page
 <b>RULES AND REGULATIONS:</b>		
Introduction	32	Original Page
Introduction (cont'd)	33	Original Page
Definitions	34	Original Page
Definitions (cont'd)	35	Original Page
Definitions (cont'd)	36	Original Page
Application for Service	37	Original Page
Deposits and Credit Standards	38	Original Page
Billing and Payment	39	Original Page
Billing and Payment (cont'd)	40	Original Page
Service Connections	41	First Revised (C)
Service Connections (cont'd)	41.1	Original Page (C)
Service Connections (cont'd)	42	Original Page
Service Connections (cont'd)	43	Original Page
Meters and Meter Locations	44	Original Page
Meters and Meter Locations (cont'd)	45	Original Page
Meters and Meter Locations (cont'd)	46	Original Page
Construction Service	47	Original Page
Metered Fire Service	48	Original Page
Unmetered Fire Service/Hydrants	49	Original Page
Unmetered Fire Service/Hydrants (cont'd)	50	Original Page
Responsibility for Service	51	Original Page
System Inspection and Integrity	52	Original Page
Termination of Service	53	Original Page
Termination of Service (cont'd)	54	Original Page
Water Conservation and Drought Emergency	55	Original Page
Water Conservation and Drought Emergency (cont'd)	56	Original Page
Main Extensions	57	Original Page

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RULES AND REGULATIONS**SERVICE CONNECTIONS****19. Company's Service Lines:**

Except for service connections made in accordance with Rule 65, the Company will make all connections to its mains and furnish, install and maintain the Company's service main to and including the Curb Stop, which under normal circumstances will be placed inside the curb-line. The Company's service line will be the property of the Company and under its control. The point of delivery and sale for any water service furnished to the Customer shall be at the Curb Stop.

The maximum Company investment per Company service line 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 line in excess of the applicable maximum Company investment shall be paid by the Customer, plus all applicable taxes including income taxes occasioned by the contract. 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.

Whenever it is necessary to install a service line in advance of the date on which the premises are occupied and a meter is set, a deposit may be required in an amount not to exceed the estimated cost of installation, which deposit will be refunded to the depositor when the service becomes active (i.e., the meter has been set and the premises occupied), provided that event occurs within five years from the date of deposit.

- (C) 20.1. Customer Service Line:** The Customer's service line shall extend from the Property to the Curb Stop or curb line or such point as designated by the Company. All connections, service lines and fixtures owned by the Customer shall be maintained by the Customer in good order, and all meters and appurtenances owned by the Company and located on the Property of the Customer shall be protected properly by the Customer. All leaks in or other deteriorated condition of the Customer's service line or any other pipe or fixture in or upon the premises supplied must be repaired immediately by the owner or occupant of the premises.



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RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)**

**20.2. Customer Owned Lead Service Line Replacements:** Notwithstanding Rules 20.1, 21, and 25, the Company shall, provided the customer provides consent, replace lead Customer Owned Service Lines ("COLSLs") pursuant to the Company's Lead Service Line Replacement Plan ("Replacement Plan"). Pursuant to its Replacement Plan, the Company will replace COLSLs it encounters when replacing its mains, up to 200 COLSL replacements per year within a maximum budgeted amount of \$800,000 per year. Any portion of the annual budgetary allotment of \$800,000 that is not spent on COLSL replacements in that year will roll over to the next subsequent year, subject to annual cap of 200 COLSL replacements per year. If the Company does not use the excess budgeted amount that carried over from the previous year, that excess budgeted amount will not carry forward into the following year. The Company may petition the Commission to modify its annual budgeted amount and/or the cap on COLSL replacements per year if, in the Company's sole discretion, the Company determines these amounts are not adequate to meet the needs of the Replacement Plan. Any petition to modify the budgeted amount or maximum number of COLSLs replaced per year is subject to Commission approval. Costs incurred by the Company under the Replacement Plan shall be subject to Act 120 of 2018 (P.L. 738, No. 120) and the accounting and ratemaking treatment approved by the Pennsylvania Public Utility Commission entered [date] at Docket No. P-2020-[\_\_\_\_\_]. After a COLSL is replaced by the Company or the Company's contractor, the Customer shall own and have full responsibility for the repair, replacement, and maintenance of the new Customer Service Line installed, and which, thereafter, Rules 20.1, 21, and 25 shall apply:

- a. The Customer shall enter into an Agreement for the Replacement of the COLSL, in a form provided by the Company, prior to the initiation of any work by the Company or its contractors to replace a COLSL. The Company shall provide a one-year warranty on workmanship and materials for any COLSL that the Company or its contractor replaces.
- b. If the Company, at the request of a Customer or property owner (as applicable), determines that the Customer or property owner (as applicable) replaced their lead Customer Service Line, and the Customer Service Line was replaced within one year prior to the commencement of the main replacement project, and the Customer or property owner provides the Company with a paid invoice, a certification from a certified plumber, and other documentation required by the Company, in its sole discretion, to verify the replacement, the Company will reimburse the Customer or the property owner (as applicable) reasonable costs in an amount that is the lower of: (i) the actual replacement costs incurred by the Customer or property owner (as applicable) or (ii) the average costs that the Company would have incurred to perform the replacement of a similarly-sized Service Line. The date of commencement of a main replacement project is the date the Company begins physical main replacement work in the project area that includes the Customer's premise.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF AQUA PENNSYLVANIA, INC. FOR APPROVAL OF TARIFF CHANGES AUTHORIZING REPLACEMENT OF CUSTOMER-OWNED LEAD SERVICE LINES** :  
: **DOCKET NO. P-2020-\_\_\_\_\_**  
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**VERIFICATION**

I, William C. Packer, Vice President - Controller of Aqua Pennsylvania, Inc., hereby state that the facts set forth in the foregoing **Petition of Aqua Pennsylvania, Inc.** are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing if held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: September 3, 2020

*William C. Packer*  
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William C. Packer  
Vice President - Controller