

EXHIBIT W

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

AQUA PENNSYLVANIA, INC.

DOCKET NO. A-2022-3034143

AQUA STATEMENT NO. 3

**DIRECT TESTIMONY OF
STEPHEN CLARK**

**With Regard To
Operations
Lead Service Lines
Customer Service
Metering Plan
Public Benefits**

October 2022

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Stephen Clark. My business address is 1775 North Main Street Honesdale,
4 PA 18431.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Aqua Pennsylvania, Inc. (“Aqua”), as a Director of Operations of Aqua’s
8 Greater Pennsylvania service area.

9
10 **Q. Please provide a brief description of your education and work experience.**

11 A. I graduated from the Pennsylvania State University with a Bachelor of Science degree in
12 Mechanical Engineering Technology. I have worked in the water and wastewater industry
13 for almost nineteen years. I began my career in the utility industry with American Water
14 Company as a plant engineer at the Scranton Sewer Authority responsible for managing
15 Plant Maintenance staff and the implementation of its significant capital improvement
16 program. Since then, I have worked with Aqua for 17 years. I am responsible for leading
17 a team of employees delivering drinking water to customers and returning treated
18 wastewater back to the environment. I am involved in all aspects of operations including
19 budgeting, planning, employee relations, and process control.

20
21 **Q. Do you hold any professional licenses or certifications?**

22 A. Yes. I am a Class-B certified water operator in Pennsylvania.

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1 **Q. Have you previously testified before the Pennsylvania Public Utility Commission**
2 **(“PUC” or the “Commission”)?**

3 A. Yes. I have testified on behalf of Aqua before the Commission in cases involving customer
4 complaints and disputes, and in a previous Aqua Section 529, 66. Pa. C.S. § 529,
5 proceeding.¹

6
7 **Q. What is the purpose of your Direct Testimony?**

8 A. The purpose of my Direct Testimony is as follows: (1) to discuss Aqua’s operations and
9 how Aqua will integrate the Municipal Authority of the Borough of Shenandoah
10 (“MABS”) water system (“the System”) into Aqua’s operations; (2) to discuss Aqua’s
11 customer owned lead service line replacement (“COLSLR”) program and its applicability
12 to the System; (3) to discuss Aqua’s metering plan for the System; and (4) to discuss the
13 public benefits of this transaction.

14
15 **Q. Are you sponsoring any Exhibits with the Company’s filing?**

16 A. No.

17
18 **II. AQUA OPERATIONS AND THE MABS SYSTEM**

19 **Q. Please describe Aqua’s operations in relation to the MABS System geographically.**

20 A. Aqua’s Roaring Creek surface water treatment plant and administrative office are located
21 close to Borough of Shenandoah (“Borough” or “Shenandoah”), which would provide
22 seamless integration of the MABS System into Aqua’s well established system. Aqua and

¹ See PUC Docket No. P-2020-3020914.

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1 MABS both provide service in Girardville Borough, and MABS' service area currently
2 overlaps with Aqua's on East Mahanoy Avenue.

3

4 **Q. Does Aqua have plans to interconnect the MABS System with Aqua's existing system?**

5 A. Yes. In the future, Aqua envisions interconnecting the MABS System with Aqua's Roaring
6 Creek water system

7

8 **Q. Please explain the benefits of an interconnection to Aqua's system.**

9 A. Interconnecting the existing MABS and Aqua Roaring Creek distribution systems will
10 result in additional redundancy and improved water quality for customers of both water
11 systems. Having multiple sources of water supply coming from multiple flow directions
12 will offer operational flexibility during maintenance, fire flow, flushing, and emergency
13 events. An interconnection will result in better water quality by improving water age in the
14 peripheral portions of the distribution system where limited flow occurs (*i.e.*, dead ends).
15 The interconnection will act as a "loop" permitting flow and thereby improving water age.
16 Prior to a physical interconnection being established, Aqua will need to review any
17 hydraulic and water quality (compatibility) issues and address those issues to allow for
18 interconnection.

19

20 **III. AQUA'S CUSTOMER SERVICE**

21 **Q. Will acquired customers benefit from Aqua's customer service?**

22 A. Yes. Aqua provides customer service through a toll-free number that customers can call
23 from 8:00AM-5:00PM EST for regular business, which expands on MABS' current

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1 business hours. The same customer service number houses Aqua's 24/7/365 emergency
2 response line. MABS customers will benefit from expanded bill payment options including
3 payment by text message. MABS customers can also sign up for notifications and alerts
4 to be via email or text message regarding their service. These services allow customers to
5 stay informed of events impacting their service. MABS customers will also have access to
6 Aqua's customer assistance programs.

7 In addition, MABS currently charges a turn on fee of \$123. Under Aqua's tariff,
8 during normal business hours, Aqua's turn on fee is \$50. Also, Aqua does not charge a
9 security deposit fee for new residential customers.

10
11 **Q. Will the acquired customers benefit from customer billing and payment protections?**

12 A. Yes. Aqua has procedures in place under Chapter 14, 66 Pa. C.S. 1401, *et seq.*, that provide
13 for billing, payment, collection, termination and reconnection of service, payment
14 arrangements, medical certifications, and formal and informal complaint procedures. Aqua
15 Services employs customer care teams to help resolve service and billing issues, and has
16 an established process and procedure for addressing formal and informal complaints.

17
18 **IV. AQUA'S COLSLR**

19 **Q. What is lead?**

20 A. Lead is a naturally occurring metal that is harmful if inhaled or swallowed, particularly for
21 children and pregnant women. Lead exposure can cause a variety of adverse health effects.
22 For example, lead exposure can cause developmental delays in babies and toddlers and
23 deficits in the attention span, hearing and learning abilities of children. Lead exposure can

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1 also cause hypertension, cardiovascular disease and decreased kidney function in adults.
2 The most common sources of lead exposure are paint and dust, but lead can also be leached
3 into drinking water from service lines and premise plumbing.
4

5 **Q. How can lead enter drinking water?**

6 A. Aqua’s drinking water does not contain lead when it leaves the treatment plant. Lead
7 leaches into water over time through corrosion, a dissolving or wearing away of metal
8 caused by a chemical reaction between water and plumbing materials. The risk for lead
9 contamination arises when water passes through lead service lines (“LSL”), premise
10 plumbing fixtures that were manufactured with material containing lead, and lead based
11 solder used to join pipes and faucets. Lead based solder was banned in Pennsylvania in
12 1991.² Congress has also set limits on the amount of lead that can be used in plumbing.³

13

14 **Q. Does any lead piping remain in service in public water systems in the**
15 **Commonwealth?**

16 A. Yes. Until around 1950, it was common practice for water utilities in Pennsylvania to
17 install LSLs. Aqua ceased installing LSLs in the 1930s.

² See 35 P.S. §§ 723.3-723.5.

³ 42 U.S.C. § 300g-6.

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1 **Q. Does the MABS System contain LSLs?**

2 A. Yes. It is Aqua's understanding that LSLs have been observed in the MABS System during
3 certain replacement projects. However, the extent of LSLs in the System is not currently
4 known.

5
6 **Q. Does MABS have a COLSLR program?**

7 A. No.

8
9 **Q. What is your understanding of MABS' procedure when a LSL is discovered?**

10 A. My understanding is that MABS replaces the portion of the service line that it owns, then
11 informs the customer that they should replace the customer portion of the service line.

12
13 **Q. Please provide a general description of Act 120 of 2018 ("Act 120") as it pertains to**
14 **LSLs.**

15 A. Act 120 allows public utilities that petition the Commission the ability to replace customer-
16 owned lead service lines as part of a main replacement project or other Commission-
17 approved program. A program under Act 120 requires, among other things, a cap on the
18 number of customer-owned LSLs that can be replaced annually, a warranty on the work
19 performed, and reimbursement for customers that had replaced their customer-owned LSL
20 within one year of the commencement of a project.

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1 **Q. Does Aqua have a COLSLR program?**

2 A. Yes. Aqua received Commission approval of its COLSLR program on July 15, 2021, at
3 Docket No. P-2020-3021766.

4

5 **Q. Please describe Aqua’s COLSLR program.**

6 A. Aqua’s COLSLR program allows Aqua to replace up to 200 customer-owned LSLs per
7 year at a budgeted amount of \$800,000 per year. Aqua can replace customer-owned LSLs
8 as part of a main replacement project or upon customer request. Aqua enters into an
9 agreement with customers for the ability to replace the customer owned LSL at the same
10 time the Company replaces the Company owned portion of the service line, and the
11 customer-owned newly installed service line is then dedicated back to the customer. The
12 customer agreement also contains a warranty for two years on the workmanship and
13 materials of the installation. Aqua provides sampling and testing materials both before and
14 after a replacement, and provides water filters to every customer before replacement.
15 Finally, the Company provides a sliding scale reimbursement for those customers that had
16 replaced their customer-owned LSL within certain periods.

17

18 **Q. Please describe Aqua’s plans for determining the presence of LSLs in the System.**

19 A. The Environmental Protection Agency’s (“EPA”) recent lead and copper rule (“LCR”)⁴
20 requires that a service line inventory be developed by October 16, 2024. Aqua is currently
21 surveying service line material throughout its footprint, including by (i) surveying work
22 prior to main replacement projects, (ii) observing service line material when performing

⁴ See <https://www.epa.gov/ground-water-and-drinking-water/revised-lead-and-copper-rule>.

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1 meter work, and (iii) reviewing historical service line records. Upon the closing of the
2 proposed transaction, Aqua would integrate the MABS System into its service line
3 inventory efforts to be completed by 2024. Through this work, Aqua will be able to comply
4 with EPA and Commission regulations regarding replacement of LSLs in the MABS
5 System.

6
7 **Q. Is incorporating the MABS System into Aqua’s COLSLR program a public benefit?**

8 A. Yes. Because MABS does not have a COLSLR program, customers currently would be
9 required to replace their LSL at their cost, and which may occur after a replacement on the
10 MABS owned portion of the service line, thereby creating a partial replacement. The
11 Commission and the EPA have recognized that partial replacements may cause lead to
12 further leach into the water supplied to a customer. As such, the Commission has
13 prohibited partial replacements in their regulations implementing Act 120. Through
14 Aqua’s COLSLR program, Aqua, or its contractors, would be able to replace the customer-
15 owned LSL at no direct cost to the customer. The Commission has recognized that
16 replacement of LSLs, both utility-owned and customer-owned, is a priority and public
17 benefit for customers, utilities, and the Commonwealth. EPA and the Pennsylvania
18 Department of Environmental Protection (“DEP”) do not have deadlines for replacing
19 LSLs at the present time. However, under Act 120 regulations, all LSLs require
20 replacement with 25 years for a Class A Public Utility, such as Aqua. This includes any
21 galvanized service lines that are identified as galvanized requiring replacement (“GRR”)
22 under EPA regulations.

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1 **V. METERING PLAN**

2 **Q. Are all customers in the MABS System metered?**

3 A. No. While Aqua understands that almost all customers are metered, there are four fire
4 companies in the System that do not have meters on 2-inch lines to these locations. The
5 fire companies are served by two service lines, one which is typically a 3/4-inch service
6 line and a separate line or “T” line on a 2-inch line. The 3/4-inch line is metered, but the
7 2-inch line is not.

8
9 **Q. What are Aqua’s plans to ensure that all customers are metered?**

10 A. Aqua plans to review these connections and install meters on the fire houses within the first
11 three months after closing.

12
13 **Q. Please state the benefits associated with metering all customers.**

14 A. By metering all customers, Aqua will have a better understanding of water consumption
15 and non-revenue water within the System. This will help Aqua to plan effective ways to
16 make improvements to reduce water loss and reliability of the System, both of which will
17 contribute to the overall public benefit of Aqua’s ownership.

18
19 **VI. CONCLUSION**

20 **Q. Does this conclude your Direct Testimony?**

21 A. Yes, it does. However, I reserve the right to supplement my Direct Testimony as additional
22 issues and facts arise during the course of this proceeding.