



March 22, 2024

**VIA E-FILING**

**Jonathan P. Nase**

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

**Re: Petition of Veolia Water Pennsylvania, Inc. for Approval of a Lead Service Line Replacement Program; Docket No. P-2023-3042107**

**Joint Petition for Approval of Unanimous Settlement of All Issues**

Dear Secretary Chiavetta:

In accordance with Ordering Paragraph 3 of Administrative Law Judge DeVoe's Interim Order Setting Deadlines for the Filing of a Stipulation for the Admission of Evidence, Petition for Settlement, and Statements in Support, enclosed please find the Joint Petition for Approval of Unanimous Settlement of All Issues in this matter, executed by Veolia Water Pennsylvania, Inc., the Office of Small Business Advocate and the Office of Consumer Advocate.

Copies have been served as shown on the enclosed Certificate of Service.

Please contact me if you have any questions or concerns about the enclosed filing.

Sincerely,

COZEN O'CONNOR

By: Jonathan P. Nase

Counsel for *Veolia Water Pennsylvania, Inc.*

JPN

Attachments

cc: Honorable Emily I. DeVoe  
Per Certificate of Service  
Larry Finnicum, Vice President and General Manager

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Veolia Water Pennsylvania, Inc. For :  
Approval of a Lead Service Line Replacement : Docket No. P-2023-3042107  
Program :

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**CERTIFICATE OF SERVICE**

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I hereby certify that I have this 22<sup>nd</sup> day of March, 2024, served a true copy of the foregoing Joint Petition for Approval of Unanimous Settlement of All Issues, upon the parties of record in this proceeding, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant) in the manner and upon the persons listed below:

**SERVICE BY E-MAIL ONLY**

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Christine Maloni Hoover, Esq.  
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*Counsel for the Office of Small Business Advocate*

Respectfully submitted,



---

Jonathan P. Nase, Esq.  
*Counsel for Veolia Water Pennsylvania, Inc.*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**ADMINISTRATIVE LAW JUDGE  
EMILY I. DEVOE**

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Petition of Veolia Water Pennsylvania, Inc. :  
For Approval of a Lead Service Line : Docket No. P-2023-3042107  
Replacement Program :

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**JOINT PETITION FOR APPROVAL OF  
UNANIMOUS SETTLEMENT OF ALL ISSUES**

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Veolia Water Pennsylvania, Inc. (“VWPA”), the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”) (singularly a “Petitioner” and collectively the “Joint Petitioners”) hereby join in this “Joint Petition for Approval of Unanimous Settlement of All Issues” (the “Settlement”) and respectfully request that the Honorable Administrative Law Judge Emily I. DeVoe (the “ALJ”) recommend approval of, and the Pennsylvania Public Utility Commission (“Commission”) approve, this Settlement without modification.

In support of the Settlement, the Joint Petitioners state the following:

**I. Background and Procedural History**

1. On July 24, 2023, VWPA filed its Petition for Approval of a Lead Service Line Replacement Program (the “Petition”) pursuant to 66 Pa. C.S. § 1311(b) and 52 Pa. Code § 65.54(a). The Petition was attached to the Joint Stipulation as Attachment 1.

2. On August 11, 2023, the OSBA filed a Notice of Intervention, Public Statement and Verification. Steven C. Gray, Esq., entered his appearance on behalf of the OSBA.

3. On August 14, 2023, the OCA filed an Answer to VWPA's Petition. Harrison W. Breitman, Esq., represents the OCA in this matter.

4. On September 19, 2023, the Commission's Bureau of Technical Utility Services ("TUS") sent VWPA Data Requests. VWPA submitted Answers to these Data Requests on November 1, 2023. The Answers were attached to the Joint Stipulation as Attachment 2.

5. On September 27, 2023, the Commission issued a notice of an Initial Call-In Telephonic Prehearing Conference, to be held on October 18, 2023. On that same date, the ALJ issued her Prehearing Conference Order.

6. On October 2, 2023, counsel for VWPA sent the ALJ an e-mail requesting a 30-day continuance so that VWPA could answer TUS's data requests and the other parties could review those answers to determine if VWPA adequately addressed the issues they identified in this proceeding. Counsel for VWPA represented that the OCA and the OSBA joined in this request. The ALJ granted the request.

7. On October 3, 2023, the Commission issued a Notice cancelling the October 18, 2023 prehearing conference and scheduling a new prehearing conference for November 21, 2023.

8. On October 17, 2023, the OCA filed its Prehearing Conference Memorandum.

9. By e-mail of November 9, 2023, counsel for VWPA requested a 30-day continuance of the Prehearing Conference so that the parties could attempt to negotiate a resolution. This request was supported by the OCA and the OSBA. The ALJ granted the request and directed that the parties file a status report by December 8, 2023.

10. On November 15, 2023, Rebecca Lyttle, Esq., entered her notice of appearance as additional counsel on behalf of the OSBA.

11. On December 8, 2023, VWPA filed a status report on behalf of all of the parties. That status report requested additional time to continue negotiations, and asked that another status report be due in approximately 35 days. That request was granted in the ALJ's Interim Order Directing Parties to Submit Status Report, which directed the parties to file another status report by January 12, 2024.

12. VWPA filed the required status report on January 12, 2024, requesting that a status conference be held in approximately 30 days.

13. On January 22, 2024, the Commission issued a Notice of Call-in Telephonic Status Conference to be held on February 20, 2024.

14. The Telephonic Status Conference was held as scheduled on February 20, 2024. VWPA and the OCA advised the ALJ that they had reached a settlement in principle. The OSBA advised the ALJ that it was considering whether to join the settlement or, in the alternative, not oppose it. Later on February 20, 2024, the parties advised the ALJ that they had reached a unanimous settlement in principle.

15. On February 20, 2024, the ALJ issued her "Interim Order Setting Deadlines for the Filing of a Stipulation for the Admission of Evidence, Petition for Settlement, and Statements in Support."

16. On March 7, 2024, the Joint Petitioners filed their Joint Stipulation of Fact. On March 12, 2024, the ALJ issued her Order Approving Joint Stipulation of Fact.

## **II. Settlement Terms**

The Joint Petitioners agree as follows:

**A. Approval of Petition**

17. The Joint Petitioners agree that the Commission should approve VWPA’s Petition for Approval of a Lead Service Line Replacement Program (the “Petition”).

**B. Approval of Plan**

18. In accordance with 52 Pa. Code §§ 65.55(b)(1) and 65.56, VWPA submitted a Lead Service Line Replacement Plan, which was amended on October 31, 2023 (as amended, the “Plan”), in response to data requests from TUS. The Joint Petitioners agree that the Commission should approve the Plan, as modified by this Settlement.

**C. Approval of Modified LTIIIP**

19. In accordance with 52 Pa. Code § 65.54(b), VWPA submitted a modified Long-Term Infrastructure Improvement Plan (“LTIIIP”) containing the Plan as a separate and distinct component of the LTIIIP. The modified LTIIIP was amended on October 31, 2023, in response to data requests from TUS (as amended, the “Modified LTIIIP”). The Joint Petitioners agree that the Commission should approve the Modified LTIIIP, as modified by this Settlement.

**D. Submission of Tariff Supplement**

20. In accordance with 52 Pa. Code § 65.55(b)(2), VWPA submitted a *pro forma* tariff supplement containing the proposed changes necessary to implement the Plan. The *pro forma* tariff supplement was amended on October 31, 2023, in response to data requests from TUS (as amended, the “Tariff Supplement”).

21. The Joint Petitioners agree that the Commission should direct VWPA, pursuant to 52 Pa. Code § 65.55(b)(3), to resubmit the Tariff Supplement, as modified by this Settlement, to the Commission under 66 Pa. C.S. § 1308.

**E. Customer Outreach**

22. VWPA will share with the OCA and the OSBA the communications materials when developed to be used in connection with the Plan, and will report periodically upon request the effectiveness of such materials.

23. VWPA will make written information about the Plan available on VWPA's website, and documents implementing the Plan will be available in English with a notation in Spanish, Portuguese, Korean, Gujarati, and Arabic as to how to request the documents in a preferred language. VWPA will also make its translation services available to customers who call VWPA's customer service and request translation of the written information into other languages.

24. Following an unsuccessful attempt to obtain acceptance to replace a lead service line, VWPA will:

- If there is no response within ten days, an opt-in letter will be sent via certified mail to the listed property owner.
- If there is no response from the property owner within fourteen days, a phone call will be attempted to the property owner.
- Following unsuccessful attempts to obtain acceptance from the property owner, the Company will make a phone call to the property owner.
- In cases where the property owner is also the customer, if the call is successful, an in-person meeting can be scheduled at the property to go over the opt-in letter. If there is no answer, a voicemail will be left noting the findings at the owned property and a direct call-back number to a VWPA employee will be left.
- If there is no response within five (5) days, a second attempt phone call will be made and if unsuccessful, another voicemail will be left.
- In cases where the property owner is not the customer, the customers will also be notified and used as an avenue to make contact with the owner of the property.

**F. Periodic Reviews of the Plan**

25. Following Commission approval of the Petition, VWPA will submit lead service line replacement program reports in compliance with 52 Pa. Code § 65.59.

26. Following Commission approval of the Petition, VWPA will periodically update the Plan, in compliance with 52 Pa. Code § 65.57. The Joint Petitioners acknowledge that VWPA's LTIP is due for periodic review in 2026.

27. In the event the Company finds lead in a Company-owned or customer-owned service line, the Company will provide a report detailing the location, number of affected pipes, and estimated remediation time for the lead service lines to the Commission, the OSBA and the OCA within 60 days of the discovery of the lead service lines.

28. Upon the completion of the lead service line replacement inventory, the Company will replace all of the existing Company-owned and customer-owned lead service lines within three years of completion of the inventory.

**G. Other Necessary Approvals**

29. The Commission shall issue any other approvals or certificates appropriate, customary, or necessary under the Pennsylvania Public Utility Code for VWPA to carry out the lead service line replacement program contemplated in the Petition in a lawful manner.

**H. Standard Settlement Conditions**

30. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in the Settlement without modification. If the Commission modifies the Settlement, any Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five (5) business days after the entry of an Order modifying the Settlement. The Joint Petitioners acknowledge and agree that the Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding.

31. This Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceedings. If the Commission does not approve the Settlement and the proceedings continue, the Joint Petitioners reserve their respective procedural rights, including the right to present testimony and to conduct full cross-examination, briefing and argument. The Settlement is made without any admission against, or prejudice to, any position which any Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

32. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Petitioner's position with respect to any issues raised in these proceedings. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

33. On March 8, 2024, the Joint Petitioners filed a Joint Stipulation of Fact. The Joint Petitioners agree that the facts agreed-to in the Joint Stipulation are sufficient to find that the Settlement is in the public interest.

34. Attached hereto as Appendix A are Proposed Conclusions of Law. Also attached, as Appendix B, are Proposed Ordering Paragraphs.

35. Each Petitioner has prepared a Statement in Support of Settlement setting forth the bases upon which the Petitioner believes the Settlement to be in the public interest. See Appendices C-E.

36. If the ALJ recommends approval of the Settlement without modification, the Joint Petitioners will waive their rights to file Exceptions.

### **III. Request for Relief**

WHEREFORE, Veolia Water Pennsylvania, Inc., the Office of Consumer Advocate, and the Office of Small Business Advocate, by their respective counsel, respectfully request:

1. That the Honorable Administrative Law Judge Emily I. DeVoe recommend approval of, and the Commission approve, the Petition for Approval of a Lead Service Line Replacement Program filed by VWPA.

2. That the Joint Petition for Unanimous Settlement of All Issues be approved as submitted, including all terms and conditions thereof, without modification.

3. That VWPA's Lead Service Line Replacement Plan, as modified by this Settlement, be approved.

4. That VWPA's modified Long-Term Infrastructure Improvement Plan, as modified by this Settlement, be approved.

5. That VWPA be directed, pursuant to 52 Pa. Code § 65.55(b)(3), to resubmit the *pro forma* tariff supplement, as modified by this Settlement, to the Commission under 66 Pa. C.S. § 1308.

6. That VWPA be directed to share with the OCA and the OSBA VWPA's communications materials when developed to be used in connection with the Plan, and to report periodically upon request the effectiveness of such materials.

7. That VWPA be directed to (i) make written information about the Plan available on VWPA's website, and documents implementing the Plan will be available in English with a notation in Spanish, Portuguese, Korean, Gujarati, and Arabic as to how to request the documents in a preferred language; and (ii) make its translation services available to customers who call VWPA's customer service and request translation of the written information into other languages.

8. That VWPA be directed to follow the following protocol following an unsuccessful attempt to obtain acceptance to replace a lead service line:

- (a) If there is no response within ten days, an opt-in letter will be sent via certified mail to the listed property owner.

- (b) If there is no response from the property owner within fourteen days, a phone call will be attempted to the property owner.
- (c) Following unsuccessful attempts to obtain acceptance from the property owner, the Company will make a phone call to the property owner.
- (d) In cases where the property owner is also the customer, if the call is successful, an in-person meeting can be scheduled at the property to go over the opt-in letter. If there is no answer, a voicemail will be left noting the findings at the owned property and a direct call-back number to a VWPA employee will be left.
- (e) If there is no response within five (5) days, a second attempt phone call will be made and if unsuccessful, another voicemail will be left.
- (f) In cases where the property owner is not the customer, the customers will also be notified and used as an avenue to make contact with the owner of the property.

9. That VWPA be directed to submit lead service line program reports in compliance with 52 Pa. Code § 65.59.

10. That VWPA be directed to periodically update the Plan, in compliance with 52 Pa. Code § 65.57.

11. That VWPA be directed that, in the event the Company finds lead in a Company-owned or customer-owned service line, the Company will provide a report detailing the location, number of affected pipes, and estimated remediation time for the lead service lines to the Commission, the OCA and the OSBA within 60 days of the discovery of the lead service line.

12. That VWPA be directed to replace all existing Company-owned and customer-owned lead service lines within three years of completion of the lead service line replacement inventory.

13. That the Commission issue any other approvals or certificates appropriate, customary, or necessary under the Pennsylvania Public Utility Code for VWPA to carry out the lead service line replacement program contemplated in the Petition in a lawful manner.

[Signatures appear on next page.]

Respectfully submitted,



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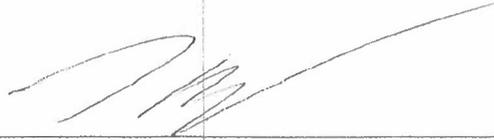
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/s/ Steven C. Gray

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Respectfully submitted,



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**LIST OF APPENDICES:**

- A. Proposed Conclusions of Law
- B. Proposed Ordering Paragraphs
- C. Statement in Support of Veolia Water Pennsylvania, Inc.
- D. Statement in Support of the Office of Consumer Advocate
- E. Statement in Support of the Office of Small Business Advocate

## APPENDIX A

### PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter of, and the parties to, these application proceedings. 66 Pa. C.S. § 1311(b)(2); 52 Pa. Code § 65.54.

2. Veolia Water Pennsylvania, Inc. has the burden of proof in these proceedings.

3. Commission policy promotes settlements. 52 Pa. Code § 5.231.

4. A settlement lessens the time and expense that the parties must expend litigating a case and, at the same time, conserves precious administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. 52 Pa. Code § 69.401.

5. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water & Sewer Assocs.*, 74 Pa. PUC 767 (1991). The instant settlement is in the public interest.

6. Pursuant to 52 Pa. Code § 65.55(b), a lead service line program must include:

- a. A lead service line replacement plan as described in 52 Pa. Code § 65.56 (relating to lead service line replacement plan requirements);
- b. A *pro forma* tariff or tariff supplement containing the proposed changes necessary to implement the entity's lead service line replacement program as described in 52 Pa. Code § 65.58 (relating to *pro forma* tariff or tariff supplement requirements); and
- c. Information required by the Commission for filings under 66 Pa. C.S. § 1308 (relating to voluntary changes in rates), including statements required by § 53.52(a) (relating to applicability; public utilities other than canal, turnpike, tunnel, bridge and wharf companies)

7. An entity with a Commission-approved long-term infrastructure improvement plan (“LTIIP”) shall include with its lead service line replacement program petition a modified LTIIP containing a lead service line replacement plan as a separate and distinct component of the LTIIP. 52 Pa. Code § 65.54(b).

8. A lead service line replacement plan must include a service line inventory, a planning and replacements section, and a communications, outreach and education section. 52 Pa. Code § 65.56 (relating to lead service line replacement plan requirements).

9. Pursuant to 52 Pa. Code § 65.58 (relating to *pro forma* tariff or tariff supplement requirements), a *pro forma* tariff or tariff supplement must contain proposed changes necessary to implement the entity’s lead service line replacement program, including, at a minimum:

- a. A lead service line program annual cap;
- b. A service line demarcation;
- c. Provisions concerning partial lead service lines;
- d. Provisions concerning reimbursements; and
- e. Provisions concerning a warranty.

10. 52 Pa. Code § 65.57 requires that, after initial Commission-approval of an entity’s lead service line replacement plan, the entity update the plan for Commission review at least once every five years. To the extent possible, the Commission will coordinate the review of the updated lead service line review plan with the period review of the entity’s LTIIP.

11. 52 Pa. Code § 65.59 requires an entity with an approved lead service line replacement program to file with the Commission a lead service line replacement program report by March 1 of each year. If the entity is implementing the lead service line as part of its

Commission-approved LTIP, the entity is to include the lead service line replacement program report as part of the entity's annual asset optimization plan.

12. The settlement and its proposed terms and conditions are in the public interest and, therefore, should be approved without modification.

## APPENDIX B

### PROPOSED ORDERING PARAGRAPHS

1. That the Honorable Administrative Law Judge Emily I. DeVoe recommend approval of, and the Commission approve, the Petition for Approval of a Lead Service Line Replacement Program filed by VWPA.

2. That the Joint Petition for Unanimous Settlement of All Issues be approved as submitted, including all terms and conditions thereof, without modification.

3. That VWPA's Lead Service Line Replacement Plan, as modified by this Settlement, be approved.

4. That VWPA's modified Long-Term Infrastructure Improvement Plan, as modified by this Settlement, be approved.

5. That VWPA be directed, pursuant to 52 Pa. Code § 65.55(b)(3), to resubmit the *pro forma* tariff supplement, as modified by this Settlement, to the Commission under 66 Pa. C.S. § 1308.

6. That VWPA be directed to share with the OCA and the OSBA VWPA's communications materials when developed to be used in connection with the Plan, and to report periodically upon request the effectiveness of such materials.

7. That VWPA be directed to (i) make written information about the Plan available on VWPA's website, and documents implementing the Plan will be available in English with a notation in Spanish, Portuguese, Korean, Gujarati, and Arabic as to how to request the documents in a preferred language; and (ii) make its translation services available to customers who call VWPA's customer service and request translation of the written information into other languages.

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- (d) In cases where the property owner is also the customer, if the call is successful, an in-person meeting can be scheduled at the property to go over the opt-in letter. If there is no answer, a voicemail will be left noting the findings at the owned property and a direct call-back number to a VWPA employee will be left.
- (e) If there is no response within five (5) days, a second attempt phone call will be made and if unsuccessful, another voicemail will be left.
- (f) In cases where the property owner is not the customer, the customers will also be notified and used as an avenue to make contact with the owner of the property.

9. That VWPA be directed to submit lead service line program reports in compliance with 52 Pa. Code § 65.59.

10. That VWPA be directed to periodically update the Plan, in compliance with 52 Pa. Code § 65.57.

11. That VWPA be directed that, in the event the Company finds lead in a Company-owned or customer-owned service line, the Company will provide a report detailing the location, number of affected pipes, and estimated remediation time for the lead service lines to the Commission, the OCA and the OSBA within 60 days of the discovery of the lead service line.

12. That VWPA be directed to replace all existing Company-owned and customer-owned lead service lines within three years of completion of the lead service line replacement inventory.

13. That the Commission issue any other approvals or certificates appropriate, customary, or necessary under the Pennsylvania Public Utility Code for VWPA to carry out the lead service line replacement program contemplated in the Petition in a lawful manner.

**APPENDIX C**  
**STATEMENT IN SUPPORT OF**  
**VEOLIA WATER PENNSYLVANIA, INC.**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**ADMINISTRATIVE LAW JUDGE  
EMILY I. DEVOE**

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Petition of Veolia Water Pennsylvania, Inc. :  
For Approval of a Lead Service Line : Docket No. P-2023-3042107  
Replacement Program :

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**STATEMENT OF VEOLIA WATER PENNSYLVANIA, INC.  
IN SUPPORT OF THE JOINT PETITION FOR APPROVAL  
OF UNANIMOUS SETTLEMENT OF ALL ISSUES**

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Counsel for *Veolia Water Pennsylvania, Inc.*

Date: March 22, 2024

Veolia Water Pennsylvania, Inc. (“VWPA” or the “Company”)<sup>1</sup> files this Statement in Support of the Joint Petition for Approval of Unanimous Settlement of All Issues (“Settlement”) entered into by VWPA, the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”) (singularly, a “Petitioner” and collectively, the “Joint Petitioners”). VWPA respectfully requests that the Honorable Administrative Law Judge Emily I. DeVoe (the “ALJ”) recommend approval of, and that the Pennsylvania Public Utility Commission (“Commission”) approve, the Settlement, including all terms and conditions thereof, without modification.

## I. INTRODUCTION

The instant Settlement pertains to the “Petition of Veolia Water Pennsylvania, Inc. for Approval of a Lead Service Line Replacement Program” (the “Petition”) filed by VWPA on July 24, 2023 pursuant to 66 Pa. C.S. § 1311(b) and 52 Pa. Code § 65.54(a). Joint Stipulation Attachment 1. Attached to the Petition was the Company’s Lead Service Line Replacement Plan, the Company’s modified long term infrastructure improvement plan (“LTIIP”), a *pro forma* tariff supplement, and the items required by 52 Pa. Code § 53.52(a). VWPA substantially revised its LSLR program in response to data requests from the Commission’s Bureau of Technical Utility

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<sup>1</sup> VWPA was formerly known as SUEZ Water Pennsylvania Inc. In *Joint Application of Veolia Environnement S.A., Veolia North America, Inc., SUEZ S.A., SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc. for all approvals pursuant to Section 1102(a)(3), (4) and 1103 of the Pennsylvania Public Utility Code, and as otherwise required under the Pennsylvania Public Utility Code for the change in control of SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc.*, Docket Nos. A-2021-3026515 *et al.* (Order entered Dec. 2, 2021) the Commission approved a change in control of VWPA. In *Joint Application of Veolia Water Pennsylvania, Inc. and Veolia Water Bethol, Inc., Pursuant to Section 1102(a)(3) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a)(3), for Approval of a Change of Control of Veolia Water Bethel, Inc. through a Merger*, Docket Nos. A-2022-3035967 *et al.* (Order entered Feb. 9, 2023), the Commission approved a merger of Veolia Water Bethel, Inc. with VWPA.

Services (“TUS”).<sup>2</sup> Joint Stipulation Attachment 2. The items required by 52 Pa. Code § 53.52(a) have been updated and were attached to the Joint Stipulation of Facts as Attachment 3. VWPA respectfully requests that the ALJ recommend, and the Commission approve the Plan and the Modified LTIIIP, as modified by the Settlement. In addition, VWPA respectfully requests that the ALJ recommend, and the Commission approve, directing VWPA to resubmit the Tariff Supplement, together with the updated statement required by 52 Pa. Code § 53.52(a), to the Commission pursuant to 66 Pa. C.S. § 1308.<sup>3</sup>

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense that the parties must expend litigating a case and, at the same time, conserve precious administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. *See* 52 Pa. Code § 69.401. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm’n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm’n v. C.S. Water & Sewer Assocs.*, 74 Pa. PUC 767 (1991).

As an initial matter, the fact that the Settlement resolves all issues raised by the parties is, in and of itself, strong evidence that the Settlement is reasonable and in the public interest, particularly given the diverse interests of the Joint Petitioners (the Company, the statutory advocate representing the interests of small business utility consumers and the statutory advocate primarily

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<sup>2</sup> VWPA’s Lead Service Line Replacement Plan, as amended on October 31, 2023, is referred to herein as the “Plan.” VWPA’s modified LTIIIP, as amended on October 31, 2023, is referred to herein as the “Modified LTIIIP.” VWPA’s *pro forma* tariff supplement, as amended on October 31, 2023, is referred to herein as the “Tariff Supplement.”

<sup>3</sup> 52 Pa. Code § 65.55(c) states: “A final Commission Order approving an entity’s LSLR program will direct the entity to make any necessary revisions to the *pro forma* tariff or tariff supplement and resubmit the tariff or tariff supplement under 66 Pa. C.S. § 1308.”

representing the interests of residential utility consumers). The Settlement was achieved through discovery and negotiations over a period of several months.

The Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners and satisfies the various requirements of the Code, the Commission's Orders and Regulations. The Settlement is in the public interest and should be approved.

## **II. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

### **A. Approval of the Petition**

Act 120 of 2018 amended Section 1311(b) of the Pennsylvania Public Utility Code ("Code"), 66 Pa. C.S. § 1311(b) to address lead service line replacement ("LSLR") and the recovery of associated costs. The Commission subsequently adopted regulations at 52 Pa. Code §§ 65.51-65.62. *Rulemaking to Implement Act 120 of 2018 at 52 Pa. Code Chapters 65 and 66*, Docket No. L-2020-3019521 (Final Rulemaking Order entered March 14, 2022).

By Secretarial Letter issued on October 31, 2022 at Docket No. L-2020-3019521, the Commission notified utilities such as VWPA (Class A public utilities without Commission-approved preexisting LSLR activities) that a petition for approval of a LSLR program was due on or before July 22, 2023. Since July 22, 2023 was a Saturday, VWPA filed its Petition timely on Monday, July 24, 2023. As required by 52 Pa. Code § 65.54, the Petition was filed with the Secretary's Bureau and copies were served on the OCA, the OSBA, the Commission's Bureau of Investigation and Enforcement, and all parties of record in VWPA's most recently-completed base rate case.

The Petition described the Company's LSLR program, which included all of the elements required by 52 Pa. Code §§ 65.54 and 65.55: a LSLR plan, a modified LTIIP containing the Plan,

a *pro forma* tariff supplement, and the information required by 52 Pa. Code § 53.52(a). As described below, each of these elements of the Company's LSLR program, as amended, is consistent with applicable law. In addition, the Company's LSLR program, as modified by the settlement, is in the public interest because it provides for the completion of an inventory of service lines in VWPA's system and provides for the prompt replacement of such lines, at no expense to the customer, in the event that any lead service lines are found in VWPA's system. Consequently, the Petition should be approved.

**B. Approval of the Plan**

The Plan meets all of the detailed requirements of 52 Pa. Code § 65.56. The Plan explains the requirements of each pertinent subsection of the regulations, and explains how it meets each requirement. This Statement in Support will not re-state the entire Plan in order to demonstrate that it satisfies each regulatory requirement; it will summarize the important sections of the Plan and provide updates based on the Joint Stipulation of Facts. It will also indicate how the Plan will be re-printed, if it is approved by the Commission, to reflect the Settlement and for other reasons.

VWPA is conducting a service line inventory that complies with U.S. Environmental Protection Agency ("EPA") regulations at 40 CFR §§ 141-143.20. Plan at 1. That inventory is expected to be completed during October, 2024. Joint Stipulation of Fact ¶ 8; Attachment 3 ¶ 8. As of December 22, 2023, VWPA had inventoried 75% of its Company-owned service line and 54% of its customer-owned service lines, and had not yet found any lead service lines anywhere in its system. Joint Stipulation of Fact ¶ 9 and Attachment 4 (Answer to Interrogatory OCA Set I No. 1). Upon completion of the inventory, VWPA is required to: (a) submit the inventory to the Commission, 52 Pa. Code § 65.56(a)(1); and (b) incorporate the inventory into VWPA's next Plan update. 52 Pa. Code § 65.56(a)(6).

The Settlement requires that, if the Company finds lead in a Company-owned or customer-owned lead service line, VWPA will (within 60 days of the discovery of the lead service lines) provide a report detailing the location, number of affected pipes, and estimated remediation time for the lead service lines to the Commission, the OCA, and the OSBA. Settlement ¶ 26. Additionally, the Settlement requires the Company to replace all existing residential Company-owned and customer-owned lead service lines within three years of completing the inventory. Settlement ¶ 27. Considering that the Company has completed a large portion of its inventory and has yet to identify any lead service lines in its system, VWPA does not believe that 25 years are necessary to replace the lead service lines in its system. It is in the public interest that the lead service lines be replaced as expeditiously as practicable.

VWPA's Plan includes a planning and replacement section, which explains that the Tariff Supplement provides for a maximum budgeted amount of \$100,000 per year, with unused funds rolling over to the following year. This amount was determined based on an estimate of replacing 25 customer-owned service lines per year (the cost of replacing each customer-owned lead service line is estimated to be \$3,880). The cap of 20 replacements per year takes into account the estimated cost of replacing Company-owned service lines (the cost of replacing each Company-owned lead service line is estimated to be \$2,725). The source of funding will be general corporate funds (*i.e.*, the Company's capital plan). Plan at 3-4.

The Company will prioritize LSLR projects in the order that lead service lines are identified, except that lead service lines that serve a sensitive population (such as a childcare facility, school or an area with a high concentration of lead service lines) will be given priority over other lead service line replacements. Plan at 4-5.

The Plan includes procedures to obtain acceptance of the LSLR, whether or not the customer is the property owner. The Settlement modifies the Plan to include additional steps where the Company is not successful in its initial effort to obtain acceptance of the LSLR. Those steps are as follows:

- if there is no response within ten days, an opt-in letter will be sent via certified mail to the listed property owner.
- If there is no response from the property owner within fourteen days, a phone call will be attempted to the property owner.
- Following unsuccessful attempts to obtain acceptance from the property owner, the Company will make a phone call to the property owner.
- In cases where the property owner is also the customer, if the call is successful, an in-person meeting can be scheduled at the property to go over the opt-in letter. If there is no answer, a voicemail will be left noting the findings at the owned property and a direct call-back number to a VWPA employee will be left.
- If there is no response within five (5) days, a second attempt phone call will be made and if unsuccessful, another voicemail will be left.
- In cases where the property owner is not the customer, the customers will also be notified and used as an avenue to make contact with the owner of the property.

Settlement ¶ 23. These provisions will be added to the Plan when re-printed, if the Settlement is approved. These provisions are in the public interest because it is important that the Company obtain acceptance of the LSLR prior to beginning a replacement project. These provisions add greater specificity to the Company's procedures and address a situation that could recur.

The Plan explains that, prior to replacing the lead service line, VWPA will provide the customer with a fact sheet about lead service lines, and will provide a pitcher water filtration system with a six-month supply of filters. The customer or property owner will be required to execute an agreement for the replacement of the customer-owned service line before any work is performed by the Company or its contractor. The contract will describe the warranty on the work (the warranty will be discussed in more detail below, with regard to the Tariff Supplement). Plan at 5-6.

If the Plan is approved by the Commission, it will be re-printed to correct a printing error. 52 Pa. Code § 65.56(b)(10) contains three subparts, but the Plan at 7-8, suggests that the regulation contains six subparts. When the plan is re-printed, it will be made clear that Subparts (iv)-(vi) are the Company's responses to subparts (i)-(iii).

52 Pa. Code § 65.56(c) requires that the utility's plan include copies of all printed and broadcast material to be distributed under the utility's LSLR program. The Plan includes six exhibits that will be distributed to customers and property owners. These exhibits include a Pennsylvania Department of Environmental Protection fact sheet regarding Risk Mitigation Measures for Water Systems Conducting Lead Service Line Replacement and an American Water Works Association Standard on Replacement and Flushing of Lead Service Lines. As stated above, no lead service lines have been identified in VWPA's system to date. Consequently, VWPA is still developing additional print and broadcast materials. Plan at 8.

The Settlement provides that VWPA will share the additional communications materials with the OCA and the OSBA when developed, and will report periodically, upon request, about the effectiveness of these materials. Settlement at ¶ 21. This provision is in the public interest because it will help ensure that the Company's communications about the Plan are effective.

Additionally, the Settlement provides that VWPA will make written information about the Plan available on its website. The documents will be in English, but the website will contain a notation in Spanish, Portuguese, Korean, Gujarati, and Arabic as to how to request the documents in a preferred language. (VWPA has a similar notation on its website regarding VWPA's consumer confidence reports.) Settlement ¶ 22; Joint Stipulation of Fact ¶ 12.

In addition, VWPA currently offers translation services to customers, by which documents are orally translated for customers. Joint Stipulation of Fact ¶ 13. In the Settlement, VWPA agreed

to make its translation services available to customers who call VWPA's customer service and request translation of the written information about the LSLR program into other languages. Settlement ¶ 22. These provisions are in the public interest because they facilitate understanding of the Company's LSLR program by persons who are not fluent in English.

Finally, the Commission's regulations require a Class A public utility such as VWPA to develop a LSLR section of its web site within 12 months after Commission approval of its LSLR program. 52 Pa. Code § 65.56(c)(2). Although the deadline is more than a year away, VWPA's website already contains information describing the health effects of lead and the customer's and the Company's responsibly related to lead service lines.<sup>4</sup> This web page includes a link to the self-identification survey, explains how lead exposure can occur in the home, and outlines steps a customer can take to reduce lead exposure. If the Plan is approved, the Company expects to add information in the future (*e.g.*, information about eligibility for replacement and any information required by Commission regulations). Plan at 8-9.

The Plan is in the public interest and should be approved because it contains all of the elements required by the Commission's regulations. As modified by the Settlement, the Plan does more than the minimum required by law. In the Settlement, VWPA agreed to additional customer outreach measures (*e.g.*, making information available about how to request the documents in languages other than English and making VWPA's transaction services available to translate the written information into other languages), which are also in the public interest. For all of these reasons, VWPA respectfully requests that the ALJ recommend, and the Commission approve, VWPA's Plan.

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<sup>4</sup> <https://mywater.veolia.us/new-york/pennsylvania/water-in-my-area/pa-service-line-information>

### **C. Approval of Modified LTIIIP**

VWPA has a Commission-approved LTIIIP. *Petition of SUEZ Water Pennsylvania Inc. for Approval of its Second Long-Term Infrastructure Improvement Plan*, Docket No. P-2021-3028256 (Order entered Dec. 16, 2021). 52 Pa. Code § 65.54 requires such a utility to include with its LSLR petition a modified LTIIIP containing the LSLR Plan as a separate and distinct component of the LTIIIP.

VWPA filed a modified LTIIIP with its Petition on July 24, 2023. For the Commission's convenience, VWPA showed the changes to its Commission-approved LTIIIP in black-line format. At that time, VWPA only proposed modifications to its LTIIIP due to the LSLR program; VWPA proposed no other changes to its Commission-approved LTIIIP.

Specifically, in the section of its LTIIIP regarding the schedule of planned repairs and replacements, VWPA proposed modifying its LTIIIP to state that the project categories for DSIC-eligible property would now include projects related to the replacement of Company-owned lead service lines and customer-owned lead service lines.<sup>5</sup> VWPA also proposed modifying its LTIIIP to state that the LSLR Plan would be attached to the modified LTIIIP as an exhibit. Petition, Appendix A at 11.

VWPA submitted a revised modified LTIIIP on October 31, 2023 in response to a data request from TUS. TUS asked VWPA to make additional modifications, unrelated to the LSLR program. Specifically, TUS asked VWPA to update the Commission-approved LTIIIP to reflect the current name of the Company. Consequently, in addition to the changes shown on the June 24, 2023 version of the modified LTIIIP, the October 31, 2023 version of the modified LTIIIP

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<sup>5</sup> This distinction is for accounting purposes only; the Company's LSLR program acknowledges that both the Company-owned and customer-owned lead service line must be replaced at the same time. *See, e.g.*, Tariff Supplement Original Page 68 (regarding Partial Lead Service Line Replacements).

changed all references to SUEZ Water Pennsylvania Inc. or SUEZ to Veolia Water Pennsylvania, Inc. or Veolia, respectively.

The ALJ should recommend, and the Commission should approve, VWPA’s modified LTIIIP because it complies with the Commission’s regulations. The Company’s Plan will be attached to the LTIIIP as an Exhibit. In addition, the LTIIIP incorporates LSLR projects as being DSIC-eligible. This provision is in the public interest because it will help fund LSLR projects more expeditiously.

**D. Tariff Supplement**

The Commission’s regulations require that a LSLR program include a *pro forma* tariff supplement containing the changes necessary to implement the LSLR program. 52 Pa. Code § 65.55(b)(2). VWPA filed a *pro forma* tariff supplement with its Petition on July 24, 2023, and filed a revised *pro forma* tariff supplement on October 31, in response to TUS’s Data Requests. Joint Stipulation, Attachment 2, Answer to Data Request P-19. The Tariff Supplement shows changes, compared to the tariff in effect in July 2024,<sup>6</sup> in red-line.

The Tariff Supplement complies with the Commission’s regulations, as shown by the following chart:

The Tariff Must:	Tariff Provision
Include a cap on the number of customer-owned lead service lines that can be replaced annually. 52 Pa. Code § 65.58(a)	The Tariff Supplement includes a cap of 20 customer-owned lead service lines that can be replaced annually, within a maximum budgeted amount of \$100,000 per year. Tariff Supplement Original Page 67 (Application)
Include a definition of a customer-owned lead service line that is consistent with the definition in the Commission’s regulations. 52 Pa. Code § 65.58(b)(1)	The Tariff Supplement includes a definition of customer-owned LSL that is virtually identical to the definition in 52 Pa. Code § 65.52. Tariff Supplement, Original Page 68 (Definition of Customer Owned Lead Service Line)

<sup>6</sup> VWPA filed a request for a water and wastewater rate increase in February, 2024. Docket Nos. R-2024-3045192 and R-2024-3045193. None of the tariff changes proposed in that proceeding are included in the Tariff Supplement in this proceeding.

Provide that the utility will perfect its ownership of the portion of the service line located in the right-of-way. 52 Pa. Code § 65.58(b)(3)	The Tariff Supplement includes language virtually identical to the regulation. Tariff Supplement Original Page 68 (Shutoff Valve)
Prohibit partial LSLRs by customers/property owners. 52 Pa. Code § 65.58(c)(1) and (2)	The Tariff Supplement prohibits partial LSLRs in language that is very similar to the language in the regulations. Tariff Supplement Original Page 68 (Partial Lead Service Line Replacements ¶¶ A and B)
Prohibit connecting an applicant who previously failed to accept an offer of LSLR until the applicant verifies the replacement of the customer-owned lead service line. 52 Pa. Code § 65.58(c)(4)	The Tariff Supplement includes language virtually identical to the regulation. Tariff Supplement Original Page 68 (Partial Lead Service Line Replacements ¶ D)
Provide for reimbursement if the customer/property owner replaced his lead service line within one year before the utility commenced an LSLR project. 52 Pa. Code § 65.58(d)	The Tariff Supplement includes detailed provisions establishing a process for reimbursing customers who replaced their customer-owned lead service lines within one year of LSLR project commencement. Original Page 67 (Application ¶ B)
Include a warranty of at least 2 years on LSLR work performed by the utility or its contractor. 52 Pa. Code § 65.58(e).	The Tariff Supplement includes detailed provisions for a two-year warranty on LSLR work performed by the Company or its contractor. Original Page 67 (Application Paragraph A)

When the Company filed its Tariff Supplement, it also provided the information required by 52 Pa. Code § 53.52(a). Petition Appendix D. An updated version of this information is included in the Joint Stipulation of Fact. Attachment 3. This version is black-lined so the ALJ and the Commission can readily see the updates that have been made since July 24, 2023. These changes reflect the status of VWPA’s inventory.

The Tariff Supplement is in the public interest. It is consistent with applicable law. It protects ratepayers by capping the number of customer-owned lead service lines that will be replaced in a year. It also protects the Company and its customers financially by ensuring that customer-owned lead service lines are replaced pursuant to a written contract (Tariff Supplement Application ¶ A) that includes a two-year warranty. It also protects customers’ health and safety

by prohibiting partial replacement of lead service lines. For all of these reasons, VWPA respectfully requests that the ALJ recommend, and the Commission approve, directing VWPA, pursuant to 52 Pa. Code § 65.55(b)(3), to resubmit the Tariff Supplement and the items required by 52 Pa. Code § 53.52(a), to the Commission pursuant to 66 Pa. C.S. § 1308.

**E. Customer Outreach**

The Settlement's provisions regarding Customer Outreach were discussed above, in reference to the Plan.

**F. Periodic Reviews of the Plan**

The Commission's regulations require utilities to submit reports and updates after a LSLR program is approved. In the Settlement, the Company agrees to comply with these provisions. Settlement ¶¶ 24 and 25. It is in the public interest that the Company complies with law and reports information to the Commission.

In the Settlement, the Company also agrees that, if its inventory finds lead in a Company-owned or customer-owned service line, VWPA will provide a report to the Commission, the OCA and the OSBA within 60 days of discovery of the lead service line. As mentioned above, the Company's inventory has not yet found any lead service lines in its system. The report required by the Settlement will quickly advise the Commission and all parties to this proceeding if this situation changes. This provision increases transparency, which is in the public interest. These provisions of the Settlement are in the public interest and should be approved.

**G. Standard Settlement Conditions**

The Settlement is conditioned on the Commission's approval of the terms and conditions contained in the Settlement without modification. If the Commission modifies the Settlement, any Petitioner may elect to withdraw from the Settlement and may proceed with litigation. In such

event, the Settlement shall be void and of no effect. The Petitioners acknowledge and agree that the Settlement, if approved, will have the same force and effect as if the Joint Petitioners had fully litigated this proceeding. Settlement ¶ 30.

This provision is standard in settlements in Commission proceedings. It protects all of the Joint Petitioners by allowing them to withdraw from the Settlement if the Commission modifies the Settlement in a manner they find unacceptable. This provision makes parties to a Commission proceeding more willing to settle than they otherwise might be. It is therefore in the public interest and should be approved.

### **III. CONCLUSION**

Through cooperative efforts and the open exchange of information, the Joint Petitioners have arrived at a settlement that resolves all of the issues in this proceeding in a fair and equitable manner. The Settlement is the result of the examination of the Plan, the Modified LTIIP, the Tariff Supplement, discovery responses, and settlement negotiations. VWPA's LSLR program complies with the Code, Commission regulations and orders. A fair and reasonable compromise has been achieved in this case. VWPA fully supports the Settlement and urges the ALJ and the Commission to approve it without modification.

WHEREFORE, Veolia Water Pennsylvania, Inc. respectfully requests that the Honorable Administrative Law Judge Emily I. DeVoe recommend approval of, and that the Commission approve, the Settlement, including all terms and conditions thereof, without modification, and enter an order consistent with the Settlement and the Joint Proposed Ordering Paragraphs.

[Signature appears on next page.]

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jonathan P. Nase".

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Counsel for *Veolia Water Pennsylvania, Inc.*

Date: March 22, 2024

**APPENDIX D**  
**STATEMENT IN SUPPORT OF THE**  
**OFFICE OF CONSUMER ADVOCATE**

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Veolia Water PA, Inc. Verified Letter :  
Petition for Partial Waiver of Lead Service : Docket No. P-2023-3042107  
Line Replacement Regulations Due to :  
Absence of Lead Service Lines :

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STATEMENT OF SUPPORT  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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**I. INTRODUCTION**

On July 21, 2023, Veolia Water Pennsylvania, Inc. f/k/a SUEZ Water Pennsylvania Inc. (Veolia or Company or VWPA) filed with the Pennsylvania Public Utility Commission (Commission) a Petition seeking approval of a Lead Service Line Replacement Program (LSLRP) and tariff revisions that will allow it to replace customer-owned lead service lines (COLSL), and to recover those costs as provided in Section 1311(b)(2) of the Public Utility Code (Petition), which was added to the Public Utility Code pursuant to Act 120 of 2018. 66 Pa. C.S. § 1311(b)(2). As required by Commission regulations implementing Act 120 of 2018, 52 Pa. Code §§ 65.51-65.62, the Company attached to its Petition a modified Long-Term Infrastructure Improvement LSLRP (LTIIP).

On August 14, 2023, the Office of Consumer Advocate (OCA) filed an Answer to the Company's Petition. A prehearing conference was scheduled to be held on November 21, 2023. By e-mail on November 9, 2023, counsel for VWPA requested a 30-day continuance of the Prehearing Conference so that the parties could attempt to negotiate a resolution. The ALJ granted

the request and directed that the parties file a status report by December 8, 2023. On December 8, 2023, VWPA filed a status report on behalf of all the parties. That status report requested additional time to continue negotiations, and asked that another status report be due in approximately 35 days. That request was granted in the ALJ's Interim Order Directing Parties to Submit Status Report, which directed the parties to file another status report by January 12, 2024. 12. VWPA filed the required status report on January 12, 2024, requesting that a status conference be held in approximately 30 days. On January 22, 2024, the Commission issued a Notice of Call-in Telephonic Status Conference to be held on February 20, 2024. Telephonic Status Conference was held as scheduled on February 20, 2024. VWPA and the OCA advised the ALJ that they had reached a settlement in principle. Also on February 20, 2024, the parties advised the ALJ via e-mail that the parties have reached a unanimous settlement in principle. On March 7, 2024, the parties submitted a Joint Stipulation of Fact to the ALJ.

The OCA, one of the signatory parties to the Joint Petition for Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest.

## **II. STATEMENT IN SUPPORT**

In its Answer, the OCA made recommendations for the Commission's consideration in reviewing the Petition and reaching a determination of whether the proposed LSLR improvements are prudent and cost-effective and will maintain safe, reliable, and reasonable service as required by the Public Utility Code and the Commission's regulations. *See* 66 Pa .C.S. §§ 1301, 1311(b)(2), 1501; 52 Pa. Code §§ 65.51-65.62. Specifically, the OCA addressed the following issues in its Answer: (1) customer outreach; (2) service line inventory, and; (3) planning and replacement.

### **A. Customer Outreach.**

Under the Settlement, VWPA will share with the OCA and the OSBA the communications materials, when developed, to be used in connection with their LSLRP and will report periodically upon request the effectiveness of such materials. Settlement ¶ 22. The OCA's Answer recommended that VWPA provide the statutory advocates with communication materials. VWPA's agreement to share communication materials with the statutory advocates and to report periodically, upon request, the effectiveness of VWPA's communication materials helps ensure that the communications are effective. VWPA's agreement to allow input into the development of LSLRP communication is in the public interest as it allows oversight regarding these important communications concerning public health.

Moreover, as indicated in VWPA's responses to the OCA's discovery, VWPA planned to make documents available in English, including a statement in Spanish describing the importance of the document and that it may be translated upon request. *See* VWPA Response to OCA Set I-2. The OCA recommended in its Answer that all written material to be given to customers or owners be available in a customer's or owner's preferred language if it is a language other than English or Spanish upon request. As part of the Settlement, VWPA will make written information about the LSLRP available on VWPA's website, and documents implementing the LSLRP will be available in English with a notation in Spanish, Portuguese, Korean, Gujarati, and Arabic as to how to request the documents in a preferred language. Settlement ¶ 23. VWPA will also make its translation services available to customers who call VWPA's customer service and request translation of the written information into other languages. *Id.*

Ensuring that VWPA's customers can understand all of VWPA's material on this important public health issue was a serious concern of the OCA in negotiating this Settlement. VWPA's inclusion of notations in the top five non-English native languages is in alignment with the

Company's practice of including similar notations regarding their Consumer Confidence Reports (CCRs). As both CCRs and LSLRs concern vital public health information, the inclusion of language notations to enhance customer understanding is in the public interest.

Additionally, under the Settlement, following an unsuccessful attempt to obtain acceptance to replace a lead service line, VWPA will:

- If there is no response within ten days, an opt-in letter will be sent via certified mail to the listed property owner.
- If there is no response from the property owner within fourteen days, a phone call will be attempted to the property owner.
- Following unsuccessful attempts to obtain acceptance from the property owner, the Company will make a phone call to the property owner.
- In cases where the property owner is also the customer, if the call is successful, an in-person meeting can be scheduled at the property to go over the opt-in letter. If there is no answer, a voicemail will be left noting the findings at the owned property and a direct call-back number to a VWPA employee will be left.
- If there is no response within five (5) days, a second attempt phone call will be made and if unsuccessful, another voicemail will be left.
- In cases where the property owner is not the customer, the customers will also be notified and used as an avenue to make contact with the owner of the property.

Settlement ¶ 23. In VWPA's response to the Commission's Bureau of Technical Utility Services, VWPA indicated that their process only included the first two bullet points above. *See* VWPA Response to TUS DR P-2E Attachment at 5. In the OCA's Answer, the OCA noted concern regarding the LSLRP's lack of specificity regarding customer contact. OCA Answer at 4. In VWPA's response to OCA's discovery, VWPA initially noted as follows when asked about VWPA's procedures to attempt to reach the property owner and the actions the Company would take if they could not reach the property owner, respectively:

A. Following unsuccessful attempts to the property owner via mail, the next action will be to make a phone call. In cases where the property owner is also the customer, if the call is successful, an in person meeting can be scheduled at the property to go over the opt-in letter. If there is no answer, a voicemail will be left noting the findings at the owned property and a direct call-back number to a VWPA employee

will be left. If there is no response within five (5) days, a second attempt phone call will be made and if unsuccessful, another voicemail will be left. In cases where the property owner is not the customer, the customers will also be notified and used as an avenue to make contact with the owner of the property.

B. When the property owner is also the customer and cannot be reached, VWPA will begin the process of having the water service shut-off to the property. In cases where the property owner is not the customer, VWPA will continue trying to make contact with the owner of the property.

VWPA Response to OCA Set I-1.

The terms contained in Settlement go beyond what VWPA initially planned and is responsive to the OCA's concerns regarding difficulties obtaining acceptance of an LSLR. These procedures are in the public interest as they increase the likelihood of acceptance of the LSLR and decreases the potential of a disconnection if the property owner is initially unresponsive.

B. Periodic Reviews of the LSLRP.

VWPA has yet to find lead pipes in its system and has not identified any customer-owned lead service lines. *See* Petition at 2. The Company states that it will offer to replace customer owned lead service lines free of charge to the customer whether or not the associated Company service line is also being replaced. *Id.* However, the OCA noted concern that VWPA's LSLRP lacked specificity in setting a timeline to replace any lead service lines that may be found. *See* OCA Answer at 4.

Under the Settlement, in the event the Company finds a Company-owned or customer-owned lead service line, the Company will provide a report detailing the location, number of affected pipes, and estimated remediation time for the lead service lines to the Commission, the OSBA and the OCA within 60 days of the discovery of the lead service lines. Settlement ¶ 27. Given that VWPA has not yet discovered lead in their system, updating the Commission and the

statutory advocates with detailed information regarding lead service lines is in the public interest as it provides transparency. The Settlement further provides that, upon the completion of the lead service line replacement inventory, the Company will replace all of the existing residential Company-owned and customer-owned lead service lines within three years of completion of the inventory. Settlement ¶ 28. Given the lack of lead service lines identified in the Company's lead service line inventory, this accelerated replacement schedule ensures that any lead that is discovered is promptly removed from the system. Replacing lead service lines provides many public health and safety benefits, and VWPA's active approach to replacing any discovered lead service lines is in the public interest.

### III. CONCLUSION

In the Settlement, the Company adopted many of the OCA's recommendations for improving their LSLRP. The adoption of the Settlement results in an LSLRP with enhanced communications, an accelerated replacement schedule, and greater transparency compared to what was originally proposed by the Company. In consideration of the various elements of the Settlement, the OCA finds the Settlement to be in the public interest and in the interest of VWPA's customers. For these reasons and the reasons discussed above, the terms and conditions of the Settlement should be approved by the Commission.

Respectfully submitted,

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**APPENDIX E**  
**STATEMENT IN SUPPORT OF THE**  
**OFFICE OF SMALL BUSINESS ADVOCATE**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Veolia Water Pennsylvania,       :   Docket No. P-2023-3042107**  
**Inc. for Approval of a Lead Service         :**  
**Line Replacement Program                    :**

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**STATEMENT IN SUPPORT OF  
THE OFFICE OF SMALL BUSINESS ADVOCATE  
IN SUPPORT OF THE JOINT PETITION FOR APPROVAL OF  
UNANIMOUS SETTLEMENT OF ALL ISSUES**

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**I.    Introduction**

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a notice of intervention in response to the Petition of Veolia Water Pennsylvania, Inc. (“Veolia” or the “Company”) for Approval of a Lead Service Line Replacement (“LSLR”) Program pursuant to 66 Pa. C.S. § 1311(b) and 52 Pa. Code § 65.54(a) (“Petition”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on July 24, 2023.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Approval of Unanimous Settlement of All Issues (“*Joint Petition*”). The *Joint Petition* addresses the issues raised by this office in this proceeding. Therefore, the OSBA submits this statement in support of the *Joint Petition*.

**II. The Commission's Policy on Settlements**

Section 5.231(a) of the Commission's regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission's regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

**III. The Joint Petition is in the Public Interest of Veolia's Small Business Customers**

The OSBA, the Office of Administrative Law Judge ("ALJ"), and the Commission are well aware of the rising costs of utility service for all Commonwealth ratepayers, whether they are residential, small business, or industrial customers. The OSBA's primary focus in this proceeding has been to ensure that LSLRs proceed at a prudent pace, so as to limit the rate impact of LSLRs on Veolia's ratepayers, including small business customers.

The Joint Petition proposes that Veolia will replace all existing Company-owned and customer-owned lead service lines within three years of completion of the Company's lead service line replacement inventory. *Joint Petition*, at 9, Paragraph 12. Although this a significantly accelerated pace of replacement in comparison to what is required by statute, the OSBA has concluded that is a just and reasonable proposal.

This conclusion is based upon two factors that have been discussed at the various settlement conferences and documented through informal discovery. First, to date, Veolia has

surveyed at least 75% of its service territory. Joint Statement of Facts, at 8, Paragraph 12.

Furthermore, to date Veolia has found zero lead service lines. *Id.*

Second, Veolia's survey of its service territory will be complete in October 2024, roughly 7 months from the time of this writing. *Id.*, Paragraph 11. If Veolia were to find lead service lines in that remaining time period, informal discovery has documented that Veolia has in place a budget for those replacements. Furthermore, the informal discovery process has produced evidence that the projected cost of individual replacements is low enough that the Company could replace all reasonably anticipated LSLs within three years, within budget, *i.e.*, without such replacements necessitating that Veolia accelerate the filing of its next base rates case.

#### **IV. Conclusion**

Therefore, for the reasons set forth in the *Joint Petition*, as well as the factors that are enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

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