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**VIA** eFiling

September 13, 2024

Rosemary Chiavetta, Secretary  
Commonwealth of Pennsylvania  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, 2nd Floor  
400 North Street  
Harrisburg, PA 17120

**Re: Petition of Pennsylvania-American Water Company for Approval of a Lead Service Line Replacement Program, related Tariff Changes, and Modification of Long-Term Infrastructure Improvement Plan**

**Docket No. P-2024-3050263**

Dear Secretary Chiavetta:

On August 23, 2024, Pennsylvania-American Water Company (the "Company") received Data Request, Set 1, from the Bureau of Technical Utility Services for the above-referenced Petition. The Company requested an extension to respond to the data request on September 4; and on September 6, the Commission granted the Company's request for an extension until September 13, 2024.

Enclosed are the Company's responses to the data request. The responses have been served upon the parties listed on the enclosed Certificate of Service.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "EK Fure".

Erin K. Fure

Enclosures

cc: All Parties on the attached Certificate of Service  
M. T. Lamb, P.E., Bureau of Technical Utility Services w/Encs. **VIA** Email

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P-1. Pennsylvania-American Water Company's (PAWC's) Petition for a Lead Service Line Replacement Program (LSLR Program) included a copy of its Lead Service Line Replacement Plan (LSLR Plan) as the LSLR Program's Exhibit A. In the LSLR Plan's Section IV., Service Line Inventory, Assumptions in the Service Line Inventory, PAWC indicated that if the company-side of a line is lead, it is more likely than not that the customer-side of a line is or was lead or galvanized. Additionally, PAWC will assume that galvanized lines are downstream of lead lines. Please provide responses to the following:

- a. Clarify how this assumption will be implemented by PAWC as part of its service line inventory process (i.e., all customer-side service lines will be listed with a material type of lead automatically if a company-side service line is determined to be lead);
- b. Clarify whether PAWC's assumption that all galvanized lines are downstream of lead lines means that it is PAWC's intent to list all galvanized service line regardless of whether it is the company-owned or customer-owned portion as "Galvanized Requiring Replacement" in its service line inventory; and
- c. Explain whether PAWC will complete an independent verification method of the customer-side service lines that are connected with a company-side lead service line.

Response:

- a. While PAWC has made the assumption that a customer service will likely be lead or galvanized if the company side of the service is lead or galvanized, PAWC did not automatically update the records to indicate lead or galvanized on the customer side. If a customer's service line is unknown, PAWC will submit the inventory with the customer material listed as "Lead Status Unknown". Per DEP's service line inventory template, if either side of the service is listed as lead, the classification for the service line populates as "Lead". Conversely, if either side of the service is not fully verified and listed as unknown, without the presence of lead or galvanized material, the DEP service classification for the entire service line is "Lead Status Unknown". PAWC plans to verify the service material as recommended by DEP. This methodology was used as part of the calculation to estimate the number of potential lead or galvanized customer service lines within our territories.
- b. PAWC's intent is to list all galvanized service lines regardless of whether it is the company or customer-owned portion as "Galvanized Requiring Replacement" in its service line inventory unless there is evidence to prove

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the galvanized service line was never downstream of lead as stated in PA DEP's definition of "Galvanized Requiring Replacement"; cited in LCRR\_SLI\_Workbook\_2023\_v4, page 1-6. "If the galvanized line is or ever was downstream of any portion of a lead service line, lead gooseneck, pigtail or connector, or service line of unknown material. The water system must be able to demonstrate that the galvanized service line was never downstream of a lead service line. Otherwise it must be considered galvanized requiring replacement."

- c. PAWC will complete an independent verification of the customer-side service connected to a company-side lead service line at the curb box and where the service line enters the customer's home, if applicable and authorized by the customer.

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- P-2. In LSLR Plan's Section IV. Service Line Inventory, PAWC indicated that once enough information is obtained through reviewing existing records, mechanical excavation, and visual inspection, PAWC will be utilizing statistical analysis to confirm known material and identify unknown material. Please provide response to the following:
- a. Define the term "statistical analysis", explain how this method will be utilized to confirm known material and identify unknown material, and provide the timeframe PAWC will start employing this aspect of service line identification;
  - b. Explain how the use of statistical analysis differs or is similar to the implementation of a machine-learning predictive model;
  - c. Provide evidence that the Pennsylvania Department of Environmental Protection (DEP) has accepted PAWC's statistical analysis method for use in inventorying service lines.

- Response:
- a. PAWC is using the term "statistical analysis" to generally describe the use of predictive modeling tools that utilize machine learning methods. The methods employed to confirm known service line materials and predict unknown service lines are statistical analysis tools from the machine learning family called Random Forest and Gradient Boosted. Both comprise a series of metrics to assess the model performance and predict an output value with a range of 0 to 1, with zero indicating a service line is not lead and a value closer to one is more likely lead. The accuracy of the model is based on continual performance testing and constant updating of known data which ultimately helps predict the material of unknown service lines. Currently, PAWC is using existing records, field verification, customer outreach, and mechanical excavation to validate the predictive model against known service line material. As the model's accuracy develops and improves, the goal would be to use the predictive model in locations where we've exhausted all other forms of service line material verification.
  - b. PAWC is using the term "statistical analysis" interchangeably with machine learning and the tools used for predictive modeling. The statistical methodology employed utilizes machine learning tools, mentioned in the above response. These tools provide statistical outputs to support the evaluation of the model and provide prediction values for unknown service line material. As data is updated and field verified, the outputs will continue to improve and become more accurate.

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- c. Per PADEP, they have not provided specific guidelines for predictive modeling but presume water systems will incorporate best practices when developing statistical analysis methods to locate and identify service line material. Best practices for building and validating a predictive model would include field verification, existing record review, mechanical excavation and customer outreach along with any other EPA approved technologies. PAWC continues to develop and improve upon our predictive model, which uses machine learning, but is not relied upon currently as a definitive source for identifying service line materials.

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- P-3. The LSLR Plan’s Appendix 1 included a copy of PAWC’s current service line inventory (SLI). Please provide responses to the following:
- a. Provide a summary of PAWC’s SLI into the categories defined by EPA Regulations as “Lead”, “Galvanized Requiring Replacement (GRR)”, “Non-lead”, or “Lead Status Unknown” for company-owned and customer-owned service lines;
  - b. Provide an estimate of the number of company-owned and customer-owned service lines that PAWC plans to have inventoried on annual basis to determine the material type of the unknown material service lines along with a target date for completion;
  - c. Quantify the projected annual expenditure to complete the SLI; and
  - d. Submit a copy of PAWC’s SLI in a live electronic spreadsheet form.

Response: a. PAWC’s SLI represents DEP’s recommended classifications based on the verified service material for both the company-owned and customer-owned service lines. As stated in 65.56(a)(1), PAWC included SLI’s “as enforced by the Department of Environmental Protection” using their template as of June 2024. Since the original petition submittal, DEP has changed the template. New SLI’s have been provided for review as requested in P-3.d.

Material Classification	Number of Service Lines
Lead	5,565
Galvanized Requiring Replacement	5,442
Non-lead	15,705
Lead Status Unknown	689,939

- b. PAWC continues to identify as many unknown service lines as possible but, until the Lead and Copper Rule Improvements (LCRI) is finalized PAWC does not have an estimated number of unknown services to identify per year. The initial LCRI includes a 7-year completion after the anticipated effective date in 2027. PAWC awaits the finalization of the LCRI and the guidance from DEP to identify the verification requirements which will impact the timeline of the completion of the inventory.
- c. PAWC projects the following spend by year for the use of external consultants working on the inventory: 2025 - \$3.9 million; 2026 – \$2.9 million; 2027 - \$1.6 million. We anticipate internal resources taking over

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the work from 2027 through completion. As stated in the previous response,  
PAWC awaits the finalization of the LCRI.

- d. See **P-3(d)\_Attachment** uploaded to the Commission's SharePoint site.

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- P-4. The LSLR Plan's Section V. Planning and Replacements, Processes and Procedures based on Acceptance of an LSLR, indicated that if PAWC is unable to make contact with the customers or property-owner, PAWC will replace the company-owned lead service line (LSL) and install a dielectric coupling to immediately address the emergency situation. This provision appears to allow for a partial LSLR if the customer-owned service line is an LSL. Pursuant to 52 Pa. Code § 65.62, the Commission notes that any repair of a known or discovered LSL would be considered a partial LSLR and is strictly prohibited regardless. Correspondingly, the Commission also notes that a water main replacement or repair, regardless of whether the main replacement activities were planned or an emergency, that reveals a LSL would require a complete LSLR prior to the service line being placed back into service as the reconnection of a LSL to a new main segment or a new Company-owned service line would be considered a partial LSLR. Please provide responses to the following:
- a. Indicate whether PAWC has been completing the replacement of company-owned LSLs during the course of main replacements and installing dielectric couplings on customer-owned LSLs since July 23, 2022 (Effective Date), the effective date of Commission regulations as defined in Title 52, Chapter 65, Subchapter B – Lead Service Line Replacements. If so, provide the number of PAWC customers that have received a partial LSL since the Effective Date in contravention of 52 Pa. Code § 65.62(b).
  - b. Clarify whether PAWC will maintain the proper equipment and tools necessary for its staff, or if it intends to maintain third party, to complete emergency LSLRs; and
  - c. Submit a revised LSLR Plan that includes PAWC's processes and procedures to address emergency repairs or replacements which reveal LSLs that eliminates any partial LSLRs and that fully describes PAWC's procedures to fulfill its duty to communicate to customers and/or property owners that failure to allow PAWC to complete the LSLR or to replace the customer-owned LSL concurrent with PAWC replacing the main or company-owned service line will lead to termination of water service.

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- Response: a. By Order entered on October 3, 2019 at Docket No. P-2017-2606100 (“Order”), the Commission previously granted PAWC approval to perform lead service line replacement activities. The Order adopted the Recommended Decision dated August 7, 2019 (“RD”) and approved the Joint Settlement on Remand’s Replacement Plan as set forth in the Joint Petition for Settlement on Remand submitted at that docket. The Joint Petition for Settlement on Remand included the following term: “The Company will not replace a customer-owned LSP unless the customer enters into an agreement, in a form provided by the Company, that includes granting permission for the Company to enter onto the customer’s property to do the replacement. If a customer refuses to enter into such an agreement with the Company, the Company will replace only the Company-owned portion of such customer’s lead service line if the location of the Company’s new main precludes connecting it to the existing Company-owned Service Line. The potential health risks associated with a partial lead service line replacement will be outlined in a communication to the homeowner.” RD at p. 6.

From July 23, 2022 to present, PAWC has been performing lead service line activities in conformance with its Commission approved water tariff. PAWC’s currently effective water tariff does not permit termination of service for a partial lead service line replacement. The Company has proposed language in Section 4.9.1.3 of its Pro Forma Tariff that would allow the Company to terminate service if a lead service line replacement would result in a partial replacement. This language is not approved by the Commission yet. Upon Commission approval of the proposed tariff changes, the Company will be permitted to terminate service in accordance with 52 Pa. Code § 65.62(d).

In emergency circumstances when efforts to reach a customer to obtain consent for a customer-side replacement have been unsuccessful, PAWC had issued guidance under its preexisting lead service line replacement activities to install dielectric couplings on customer-owned LSLs. It is estimated that PAWC has replaced 13 company service lines resulting in partial replacements since July 22, 2022.

- b. PAWC will maintain the internal and external resources with the proper equipment and tools to complete emergency LSLR’s.

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c. See **P-4(c)\_Attachment** at pages 11-12.

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P-5. The LSLR Program's Exhibit B included a copy of PAWC's pro forma tariff supplement to Tariff Water-PA P.U.C. No. 5 (Pro Forma Tariff). Please provide responses to the following:

- a. Define the terms "Lead Service Pipe project, Lead Service Pipe project area and Step-In Rights"; and
- b. Provide a revised Pro Forma Tariff that includes the definitions of the terms noted in Data Request P-5 a.

Response: a. "Lead Service Pipe project" is defined as a Company-scheduled Lead Service Pipe replacement activity either in conjunction with main replacements or as part of the Company's Replacement Plan.

"Lead Service Pipe project area" is defined as the area encompassing the Company's scheduled Lead Service Pipe replacement activities, which includes the area within a 1-mile radius of a Lead Service Pipe project if served by the Company.

References to "Step-In Rights" have been removed from the Pro Forma Tariff. Section 4.9.1.9 has been updated.

- b. See **P-5(b)\_Attachment**.

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P-6. The LSLR Plan does not provide a description and process for how Lead Service Pipe project areas will be established, communicated to ratepayers and periodically updated. The Pro Forma Tariff's Section 4.9.1.5 indicated that a Lead Service Pipe project will commence on the date the Company begins physical main replacement work in the project area that includes the Customer's site or when the Company deploys a contractor crew to the geographic area of service replacement projects to perform grouped work activity, whichever is sooner. The Commission notes it has previously indicated that an LSLR program will require that Class A public utilities and authorities undertake LSLR efforts separate from those performed in conjunction with its scheduled main replacement projects to ensure the balanced, yet expeditious removal of LSLs from the public water distribution system.<sup>1</sup> Please provide a revised LSLR Plan that includes PAWC's description and process for implementing Lead Service Pipe projects separate from its main replacement work.

Response: As PAWC expands our service line inventory, we're identifying and prioritizing PAWC is developing LSLR project areas. PAWC's initial focus is on coordinating has been to coordinate LSLRs within main replacement projects. Moving forward, we're evaluating disadvantaged communities and areas with known LSLs, lead services, developing replacement plans and prioritizing activities in these areas. If a prioritizing our activity first. In the event the project can't be coordinated with a main replacement project, we'll determine if it's feasible as a PENNVEST application. standalone LSLR or packaged as a group of LSLRs.

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<sup>1</sup> See, *Notice of Proposed Rulemaking Order*, Order entered September 17, 2020, at Docket No L-2020-3019521.

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P-7. The LSLR Plan does not appear to clarify that PAWC shall make reasonable best efforts to assist a customer/owner, through the reimbursement process and, to the extent possible, make determinations in favor of the customer/owner where the customer or property owner has provided reasonable evidence of a LSLR to the entity. Please provide a revised LSLR Plan that clarifies that PAWC will assist its customers through the reimbursement process.

Response: See **P-4(c)\_Attachment**, page 13.

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P-8. In Section 4.9.1.1 of the Pro Forma Tariff, PAWC stated “[T]he Company will replace a Lead Service Pipe at a Customer’s request subject to the following conditions: (1) verification that the Customer has a Lead Service Pipe; (2) the time when the replacement occurs will be determined by the Company based on factors determined by the Company including, without limitation, the number of customer requests for Lead Service Pipe replacements in Company designated geographic areas; (3) the annual cap of 3,200 Lead Service Pipe replacements; and (4) availability of funds [language deleted] under the Company’s budgeted allotment of \$35.0 million per year. [...]”. However, in Section 4.9.1.6 of the Pro Forma Tariff, PAWC conversely stated “Where a Customer or property owner elects to replace the Lead Service Pipe, the Customer or property owner shall replace the Lead Service Pipe concurrent with the Company replacing the lead Service Line, subject to the Customer or property owner providing the Company at least 90 days’ notice prior to replacing the Lead Service Pipe.” Sections 4.9.1.1 and 4.9.1.6 of the Pro Forma appear to establish conflicting terms for a customer electing to replace a customer-owned lead service line (LSL). Pursuant to 52 Pa. Code § 65.58(c)(2)(i), for a Class A public utility or an authority, the customer or property owner, if the customer is not the property owner, shall provide the public utility or authority at least 90 days’ notice prior to replacing the customer-owned LSL. The Commission notes there are to be no additional conditions required for a customer with a verified LSL electing to replace the customer-owned LSL concurrent with the entity replacing the entity-owned LSL other than providing the entity with at least 90 days’ notice prior to replacing the customer-owned LSL. Please provide a revised Pro Forma Tariff that complies with 52 Pa. Code § 65.58(c)(2).

Response: The Pro Forma Tariff included with the Petition complies with 52 Pa. Code § 65.58(c)(2).

Section 65.58(c)(2) states: “An entity shall specify as follows in its pro forma tariff or tariff supplement: (2) Where a customer or a property owner, if the customer is not the property owner, elects to replace the customer-owned LSL, the customer or property owner shall replace the customer-owned LSL concurrent with the entity replacing the entity-owned LSL, subject to the following: (i) for a Class A public utility or an authority, the customer or property owner, if the customer is not the property owner, shall provide the public utility or authority at least 90 days’ notice prior to replacing the customer-owned LSL.” In its Final Rulemaking Order entered on March 14, 2022 at Docket No. L-2020-3019521, the Commission explained that Section 65.62 will require an entity to replace its LSL concurrent with the replacement of a customer-owned LSL within a specified timeframe when a customer initiates a LSLR.

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Section 4.9.1.6 of the Pro Forma Tariff submitted with the Petition mirrors the language in 52 Pa. Code § 65.58(c)(2) by providing that “Where a Customer or property owner elects to replace the Lead Service Pipe, the Customer or property-owner shall replace the Lead Service Pipe concurrent with the Company replacing the lead Service Line, subject to the Customer or property owner providing the Company at least 90 days’ notice prior to replacing the Lead Service Pipe.”

Section 2.16a of PAWC’s effective Water Tariff (attached to the Petition as Exhibit C) defines “Lead Service Pipe” as any Service Pipe constructed with lead or galvanized pipe located downstream from a Service Pipe constructed with Lead.

Section 2.16 of PAWC’s effective Water Tariff defines “Service Pipe” as “That portion of a water line not owned by the Company which transmits water from the Company-owned water main to the Customer’s premise.”

Section 2.15 of PAWC’s effective Water Tariff defines “Service Line” as “The Company-owned piping and appurtenances which run between and are connected to the Company’s main and its street service connection.”

Section 4.9.1.6 of the Pro Forma Tariff addresses the situation where a customer or property-owner initiates replacement of the customer-side LSL. Consistent with 52 Pa. Code § 65.58(c)(2), in this situation the customer or property-owner shall provide PAWC at least 90 days’ notice before replacing the customer-owned LSL and shall replace the customer-owned LSL concurrent with PAWC replacing the Company-side LSL.

Section 4.1.1.1 states “[T]he Company will replace a Lead Service Pipe at a Customer’s request subject to the following conditions: (1) verification that the Customer has a Lead Service Pipe; (2) the time when the replacement occurs will be determined by the Company based on factors determined by the Company including, without limitation, the number of customer requests for Lead Service Pipe replacements in Company designated geographic areas; (3) the annual cap of 3,200 Lead Service Pipe replacements; and (4) availability of funds [language deleted] under the Company’s budgeted allotment of \$35.0 million per year. [...]”. This Section addresses the situation where a customer or property-owner requests that PAWC replace the customer-side LSL, but PAWC initiates the replacement of the customer-side LSL.

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P-9. In Section 4.9.1.1 of the Pro Forma Tariff, PAWC indicated that costs PAWC incurs to replace Lead Service Pipes under the LSLR Plan shall be subject to the accounting and rate treatment approved by the Order of the Pennsylvania Public Utility Commission (Commission) entered October 3, 2019 and Settlement at Docket No. P-2017-2606100 (Approval Order). However, Commission consideration of PAWC's proposed LSLR Program at Docket No. P-2024-3050263 will supersede the accounting and rate treatment approved in Docket No. P-2017-2606100. Specifically, pursuant to 52 Pa. Code § 65.60(a), an entity shall record LSLR costs in compliance with the National Association of Regulatory Utility Commissioners uniform system of accounts applicable to the entity. Please provide a revised Pro Forma Tariff that complies with Commission regulations.

Response: See **P-5(b)\_Attachment** reflecting the deletion of the following language from Section 4.9.1.1: "Costs the Company incurs to replace Lead Service Pipes under the Company's Replacement Plan shall be subject to the accounting and rate treatment approved by the Order of the Pennsylvania Public Utility Commission (Commission) entered October 3, 2019 and Settlement Docket No. P-2017-2606100 (Approval Order)." The Company will comply with the requirements in 52 Pa. Code § 65.60(a).

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P-10. In Section 4.9.1.2 of the Pro Forma Tariff, PAWC indicated that the start date of the two-year warranty shall be when the Lead Service Pipe replacement is installed. The term of the start date for the 2-year warranty being defined “is installed” does not provide clear specificity (e.g., when the Lead Service Pipe is placed into service and turned over to the customer at LSLR project completion). Pursuant to 52 Pa. Code § 65.56(b)(6)(iv), the LSLR Plan’s planning and replacements section must include the entity’s process for addressing LSLR completion or closeout, or both, with the customer and property owner, if the customer is not the property owner. Please provide a revised LSLR Plan and Pro Forma Tariff that clearly defines the start date for the 2-year warranty period as part of PAWC’s LSLR completion or closeout.

Response: PAWC will implement a process to provide the customer with correspondence following the completion of their service line replacement. The correspondence will include a copy of the consent agreement and provide to the customer or property owner a start date for the 2-year warranty period.

See **P-4(c)\_Attachment** at page 12 for revisions to the LSLR Plan. See also **P-5(b)\_Attachment** for revisions to the Pro Forma Tariff.

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P-11. In Section 4.9.1.5 of the Pro Forma Tariff, PAWC stated “If the Company, at the request of a Customer or property-owner (as applicable), visits a Customer’s site and determines that the Service Pipe has been replaced at or within one-year of the date the Company commenced a project to replace Lead Service Pipes and the Customer or property-owner (as applicable) provides the Company with (1) a detailed estimate or a verified statement from a licensed contractor attesting to the completion of the Lead Service Pipe Replacement and (2) a paid invoice [language deleted] a certification from a certified plumber, and other documentation determined by the Company to be appropriate to verify the replacement, the Company will reimburse the Customer’s or property-owner’s (as applicable) reasonable costs up to an amount not to exceed 125% of the average costs the Company would have incurred to perform the replacement of a similarly-sized Service Pipe in the project area, not to exceed actual cost. [...]”. Pursuant to 52 Pa. Code § 65.58(d)(1)(iii)(B), a customer or property owner, if the customer is not the property owner, shall submit to the entity a detailed estimate and paid invoice from a licensed contractor where applicable, verifying the replacement of the customer-owned LSL. Instead of a detailed estimate, a verified statement from the contractor attesting to completion of a LSLR may be sufficient. The requirement that the customer provide other documentation determined by PAWC to be appropriate to verify the replacement does not comport with 52 Pa. Code § 65.58(d)(1)(iii)(B). Please provide a revised Pro Forma Tariff that complies with 52 Pa. Code § 65.58(d)(1)(iii)(B).

Response: See **P-5(b)\_Attachment** reflecting the changes to comply with 52 Pa. Code § 65.58(d)(1)(iii)(B), including the deletion of the following language from Section 4.9.1.5: “a certification from a certified plumber, and other documentation determined by the Company to be appropriate to verify the replacement.”

Name: Bruce W. Aiton  
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**Lead Service Line Replacement Plan**  
**Pursuant to Act 120 of 2018**

**July 22, 2024**

**(Revised September 13, 2024)**

## *I. Introduction*

Pennsylvania-American Water Company (“Pennsylvania-American Water”, “PAWC” or the “Company”) submits this plan for the lead service line replacement (“LSLR”) pursuant to recently enacted 52 Pa. Code §§ 65.51, *et seq.* (“LSLR Plan” or the “Plan”).

## *II. Background*

Act 120 of 2018 (“Act 120”) was signed into law by Governor Wolf on October 24, 2018, and became effective 60 days thereafter. Act 120 amended Section 1311(b) of the Pennsylvania Public Utility Code (the “Code”), 66 Pa. C.S. § 1311(b), to authorize water and wastewater public utilities to recover a return on and a return of the costs they incur to replace customer-owned lead water service lines (“LSLs”) and customer-owned damaged wastewater laterals subject to specified conditions. This document is intended to only address LSLR and does not address wastewater laterals.

Pursuant to Act 120, the Pennsylvania Public Utility Commission (“PUC” or “Commission”) promulgated regulations at 52 Pa. Code §§ 65.51, *et seq.* (“LSLR Regulations”), which became effective on July 23, 2022. The purpose of the LSLR Regulations is to establish the time, manner, form and content of filings for Commission approval of LSLRs. 52 Pa. Code § 65.51.

## *III. Statutory Consideration for Plan*

**66 Pa. C.S. § 1311(b) states:** “a public utility providing water or wastewater service must obtain prior approval from the commission for the replacement of a customer-owned lead water service line...by filing a new tariff or supplement to existing tariffs under section 1308.” Section 1311(b)(vii) requires the Commission to establish (by regulation or order) standards, processes and procedures to ensure work performed by a public utility or its contractor to replace a customer-owned LSL is accompanied by a warranty of a term the Commission determines appropriate, and that the public utility and its contractor have access to the affected customer’s property during the warranty’s term, as well as provide for reimbursement to a customer who has replaced the customer’s LSL within one year of commencement of a project in accordance with a Commission-approved tariff.

**52 Pa. Code § 65.54** requires public water utilities with a Commission-approved Long-Term Infrastructure Improvement Plan (“LTIIIP”) to file a LSLR program petition which includes a modified LTIIIP containing its LSLR plan as a separate and distinct component of the water utility’s LTIIIP.

**52 Pa. Code § 65.55** requires a utility’s LSLR program to include a LSLR plan.

The requirements for a LSLR plan are found under **52 Pa. Code § 65.56:**

- 1. Service Line Inventory** (*See Section IV of the Plan for details*)

52 Pa. Code § 65.56(a)(1): Public water utilities shall submit to the Commission a service line inventory that complies with the United States Environmental Protection Agency (“EPA”) regulation at 40 CFR 141.1-143.20 as enforced by the Department of Environmental Protection (“DEP”).

52 Pa. Code § 65.56(a)(2): Public water utilities acquiring a water distribution system shall provide to the Commission a service line inventory for the acquired system upon completion of the acquisition or as part of its service line inventory, whichever is later. A public water utility may rely on a previously completed service line inventory for an acquired system if the entity updates the service line inventory.

52 Pa. Code § 65.56(a)(3): A service line inventory must comply with the timing and direction of the EPA regulations at 40 CFR 141.1-143.20 as enforced by DEP.

52 Pa. Code § 65.56(a)(4): Public water utilities shall identify assumptions in the service line inventory to the Commission.

52 Pa. Code § 65.56(a)(5): Until the service line inventory is complete, the utility shall provide detailed information regarding the progress of its service line inventory as part of its annual LSLR program report.

52 Pa. Code § 65.56(a)(6): After a service line inventory is complete, it must be incorporated into the utility’s next LSLR plan update.

## **2. Planning and Replacements** *(See Section V of the Plan for details)*

52 Pa. Code § 65.56(b): The planning and replacement section of a LSLR plan must include:

- (1) The utility’s projected annual investment in LSLRs with an explanation of the utility’s anticipated sources of financing.
- (2) The utility’s projected number of LSLRs per calendar year with an explanation of how the entity’s projection was determined and a statement that this number is consistent with the utility’s annual cap on LSLRs.
- (3) The prioritization criteria considered by the utility when developing its LSLR schedule.
- (4) An explanation of the utility’s processes and procedures to address emergency repairs or replacements which reveal LSLs.
- (5) The utility’s processes and procedures to obtain acceptance of a LSLR prior to LSLR project commencement if the customer is the property owner, and the utility’s processes and procedures to obtain acceptance prior to LSLR project commencement if the customer is not the property owner.
- (6) The utility’s process and procedures based on acceptance of a LSLR including (a) a consent agreement form by which the customer or property owner will authorize the LSLR, (b) a brief description of the utility’s process for LSLRs under normal conditions and under atypical conditions, (c) an explanation of the utility’s process for coordination with the customer or property owner and the information the utility will provide to the customer and property owner throughout the LSLR process, and (d) the utility’s process for addressing LSLR completion or closeout, or both, with the customer and property owner.
- (7) The utility’s lead/material recycling and disposal efforts, including a description of what the utility will do with the proceeds from recycling and disposal efforts.

- (8) The industry-accepted practices that the utility plans to use to replace utility-owned and customer-owned LSLs.
- (9) A detailed explanation of how the utility's acquisition of water distribution systems will be integrated into the entity's efforts to complete LSLRs throughout its water distribution systems.
- (10) The procedure for documenting refusal of, or failure to accept, the offer by the utility to replace a LSL, including the utility's duty to (a) provide the customer or property owner with a complete disclosure of the known health hazards from the continued use of a LSL, (b) inform the customer or property owner that refusal or failure to accept will require replacement of the customer-owned LSL, at the customer or property owner's expense, within one year from the LSLR project commencement for the customer or property owner to be eligible for reimbursement, and (c) communicate to the customer and property owner that failure to allow the utility to complete the LSLR or to replace the customer-owned LSL concurrent with the utility replacing the utility-owned LSL will lead to termination of water service under the provisions of the utility's tariff.

**3. Communications, Outreach, and Education.** *(See Section VI of the Plan for details)*

52 Pa. Code § 65.56(c): The utility shall demonstrate compliance with the EPA regulations at 40 CFR 141.85. The utility's LSLR plan must include copies of all printed and broadcast material to be distributed under its LSLR program. A Class A public utility shall develop a LSLR section of its website within twelve months of Commission approval of its LSLR program. The website must contain at a minimum:

- (1) an online tool describing the replacement schedule by geographic location, at least 6 months into the future,
- (2) information regarding the reimbursement requirements and a secure online tool that provides customers or property owners the ability to determine whether the customer or property owner may be eligible for reimbursement;
- (3) information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types for the utility-owned and customer-owned portions of the service line and a method to request assistance to determine if a service line is a LSL; and
- (4) information and resources relating to health risks associated with lead and LSLs, the status of current efforts to replace LSLs, and community meetings and advisory committees hosted by the utility.

**52 Pa. Code § 65.57** requires the utility to update its LSLR plan for Commission review at least once every five years.

## *IV. Service Line Inventory*

**52 Pa. Code § 65.56(a)**: Public water utilities shall submit to the Commission a service line inventory that complies with the EPA regulations at 40 CFR 141.1-143.20 as enforced by the DEP. A service line inventory must comply with the timing and direction of the EPA regulations at 40 CFR 141.1-143.20 as enforced by DEP. Public water utilities shall identify assumptions in the service line inventory to the Commission. Until the service line inventory is complete, the utility shall provide detailed information regarding the progress of its service line inventory as

**part of its annual LSLR program report. After a service line inventory is complete, it must be incorporated into the utility's next LSLR plan update.**

### **Assumptions in the Service Line Inventory**

In compiling its service line inventory, the Company relies on information obtained from its onsite contractor during customer-side service line inspections, information provided by customers regarding their customer-side service line information, information obtained from Company review of tap slips, water main replacement records, development construction records, and municipal/local system records. The Company also obtains service line material information on all inside meter replacements that occur. In the case of an outside meter replacement, the Company requests to gain access to the customer's premise in order to determine the service line material information.

The Company also reviews the age of homes obtained from parcel records in compiling its service line inventory. The Company uses the assumption that any construction that occurred after January 1991 will not contain lead due to The Plumbing System Lead Ban and Notification Act, 35 P.S. §§ 723.1 *et seq.*, ("PA Lead Ban") becoming effective on January 6, 1991.

The Company assumes that if the Company-side of a line is lead, it is more likely than not that the customer-side of a line is or was lead or galvanized.

Additionally, the Company assumes that galvanized lines are downstream of lead lines.

### **Service Line Inventory**

PAWC's service line inventory as of July 2024 is attached to the LSLR Plan as Appendix 1.

The Company has not completed its service line inventory. Until the Company completes its service line inventory, it will provide detailed information regarding the progress of its service line inventory as part of its annual LSLR Program report. The Company will incorporate the updated service line inventory into its next LSLR Plan update.

The Company's service line inventory completed to date complies with the EPA regulations at 40 CFR 141.1-143.20 as enforced by the DEP with a deadline for submission of October 16, 2024.

PAWC plans to continue to identify material types on both the company and customer-owned sides of the service lines through reviewing existing records, mechanical excavation, and visual inspection. Once enough information is obtained through these methods, the Company will utilize statistical analysis to confirm known material and identify unknown material. Pennsylvania American Water will continue to update the inventory and notify Lead, Galvanized Requiring Replacement and Unknown customers annually to comply with current EPA and DEP regulations.

Due to the DEP's verification methods, many of the service lines in PAWC's service line inventory are listed as "unknown." In order to categorize a pipe material as "non-lead", the DEP requires sufficient evidence to demonstrate this designation. The DEP issued the following guidance attached as Appendix 2. Records indicating a company service line was installed or replaced after January 6, 1991 or a record of a local ordinance or plumbing code prohibiting lead service line installation along with water system records indicating service line installation/replacement occurred after the

effective date of the ordinance are both sufficient stand-alone methods to verify a pipe is non-lead. It must be noted that the installation date must also be known on the customer service line to verify the entire service line as non-lead. In all other circumstances, historical records must also be verified using one of the following investigation techniques: (1) field verification (visual inspection, CCTV, mechanical excavation), (2) water quality sampling (targeted, flushed or sequential if the system does not have corrosion control treatment), or (3) modeling/statistical analysis. The requirement of a secondary verification for historical records that do not meet stand-alone verification criteria leads to many lines being listed as “unknown” despite historical records identifying the material used in these lines. Until the secondary verification can occur, these lines cannot be listed as “non-lead” and must be listed as “unknown.”

### **Acquired Systems**

Upon acquiring a water distribution system, the Company shall provide to the Commission a service line inventory for the acquired system upon completion of the acquisition or as part of its service line inventory, whichever is later.

## *V. Planning and Replacements*

**52 Pa. Code § 65.56(b):** The planning and replacement section of a LSLR plan must include:

- (1) The utility’s projected annual investment in LSLRs with an explanation of the utility’s anticipated sources of financing.**
- (2) The utility’s projected number of LSLRs per calendar year with an explanation of how the entity’s projection was determined and a statement that this number is consistent with the utility’s annual cap on LSLRs.**
- (3) The prioritization criteria considered by the utility when developing its LSLR schedule.**
- (4) An explanation of the utility’s processes and procedures to address emergency repairs or replacements which reveal LSLs.**
- (5) The utility’s processes and procedures to obtain acceptance of a LSLR prior to LSLR project commencement if the customer is the property owner, and the utility’s processes and procedures to obtain acceptance prior to LSLR project commencement if the customer is not the property owner.**
- (6) The utility’s process and procedures based on acceptance of a LSLR including (a) a consent agreement form by which the customer or property owner will authorize the LSLR, (b) a brief description of the utility’s process for LSLRs under normal conditions and under atypical conditions, (c) an explanation of the utility’s process for coordination with the customer or property owner and the information the utility will provide to the customer and property owner throughout the LSLR process, and (d) the utility’s process for addressing LSLR completion or closeout, or both, with the customer and property owner.**
- (7) The utility’s lead/material recycling and disposal efforts, including a description of what the utility will do with the proceeds from recycling and disposal efforts.**
- (8) The industry-accepted practices that the utility plans to use to replace utility-owned and customer-owned LSLs.**

- (9) A detailed explanation of how the utility's acquisition of water distribution systems will be integrated into the entity's efforts to complete LSLRs throughout its water distribution systems.
- (10) The procedure for documenting refusal of, or failure to accept, the offer by the utility to replace a LSLS, including the utility's duty to (a) provide the customer or property owner with a complete disclosure of the known health hazards from the continued use of a LSLS, (b) inform the customer or property owner that refusal or failure to accept will require replacement of the customer-owned LSL, at the customer or property owner's expense, within one year from the LSLR project commencement for the customer or property owner to be eligible for reimbursement, and (c) communicate to the customer and property owner that failure to allow the utility to complete the LSLR or to replace the customer-owned LSL concurrent with the utility replacing the utility-owned LSL will lead to termination of water service under the provisions of the utility's tariff.

### **Projected Annual Investment and Anticipated Sources of Financing**

To estimate the total cost to perform full LSLRs, the Company must first identify the estimated number of lead service lines, both Company and customer-owned, throughout its system.

Based on an on-going comprehensive review of our water service records, PAWC currently estimates that the Company has approximately 12,000 Company-owned lead and galvanized service lines requiring replacement<sup>1</sup>.

The Company's service records do not consistently identify the material of the customer-owned service line, as this level of detail was not historically relevant and thus, not captured or maintained. Consequently, the Company does not have an exact count of customer-owned LSLs to be replaced under the Company's proposal. Nevertheless, the expectation is that there is likely lead on the customer side where we find lead on the Company side. The Company also expects to encounter galvanized service lines on both the Company side and customer side for those areas that have historically had lead goosenecks. Based on PAWC's evaluation of our service records, the Company estimates that there are approximately 34,500 customer-owned LSLs, including galvanized service lines requiring replacement.

Pennsylvania-American Water prepares and updates a six-year capital investment plan each year. The Company also based its projection on the timeline set forth in the EPA's proposed Lead and Copper Rule Improvements ("LCRI"), which would require achieving 100% LSLR within 10 years of its adoption, which, at this time, is anticipated to be 2027. From this planning, and in consideration of replacing LSLs over a 13-year window ending in 2037, Pennsylvania-American Water currently estimates it will replace a quantity range of LSLs starting in 2025 and continuing until 2037, of 3,000 to 3,600.

The average estimated cost for a customer-side LSLR is \$8,580 (based on estimated averages) and for a Company-side LSLR the average estimated cost is \$5,950 (based on estimated averages).

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<sup>1</sup> The Company's effective Water Tariff defines "lead service pipe" as any service pipe constructed with lead or galvanized pipe located downstream from a service pipe constructed with lead. To the extent the Company's LSLRP includes references to "lead service lines", this term includes service lines constructed with lead or galvanized pipe downstream from a service line constructed with lead.

The estimates are in 2025 dollars (rounded to the nearest \$10) and do not account for cost inflation of either materials, labor or other related items such as permitting, planning, etc.

In addition, the average cost of replacement could increase or decrease as work continues. Factors impacting cost include, but are not limited to: (1) whether work is completed as a part of a main replacement program, in a targeted area, or as a one-off replacement; (2) local ordinances, codes, and requirements; (3) changes in laws, standards, and best practices; (4) local competitive market prices; (5) differences in construction methods and equipment in different areas; (6) property site conditions; (7) scope of work and building conditions for work, if any, performed through building foundation walls and within buildings; (8) any factors impacting material and labor costs such as inflation, strikes, and events affecting the supply chain; and (9) improvements in technology.

The Company has already incurred approximately \$9.28 million to replace over 1,019 customer-owned LSLs from 2020 through February of 2024. Going forward, PAWC estimates that the total cost to replace 46,500 Company and Customer side LSLs is approximately \$414.8M assuming an annual cost escalation of 2%.<sup>2</sup> Of that amount, approximately \$334.6M is attributable to customer-owned LSLs.<sup>3</sup> As noted above, these amounts do include moderate inflation of 2% of the cost of materials and labor and may also vary based on the actual number of LSLs identified throughout this process as well as, among other factors, the manner in which replacement is achieved. For example, replacement of customer-owned LSLs in coordination with a main replacement project or as part of a larger service line replacement project is more efficient (and less costly on a per unit basis) than if the Company is replacing a single customer-owned LSL.

As Pennsylvania-American Water further identifies and inventories service line material, it is anticipated that the number of LSLs originally identified will change.

Based on the foregoing background, the Company's projected annual investment is \$28.3 million (in 2025 dollars).

PAWC will initially fund its LSLRs with short-term debt and will later replace it with a combination of long-term debt and equity capital. PAWC also continuously monitors the availability of grants and low interest loans for which it may be eligible and seeks such funding to reduce the total cost of LSL replacement. Grant money will not impact rates or DSIC. Therefore, will not be counted against annual allowance quantities or dollars. The units will be tracked for reporting purposes but not be held against the annual total allowed.

The Company has the opportunity to seek PENNVEST funding as a source of low interest government loans. PENNVEST is the state financing agency to administer and finance the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund and federal funds sent to the state for water/wastewater infrastructure improvement projects. The Company plans to submit applications to PENNVEST for LSL replacement projects as it has "completed" inventories and knows where the services requiring replacement are located.

The Company will also pursue additional opportunities for which it may be or may become eligible to aid in lowering the total cost of implementing the Plan.

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<sup>2</sup> This assumes 10,000 Company-owned LSLs at a unit cost of \$8,600 and 17,000 customer-owned LSLs at a unit cost of \$7,500.

<sup>3</sup> This assumes 17,000 customer-owned LSLs at a unit cost of \$7,500.

### **Projected Number of LSLRs Per Calendar Year**

The Company plans to replace an average range of 2,800 to 4,300 LSLs per calendar year. This projection is based off the Company's expectation that it will annually replace between 2,100 and 3,200 customer-side LSLs and between 700 and 1,100 Company-side LSLs. The Company arrived at this projected figure by reviewing the number of known lead services within each area and estimating 2% of unknown company services and 5% of unknown customer services will be lead or galvanized based on the age of the home and location. The Company also based its projection on the timeline set forth in the EPA's proposed LCRI, which would require achieving 100% LSLR within 10 years of its adoption, which, at this time, is anticipated to be 2027. The projected number of LSLRs per calendar year is consistent with the Company's annual cap of 3,200 on customer-side LSLRs.

### **Prioritization Criteria Considered When Developing LSLR Schedule**

The LSLR Plan prioritizes replacement in conjunction with main replacement, rehabilitation, and relocation projects using the Company's prioritization model. Leaking or damaged service lines will be replaced in line with traditional leak repair activity. LSLs on mains that are not at the end of their useful life and not scheduled for replacement will be replaced at the most efficient time, taking into consideration allocation of resources, minimization of mobilization costs, and limiting community disturbance. Customer requested LSLs will be confirmed and replaced as either part of a main replacement project or during the normal course of work. When applicable, the Company will consider special circumstances in the prioritization and scheduling of LSL replacements, such as a U.S. Department of Housing and Urban Development (HUD) lead remediation program.

Pennsylvania-American Water has created and implemented a Geographic Information System ("GIS") based prioritization model for identifying pipeline replacement and rehabilitation (or renewal) investment needs. The model prioritizes pipeline renewal needs through identification of service risks associated with pipe failure, fire-flow, and water quality risks. Pennsylvania-American Water plans for these pipe renewals on a continuing basis. Pennsylvania-American Water also plans for and completes unscheduled main replacements related to pipes that may not initially be planned for replacement but fail during the year requiring replacement to continue to serve customers. Pennsylvania-American Water also relocates pipe when the pipes are affected by projects planned by governmental and other entities.

In the event a Company-owned service line is leaking or damaged, the Company will replace both the Company-owned service line and the customer-owned service line if it is an LSL.<sup>4</sup> In the event the Company is informed of a leaking or damaged customer-owned LSL, it will work with the customer to develop an appropriate path forward. In most instances, this will likely result in a one-off replacement.

There are many distribution system pipes that are not at the end of their useful life and are not presently contemplated to be replaced within the next ten years. There are also many situations where the Company main is structurally sound, yet the service lines may have reached the end of their useful life or are at risk of leakage or failure due to age or other circumstances. The Company

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<sup>4</sup> As noted above, replacement of the customer-owned LSL is subject to customer authorization. If a customer refuses to allow Pennsylvania-American Water to replace the customer-owned portion of the service line, the refusal will be documented.

has prioritized LSL replacements without main replacement when municipalities request PAWC to review and replace its infrastructure to accommodate a municipal paving project. This is an opportune time to complete service line replacements (including customer side where lead or galvanized) and is consistent with the goals of the Company to renew aging infrastructure, reduce leakage and prevent road surface issues related to failed underground utility pipes. The Company also collaborates with the affected communities to address road/resurfacing issues. These targeted areas will be prioritized along with mains that have lead goosenecks scheduled for replacements in those areas that have a higher concentration of LSLs as compared to other areas of the PAWC systems. PAWC is planning to complete LSLRs on these mains (without replacing the mains themselves), including the Company-owned portion of the service line and the customer-owned portion of the service line.<sup>5</sup>

There may be instances where the Company cannot coordinate its efforts with road projects. In that case, the Company still plans to perform customer owned LSLR activity as a programmed and planned activity to achieve as many economies of scale as possible in completing LSL replacements. It will begin by targeting communities where there are known clusters of customer-owned LSLs, and then shift to combining work in neighboring communities if appropriate to do so. Nevertheless, as the Company nears the end of the replacement period, there may be situations where a single customer-owned LSL may need to be replaced. In that case, the Company will endeavor to complete the LSL replacement as efficiently as possible.

#### **Processes and Procedures to Address Emergency Repairs or Replacements Which Reveal LSLs**

As noted in the section above, the Company will complete LSLRs for leaking or damaged service lines that result in an immediate disruption of service to the customer. In the event a Company-owned service line is leaking or damaged, the Company will replace both the Company-owned service line and the customer-owned service line if it is a LSL and the customer agrees to the replacement. In the event the Company is informed of a leaking or damaged customer-owned LSL, it will work with the customer to develop an appropriate path forward, which will likely result in a one-off replacement.

#### **Process and Procedures to Obtain Acceptance of an LSLR Prior to Project Commencement**

The Company's processes and procedures to obtain acceptance of a LSLR prior to LSLR project commencement are the same whether the customer is the property owner or whether the customer is not the property owner.

The first step in the process is the Company will notify the customer or property owner of the material in its service line, the health effects of lead exposure, and ways to reduce lead in drinking water. The Company will then provide to the customer or property owner a consent agreement ("consent agreement"), a two-year warranty of the work, and contact information for a Company representative or a representative from the Company's contractor. A copy of the consent agreement is provided in Appendix 3. If the customer or property owner signs the consent agreement, the Company will schedule a replacement and a contractor will work with the customer or property owner to replace the LSL.

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<sup>5</sup> Again, replacement of the customer-owned LSL is subject to customer authorization. If a customer refuses to allow Pennsylvania-American Water to replace the customer-owned portion of the service line, the refusal will be documented.

If the customer or property owner refuses to sign the consent agreement, the Company will provide the consent agreement, warranty, and contact information to the customer or property owner a second time. The first two attempts to contact the customer or property-owner are in-person attempts. A third attempt to reach the customer or property-owner is made through phone or email contact.

If the customer or property owner is non-responsive despite the Company's efforts, a fourth and final attempt at contact is made when the Company sends the customer or property owner a certified letter with a deadline by which to contact the Company. This letter will indicate to the customer or property owner that failure to respond to, or failure to accept the Company's offer to replace the LSL will result in termination. If the customer or property owner does not contact the Company by the deadline indicated in the certified letter, the Company will add the customer or property owner to a list of non-responsive customers/property owners. The Company will also proceed with termination procedures as outlined in its tariff.

### **Processes and Procedures Based on Acceptance of an LSLR**

As described in prior sections, LSLR is prioritized and coordinated with main replacement projects, to the extent possible. Until the service line inventory is finalized, service material may be discovered as part of a main replacement project or during normal service replacements.

When the Company is performing a main replacement project, once the main replacement is completed, the service line work begins by uncovering the curb stop and identifying the service line material. The Company-side service line replacement is installed first from the new main to the curb stop. If the customer or property-owner's service line is lead or galvanized, the Company or its contractor attempts to contact the customer or property-owner and provide them with the consent agreement (See Appendix 3), lead and galvanized information packet, and a water pitcher.

As outlined in the previous section, four attempts are made to contact the customer or property-owner. When the customer or property-owner accepts the replacement, the Company or its contractor replaces the service and provides the customer or property-owner with flushing instructions. The contractor coordinates the replacement with the property owner, tenant (if applicable), plumber, health department (if required), and the Company. See Section VI and Appendix 3 for information provided to the customer or property-owner throughout the LSLR process. Once all of the services in a main replacement project's area have been replaced, the Company will shut down the old main and switch service to the new main.

Pennsylvania-American Water recommends that immediately after the service line is replaced that the house outside hose bibb first be flushed for 30 minutes, immediately followed by a whole house flush for 30 minutes. See Appendix 3 for the flushing instructions PAWC provides to customers and property owners. The whole house flush includes the removal of all faucet aerators and flushing of all operating faucets in the house together for 30 minutes. In instances of lower pressure, the Company may recommend the whole house flush be modified to a first-floor flush. The purpose of the flushing is to flush high velocity water through the pipes to remove particles that may exist in the remaining home plumbing.

Pennsylvania-American Water follows EPA's Lead and Copper Rule Revisions Risk Mitigation Measures, enforced by PA DEP, for all lead and galvanized service replacements including

disturbances on service lines characterized as “lead”, “galvanized requiring replacement” or “unknown”. A water pitcher is provided to the customer with information about the water pitcher and the three-to-six-month sampling process in (See Appendix 3). After a full LSLR, the Company will send a sample offer to the customer as shown on the “3-Month Sampling Offer Postcard” found in Appendix 3.

If the customer chooses to participate in the sampling, the American Water Works Service Company certified laboratory in Bellville, Illinois (the “Lab”) will send a sample kit including 2 one-liter bottles, and 3 one-liter sample bags. The customer will follow the sample instructions found on the “LSLR Sampling Instructions” in Appendix 3, and send the 2 one-liter sample bottles back to the Lab using the prepaid label.

The Lab analyzes the 1<sup>st</sup> and 5<sup>th</sup> liter samples and provides results to PAWC’s Water Quality department. If the results are under the EPA action level, the water quality department sends a letter with the results, health effects language, required definitions, and steps to reduce potential exposure, to the customer as shown on “Water Sample Results Letter” in Appendix 3. If the sample results are over the EPA action, the Lab will notify DEP and the water quality department within 1 - hour of receiving the results. The Water Quality department will contact the customer within 3 days of receiving the results as required by DEP in the “Risk Mitigation Measures for Water Systems Conducting Lead Service Line Replacement Fact Sheet”, attached in Appendix 3, and PAWC will work with the customer to flush and resample.

During the course of normal service work, the Company may encounter lead or galvanized services on either or both the customer and the Company’s side. If both the Company-side and Customer-side service material is identified as lead or galvanized during an emergency, the Company or its contractor attempts to make immediate contact with the customer or property-owner and will inform the customer or property-owner in these attempted communications that failure to respond or consent to a customer-side lead service line replacement will result in termination of service. If the Company is unable to make contact with the customer or property-owner, the Company replaces the company-side service and will terminate the customer-side service until such time as the customer or property-owner consents to replacement of the customer-side service. The Company will leave a doorhanger at the premise that informs the customer or property owner of the work performed, the reasons why service was terminated, and steps needed to restore service. The customer or property-owner is provided a water pitcher and information about the health effects of lead by either (1) handing the information directly to the customer or property owner or (2) leaving it at the residence. The Company attempts to obtain a signed agreement for the customer-side replacement as soon as possible. The Company strives to replace both sides of the service on the same day. If the Company-side LSL is discovered in the absence of an emergency and the customer material is identified as lead or galvanized, PAWC will coordinate the replacement with the customer or property owner. The customer or property-owner will be provided with the agreement, the lead/galvanized information packet, and a water pitcher prior to the replacement. After the customer or property-owner's service is replaced, the Company will provide flushing instructions.

During the course of normal service work, if a lead or galvanized line is discovered on the Company-side only, the customer or property owner will be provided with a water pitcher, the lead/galvanized information packet, and flushing instructions prior to the completion of the Company-side replacement, if possible. The Company will replace its LSL.

If a customer with a lead or galvanized service has a leak or requests a replacement sooner than the Company has planned, the Company will work with the customer to obtain a signed consent agreement for the replacement. Upon receiving the signed consent agreement, the Company's contractor will coordinate the replacement of the customer-side service with the customer. The contractor will provide the customer with a water pitcher, the lead/galvanized information packet, and flushing instructions prior to the completion of the customer-side service replacement. The Company's contractor will replace the LSL.

In all cases, once a LSL is replaced, the Company updates its service line inventory.

The Company will also provide the customer or property owner with correspondence following the completion of the customer-side LSLR to inform the customer or property owner that the LSLR is complete and provide the start and end date of the two-year limited warranty.

### **Lead/Material Recycling and Disposal Efforts**

The Company does not excavate or remove existing LSLs, rather the Company abandons lead material in-place and installs a new service line. The disposal of the material is at the contractor's discretion. The Company does not receive any proceeds from the disposal of lead material.

### **Industry-accepted Practices Used to Replace LSLs**

The Company employs the industry-accepted practices to replace Company-owned and customer-owned LSLs outlined in the ANSI/AWWA C810-17 standards. The Company will follow its tariff regarding Company and Customer-side lead service replacements. Where applicable, the Company and its contractors will follow local plumbing and health department codes during the replacement of Customer-side services. In accordance with the Commission's regulations to prevent partial service replacements, the Company will implement a termination process for customers who are non-responsive or refuse the Company's offer.

### **Explanation of How Acquired Water Distribution Systems Will Be Integrated Into Company's Efforts to Complete LSLRs**

Upon the acquisition by the Company of a water distribution system, the Company will integrate the acquired system into its efforts to complete LSLRs. To ensure this is achieved, the Company requests the acquired system to provide service line information, including the status of their service line inventory and their Lead Service Replacement Plan, if available. The Company will review and integrate the acquired systems data into PAWC's existing databases.

If the service line inventory was submitted prior to acquisition close, the Company will review the inventory and prioritize any lead or galvanized service replacements identified with main replacement projects or as a service line replacement project.

If service line inventory is not complete, the Company will evaluate service material during meter change outs, if applicable. The new customer base will also have the option to participate in the online customer survey. The goal of these efforts will be to bring the system into compliance with LSLR regulations.

### **Procedure for Documenting Refusal of, or Failure to Accept, an Offer to Replace a LSL**

The Company will attempt to contact the customer or property-owner in person (two attempts) and by phone or email (one attempt) to offer to replace a LSL. If a customer or property owner refuses or is non-responsive to the Company's offers to replace a customer-side LSL, they will receive a certified letter that renews the Company's offer to replace the LSL, and also includes information regarding the health effects of lead exposure, steps to reduce lead, and a deadline to respond to the Company. A copy of the certified letter is included in Appendix 3. The certified letter will additionally advise the customer or property owner that failure to allow the Company to complete the LSLR or to replace the customer-owned LSL concurrent with the Company replacing the Company-owned LSL will lead to termination of water service under the Company's tariff. The certified letter also informs the customer or property owner that, in order to be eligible for reimbursement, they must complete the LSLR within one year of the Company commencing its project. If the customer or property owner does not respond, they will be added to a non-responsive customer/property owner list and the Company will begin the termination process in conformance with its tariff.

The Company provides the customer or property owner with a complete disclosure of the known health hazards from continued use of a LSL. A copy of the disclosure provided by the Company is attached to Appendix 3.

The Company informs the customer or property owner that refusal or failure to accept an offer to replace a LSL will require replacement of the customer-owned LSL, at the customer or property owner's expense, within one year from LSLR projected commencement for the customer or property owner to be eligible for reimbursement. This information is provided to the customer or property owner through the Company's website, tariff, and is included in the certified letter (See Appendix 3). The Company makes reasonable best efforts to assist customers and/or property owners through the reimbursement process and, to the extent possible, makes determinations in favor of the customer/property owner where the customer/property owner has provided reasonable evidence of a LSLR to the Company.

## *VI. Communications, Outreach, and Education*

**52 Pa. Code § 65.56(c):** The utility shall demonstrate compliance with the EPA regulations at 40 CFR 141.85. The utility's LSLR plan must include copies of all printed and broadcast material to be distributed under its LSLR program. A Class A public utility shall develop a LSLR section of its website within twelve months of Commission approval of its LSLR program.

### **Pennsylvania-American Water's Communication, Outreach, and Education Plan**

Pennsylvania-American Water has a comprehensive plan for communicating with customers regarding lead and drinking water. Copies of all printed and broadcast materials distributed under PAWC's LSLR Program are attached as Appendix 3.

Pennsylvania-American Water has created a webpage on its customer website, <https://www.amwater.com/paaw/> in the Water Quality tab, discussing lead and drinking water. The site includes links to resources such as frequently asked questions, pipe material information, and pitcher filter FAQs. Topics accessible through links on the webpage include water treatment and

corrosion control; results from lead sampling; assessing exposure to lead; minimizing exposure to lead; home treatment for lead; and testing water for lead. Additional information from outside sources is also included on the webpage. The webpage link is: <https://www.amwater.com/paaw/water-quality/Lead-and-Drinking-Water/>

Additionally, the Company's website has an online tool describing the replacement schedule by geographic location, at least six months into the future. The online tool is accessible under our Lead Service Line Replacement Site on our Lead and Drinking Water/Lead Service Line Replacement Program webpage at: <https://storymaps.arcgis.com/stories/620f62324ded477db7b863026f46d666>

The Company's website also provides information regarding its reimbursement requirements as well as secure online tools that provide customers or property owners the ability to determine reimbursement eligibility. The reimbursement information is found at under the Lead Service Line Replacement Site on our Lead and Drinking Water/Lead Service Line Replacement Program webpage : <https://forms.office.com/pages/responsepage.aspx?id=-Yw3NcDa8EWExxv7mCB7WX-Ald9edYVAhL9lxvVo5QdUNTUwR1dWoeJNmzJZWVRHNUwzQVhUUVZRVi4u&origin=lprLink>

The Company's website contains an interactive map that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types for the Company-owned and customer-owned portions of the service line. A customer can request assistance through the map's customer survey or by calling the Company's toll-free customer service number. The map is accessible at:

<https://paaw.maps.arcgis.com/apps/webappviewer/index.html?id=f8933d006e16455f938e62d60f5e955e>

The Company also provides on its website information and resources relating to health risks associated with lead and LSLs, the status of current efforts to replace LSLs, and community meetings and advisory committees hosted by the Company. This information is found at the following link: <https://www.amwater.com/paaw/water-quality/Lead-and-Drinking-Water/lead-service-line-replacement-program>

Pennsylvania-American Water communicates the availability of its lead webpage and additional resources through a vigorous outreach plan to notify all customers. The Company shares these resources with customers through the following methods:

- Statewide press releases
- The webpage is featured on the Company's homepage in the rotating banner
- Regular bill inserts in all customer bills (See Appendix 3)
- Share engaging content for the Company's social media platforms
- Digital education campaigns that include engaging social media posts with the call to action to encourage customers to view the map and resources recently created.
- Multiple informative videos posted on social media and website and will support digital education campaign
- E-newsletter(s) sent to elected officials in the communities served by Pennsylvania American Water.
- Stakeholder website dedicated to requesting support from our local municipality leaders and elected officials.

- Annual notification to customers served by an unknown, lead, or galvanized requiring replacement service line as required by EPA Lead and Copper Rule Revisions.

Pennsylvania-American Water's comprehensive communication plan for informing customers about project work and about lead and drinking water also informs customers about lead service lines, and steps for identifying and replacing lead services lines in conjunction with Pennsylvania-American Water work. In conjunction with scheduled utility work, Pennsylvania-American Water mails or otherwise delivers to affected customers a communication that describes service lines and service line replacements. This communication also advises customers that PAWC will contact them to discuss replacing their service line if it is discovered that their service line is a lead service line. Pennsylvania-American Water also provides to customers information which describes utility owned and customer owned service lines, along with steps of service line material investigation, further communications, an overview of the LSL replacement program, frequently asked questions with answers, and further information about lead and drinking water.

**PENNSYLVANIA-AMERICAN WATER COMPANY**  
**(hereinafter referred to as the "Company")**  
**D/B/A**  
**Pennsylvania American Water**

**RATES, RULES AND REGULATIONS**

**GOVERNING THE DISTRIBUTION AND SALE OF**

**WATER SERVICE**

**IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:**

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,  
BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,  
CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,  
LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,  
NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,  
UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES.

**Issued:**

**Effective:**

Issued by:  
Justin Ladner, President  
Pennsylvania American Water  
852 Wesley Drive  
Mechanicsburg, PA 17055

<https://www.amwater.com/paaw/>

# **NOTICE**

**This tariff supplement modifies rules and regulations regarding Company replacement of lead service pipes.**

**(Refer to pages 1, 2, 4, 5, 47.1, 47.2 and 47.3.)**

**PENNSYLVANIA-AMERICAN WATER COMPANY**

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**LIST OF CHANGES**

This tariff supplement modifies rules and regulations regarding Company replacement of lead service pipes, as approved by the Pennsylvania Public Utility Commission at Docket No. P-2024-xxxxxx.

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Issued:

Effective Date:

**PENNSYLVANIA-AMERICAN WATER COMPANY**

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**RULES AND REGULATIONS**

**4. Service Pipes (cont'd)**

**4.9.1 Replacement of Lead Service Pipes**

**4.9.1.1**

(C)

Notwithstanding Rules 2.11, 2.12, 2.14 and 4.9, the Company shall, provided that the **property owner or customer consents**, replace Lead Service Pipes pursuant to **[language deleted]** of its Lead Service **Line** replacement plan (Replacement Plan), subject to a budgeted allotment of **\$35.0** million per year for all lead Service **Pipe** replacements under its Replacement Plan. The Company will replace Lead Service Pipes it encounters when replacing its mains and/or Service Lines up to **3,200** Lead Service Pipe replacements per year within a maximum amount of approximately **\$35.0** million per year. The Company will replace a Lead Service Pipe at a Customer's request subject to the following conditions: (1) verification that the Customer has a Lead Service Pipe; (2) the time when the replacement occurs will be determined by the Company based on factors determined by the Company including, without limitation, the number of customer requests for Lead Service Pipe replacements in Company-designated geographic areas; (3) the annual cap of **3,200** Lead Service Pipe replacements; and (4) availability of funds **[language deleted]** under the Company's budgeted allotment of **\$35.0** million per year. Lead Service Pipe replacements performed **in conjunction with the Company's main and/or Service Line replacements [language deleted]** will have priority on the use of funds under the annual budget allotment and, therefore, in any year, funds will be used for Lead Service Pipe replacements **at a Customer or property owner's request [language deleted]** only to the extent that funds are available within the budget allotment and are not allocated to **[language deleted]** replacements planned **in conjunction with the Company's main and/or Service Line replacements** for that year. Portions of the annual budget allotment of **\$35.0** million that are not expended on Lead Service Pipe replacements under **[language deleted]** of the Replacement Plan in a year will roll-over to the next subsequent year, but use of the roll-over funds will still be subject to the requirement that priority be given to **[language deleted]** replacements **made in conjunction with the Company's main and/or Service Line replacements**. If the Company does not use the excess budgetary allotment in the subsequent year, the excess budgetary allotment will not carry forward into the following year, i.e. excess budgetary allotments will not carryforward on a cumulative basis, subject to the cap on the number of Lead Service Pipe replacements per year. **To the extent the Company is able to secure grant funding for Lead Service Pipe replacements, those services shall not count toward the cap in either funding or quantity.** The Company may, but shall not be required, to petition the Commission for approval to modify its annual budget allotment of **\$35.0** million if the Company, in its sole discretion, determines that its annual budget allotment no longer meets the future needs of administering **[language deleted]** the Replacement Plan. However, no change may be made without prior Commission approval. After a Lead Service Pipe is replaced by the Company, the Customer shall own the Service Pipe and shall have full responsibility for the repair, replacement and maintenance of the new Service Pipe, which, upon installation, shall thereafter be subject to the terms of Rules 2.12, 2.14 and 4.9.

**4.9.1.2**

(C)

The Customer shall enter into an Agreement for Replacement of Lead Service Pipe, in a form provided by the Company, prior to the initiation of any work by the Company to replace a Customer's Service Pipe. The Company will provide a two-year warranty on workmanship and materials for any Customer Lead Service Pipes it replaces. **The two-year warranty will also include any restoration of surfaces performed by the Company in conjunction with the Lead Service Pipe replacement. Restoration of surfaces refers to excavations that have been backfilled and grade that has been returned to level. The Company is not responsible for replacing sidewalks, stone or asphalt driveways, or landscaping outside of a right-of-way. The start date of the two-year warranty shall be when the Lead Service Pipe replacement is placed into service and turned over to the customer or property-owner at the completion to the Lead Service Pipe replacement.**

**The maximum coverage under the two-year warranty shall be limited to the actual cost of repairing the Lead Service Pipe and/or water meter pit, if applicable.**

**The Company shall not be liable for any damages not covered by the warranty or beyond the maximum coverage of the two-year warranty as described in Section 4.9.1.2.**

**If a repair is required and covered under the warranty, the customer or property-owner shall ensure that the Company and/or its contractor has access to the property to complete the repair.**

(C) means Change

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**RULES AND REGULATIONS**

**4. Service Pipes (cont'd)**

**4.9.1.3**

(C)

**[language deleted] Neither a Customer nor a property-owner may install a partial Lead Service Pipe Replacement. A partial Lead Service Pipe Replacement will result in termination of service until such time as the Company can replace the lead Service Line.**

**The Company shall not connect an Applicant for water service to the Service Line at a property where a Customer or property owner previously refused or failed to accept the Company's offer of a Lead Service Pipe Replacement until the Applicant verifies the replacement of the Lead Service Pipe by providing a paid invoice from a licensed contractor where applicable or a verified statement from a licensed contractor attesting to the completion of the Lead Service Pipe Replacement.**

**4.9.1.4**

(C)

**The Company will provide a 10-cup filtered water container to [language deleted] Customers who authorize (or if the Customer occupies a rental property, the property-owner has [language deleted] authorized) [language deleted] the Company to replace their LSPs [language deleted] as part of the Company's Replacement Plan. [language deleted].**

**4.9.1.5**

(C)

**If the Company, at the request of a Customer or property-owner (as applicable), visits a Customer's site and determines that the Service Pipe has been replaced at or within one-year of the date the Company commenced a project to replace Lead Service Pipes and the Customer or property-owner (as applicable) provides the Company with a detailed estimate and paid invoice from a licensed contractor where applicable, verifying the replacement of the customer owned Lead Service Pipe, [language deleted] the Company will reimburse the Customer's or property-owner's (as applicable) reasonable costs up to an amount not to exceed 125% of the average costs the Company would have incurred to perform the replacement of a similarly-sized Service Pipe in the project area, not to exceed actual cost. Instead of a detailed estimate, a verified statement from the contractor attesting to completion of a Lead Service Pipe Replacement may be sufficient. A Lead Service Pipe project is a Company-scheduled Lead Service Pipe replacement activity either in conjunction with main replacements or as part of the Company's Replacement Plan. A Lead Service Pipe project will commence on the date the Company begins physical main replacement work in the project area that includes the Customer's site or when the Company deploys a contractor crew to the geographic area of [language deleted] service replacement projects to perform grouped work activity, whichever is sooner. A Lead Service Pipe project area is the area encompassing the Company's scheduled Lead Service Pipe Replacement activities, which includes the area within a 1-mile radius of a Lead Service Pipe project if served by the Company. Reimbursements will be provided to customers or property owners through check mailed to the customer or property owner within thirty days after the Company approves the request of the Customer or property owner for reimbursement. Customers or property owners that (1) do not provide the required documentation, (2) are outside of the Lead Service Pipe project area, or (3) seek reimbursement for a replacement that occurred more than one year before or after the Company commenced the Lead Service Pipe project will be ineligible for reimbursement.**

**Notwithstanding the annual cap in Section 4.9.1.1, the Company shall provide reimbursement to an eligible Customer or property owner within thirty days after the Company approves the request for reimbursement. If the reimbursement would cause the Company to exceed its annual cap in Section 4.9.1.1, the Company must increase its annual cap by the amount of the reimbursement and decrease its next annual cap by this amount.**

(C) means Change

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**RULES AND REGULATIONS**

**4. Service Pipes (cont'd)**

**4.9.1.6**

Where a Customer or property owner elects to replace the Lead Service Pipe, the Customer or property-owner shall replace the Lead Service Pipe concurrent with the Company replacing the lead Service Line, subject to the Customer or property owner providing the Company at least 90 days' notice prior to replacing the Lead Service Pipe.

**4.9.1.7**

Through the Replacement Plan, the Company will perfect any ownership discrepancies regarding the Service Line and the Service Pipe, so that the Customer will own the Service Pipe and the Company will own the Service Line. This will occur by the Customer and the Company executing a Lead Water Service Line Replacement consent agreement which establishes the Customer's and Company's respective ownership and responsibilities regarding the Service Pipe and Service Line.

**4.9.1.8**

If a shutoff valve is not located along a specific length of pipe within a structure, the Company may, at its discretion, install a shutoff valve to serve as a point of demarcation between the property's service line and the property's interior water distribution piping.

**4.9.1.9**

The Company may perform a Lead Service Pipe Replacement in the following circumstances where a Customer or occupier of the premise is not the property owner:

- a. The Company attempted to contact the property owner with an offer to replace the Lead Service Pipe in accordance with the Company's Replacement Plan.
- b. The Customer or occupier of the premise is not the property owner.
- c. The Company attempted to obtain authorization from the property owner to replace the Lead Service Pipe and the property owner (1) cannot be identified or (2) has failed to respond to the Company's offer to replace the Lead Service Pipe.

If the above circumstances are met, the Company may, at its discretion, replace the Lead Service Pipe in accordance with its Replacement Plan if such replacement would avoid the termination of water service to Customer(s) or occupier(s) of property without obtaining the consent of the property owner. When the Company exercises its option under this Section, the Company, its officers, directors, employees and agents are released and held harmless from and against any and all liability, including liability to third parties and the property owner, for personal injury, including death, property damage, or other actions, damages, fines, penalties, claims, demands, judgments, losses, costs, expenses, suits and actions (including reasonable attorney's fees), for personal injury, including death, property damage, or other injury, to the extent caused by or arising out of the work performed by the Company or its agents in performing the Lead Service Pipe Replacement.

VERIFICATION

I, Bruce W. Aiton, hereby state that the facts set forth in Pennsylvania-American Water Company's Responses to the Bureau of Technical Utility Services Data Request Set 1, dated August 23, 2024, 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 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 13, 2024



Bruce W. Aiton

Vice President - Engineering

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Pennsylvania-American Water Company for Approval of a Lead Service Line Replacement Program, Related Tariff Changes, and Modification of Long-Term Infrastructure Improvement Plan** :  
: Docket No. P-2024-3050263  
:  
:  
:

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of Pennsylvania-American Water Company's Responses to the Bureau of Technical Utility Services Data Request, Set 1, dated August 23, 2024, upon the persons and in the manner indicated below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).


**VIA Electronic Delivery**

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Melanie J. El Atieh  
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Dated: September 13, 2024



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