



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

October 24, 2024

Docket No. P-2023-3042107

Utility Code 210013

DAVID P ZAMBITO ESQUIRE
JONATHAN P NASE ESQUIRE
COZEN O CONNER
17 NORTH SECOND STREET SUITE 1410
HARRISBURG PA 17101
DZAMBITO@COZEN.COM
JNASE@COZEN.COM

RE: Petition of Veolia Water Pennsylvania, Inc. for Approval of its Lead Service Line Replacement Program and Modification of its Long-Term Infrastructure Improvement Plan at Docket No. P-2023-3042107

Dear Attorneys Zambito and Nase:

On July 24, 2023, Veolia Water Pennsylvania, Inc. (Veolia Water) filed the above-captioned document (Petition) with the Pennsylvania Public Utility Commission (Commission). For the Commission to complete its analysis of the filing, please respond with the information requested in the attached document.

Please forward the information to the Secretary of the Commission **within ten (10) business days** from the date of this letter. All documents requiring notary stamps must have original signatures. The Commission strongly encourages submission through efilings with the Secretary of the Commission by opening an efilings account through the Commission website and accepting eservice at <https://efiling.puc.pa.gov>. The Commission is accepting all public documents through our efilings system at this time.

If your filing contains confidential material, you are required to either file by overnight delivery or submit to the Secretary's Share Point File system to ensure the timely filing of your submission. Filers should contact the Secretary's Bureau in advance to gain access to the Share Point File system. Make sure to reference the Docket Number listed above when filing your response. The overnight address for hard-copy or confidential responses is:

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

Please note your answers must be verified per 52 Pa. Code § 1.36. Accordingly, you must provide the following statement with your responses:

I, [print name of appropriate company representative], hereby state that the facts above set forth 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).

Signature _____
Title _____
Date _____

Please contact the below staff person if any problems should arise that prevent a full response within ten business days or if any clarification of these data requests is needed. Please mark the materials “CONFIDENTIAL” in bold or highlighted manner if any of the requested information is deemed to be of a confidential nature.

In addition, to expedite completion of the review, please send a copy of the response to Matthew T. Lamb, P.E., in the Water/Wastewater Section of the Bureau of Technical Utility Services via e-mail at mlamb@pa.gov. Please also direct any questions to Matthew Lamb at telephone number (717) 783-1001. Thank you in advance for your cooperation.

Sincerely,



Rosemary Chiavetta
Secretary

Enclosure: TUS Data Request Set 2

cc: Patrick Cicero, Office of Consumer Advocate (w/enclosure), ra-oca@paoca.org
Christine Hoover, Office of Consumer Advocate (w/enclosure), choover@paoca.org
NazAarah Sabree, Office of Small Business Advocate (w/enclosure), ra-sba@pa.gov
Allison Kaster, Bureau of Investigation & Enforcement (w/enclosure), akaster@pa.gov

TUS Data Request Set 2

Petition of Veolia Water Pennsylvania, Inc. for Approval of its Lead Service Line Replacement Program and Modification of its Long-Term Infrastructure Improvement Plan at Docket No. P-2023-3042107

Note: Please restate the data request prior to providing a response. In addition, provide the name and title of the person(s) providing the response and/or information for each data request.

- P-21. Veolia Water’s amended LSLR Plan dated September 30, 2024, (Amended LSLR Plan), Service Line Inventory, Section 1, indicated that Veolia Water anticipates completion of its inventorying efforts by 2026, and indicated in Section 5 that upon the completion of the service line inventory (SLI), Veolia Water will replace all of the existing Company-owned and customer-owned lead service lines within three years of completion of the SLI. Please provide responses for each of the following:
- a. Based on Veolia’s anticipated completion of its SLI by 2026, provide Veolia’s projected SLI progress milestones by percentage completion for both Company-owned and Customer-owned service lines required to meet the completion date; and
 - b. Specify all applicable conditions that must be met for the inventory to be considered complete and for the three-year replacement period to begin.
- P-22. The Amended LSLR Plan’s Service Line Inventory, Section 4, detailed Veolia Water’s assumptions for its SLI pursuant to 52 Pa. Code § 65.56(a)(4). However, in Veolia Water’s response to Data Request P-1.b., Veolia Water indicated that Veolia Water has no information regarding how many galvanized service lines are downstream of a line of unknown material and that all identified galvanized service lines are being treated as “Galvanized Requiring Replacement”. Please provided a revised Amended LSLR Plan, Section 4, that includes Veolia Water’s assumption and treatment of all identified galvanized service lines as “Galvanized Requiring Replacement” (GRR).
- P-23. The Amended LSLR Plan’s Planning and Replacements, Section 1, indicated that Veolia Water cannot project the annual investment in the replacement of Customer-owned lead service lines as none have been identified. However, pursuant to 52 Pa. Code § 65.52, the definition of a lead service line (LSL) states “[A] galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material.” As discussed above in Data Request P-22, Veolia Water will be treating all identified galvanized service lines as GRR and, therefore by definition, are to be considered LSLs. Correspondingly, the Amended LSLR Plan’s Service Line Inventory, Section 1 Table, included the identification of 965 Company-owned galvanized service lines and 257 Customer-owned galvanized service lines. Please provide a revised Amended LSLR Plan that indicates Veolia Water has identified 257 Customer-owned LSLs that will require replacement under its LSLR Program.
- P-24. The Amended LSLR Plan’s Planning and Replacements, Sections 1 and 2, indicated that Veolia Water set an annual cap of 20 Customer-owned LSLRs per year at a cost of \$4,000 per LSLR. Further, the Amended LSLR Plan’s Service Line Inventory, Section 1, indicated that upon completion of Veolia Water’s SLI, it will replace all of the existing Company-owned and Customer-owned LSLs within three years of completion of the SLI.

TUS Data Request Set 2

Petition of Veolia Water Pennsylvania, Inc. for Approval of its Lead Service Line Replacement Program and Modification of its Long-Term Infrastructure Improvement Plan at Docket No. P-2023-3042107

Based on Veolia Water's annual cap of 20 Customer-owned LSLRs per year, and assuming all Customer-owned LSLs are replaced by 2029, the total number of estimated Customer-owned LSLs within Veolia Water's water system that would be replaced is approximately 100 LSLs (20 Customer-owned LSLRs/year x 5 years). However, as discussed above in Data Request P-23, Veolia Water identified at least 257 Customer-owned LSLs that would require 12 or more years to replace based on an annual cap of 20 LSLRs (257 Customer-owned LSLRs ÷ 20 LSLRs/year). Please provide responses to the following:

- a. Provide a revised Amended LSLR Plan, modified LTIP, and *pro forma* tariff supplement that includes an annual cap and any applicable maximum budgeted amount necessary for Veolia Water to replace all of the existing Company-owned and Customer-owned LSLs inclusive of all GRR within three years of completion of the SLI, and a statement that Veolia's projected number of LSLRs per calendar year is consistent with Veolia's annual cap on LSLRs; or
 - b. Provide a revised Amended LSLR Plan, modified LTIP, and *pro forma* tariff supplement that identifies the annual cap and any applicable maximum budgeted amount necessary for Veolia Water to replace all of the existing Company-owned and Customer-owned LSLs inclusive of all GRR within a calculated period of time but within the deadline established by the United States Environmental Protection Agency's Lead and Copper Rule Improvements (LCRI) finalized October 8, 2024, and a statement that Veolia's projected number of LSLRs per calendar year is consistent with Veolia's annual cap on LSLRs. Note: Veolia Water should account for an estimated number of galvanized service lines to be identified and replaced from within its 31,461 Customer-owned service lines of unknown material.
- P-25. Pursuant to 52 Pa. Code § 65.56(b)(6)(i), LSLR plans are required to include a consent agreement form to authorize a LSLR. However, Veolia Water's Amended LSLR Plan's Planning and Replacements, Section 6, does not include a reference to Exhibit 4, Veolia Water's consent agreement form (Consent Form). Please provide an amended LSLR Plan response for 52 Pa. Code § 65.56 (b)(6)(i) and any related LSLR Plan revisions to include a reference to the LSLR Plan exhibit that includes a copy of Veolia Water's Consent Form.
- P-26. The Amended LSLR Plan's Planning and Replacements, Section 6, does not clearly state how Veolia Water will determine the date of the LSLR turnover to the customer that establishes the beginning of the warranty period as part of its LSLR completion process. Additionally, Veolia Water indicated that it will provide a customer a LSLR fact sheet to describe the proper steps to flush the property after a LSLR. Please provide responses to the following:

TUS Data Request Set 2

Petition of Veolia Water Pennsylvania, Inc. for Approval of its Lead Service Line Replacement Program and Modification of its Long-Term Infrastructure Improvement Plan at Docket No. P-2023-3042107

- a. Provide a revised Amended LSLR Plan that details how Veolia Water will determine the LSLR has been completed and turned over to the customers to establish the beginning of the warranty period as part of its LSLR completion process;
 - b. Indicate if Veolia Water intends, as part of its LSLR efforts, to provide assistance to customers with the flushing of the customer's interior plumbing after an LSLR as part of its LSLR completion process;
 - c. Indicate if Veolia Water intends, as part of its LSLR efforts, to offer to collect water samples to all customers who have an LSLR; and
 - d. If so, provide a revised Amended LSLR Plan that includes Veolia Water's assistance to customers with the flushing of the customer's interior plumbing after an LSLR and an offer to collect water samples to all customers who have an LSLR inclusive of providing a LSLR sampling procedure as part of its LSLR completion process.
- P-27. The Amended LSLR Plan's Exhibit 3, Page 1, and Exhibit 6, Page 1, do not appear to address galvanized service lines that are considered LSLs if they ever were or are currently downstream of any LSL or service line of unknown material. Please provide revised LSLR Plan exhibits that address galvanized service lines that are considered LSLs (e.g., offer replacements, terminate service where required, etc.).
- P-28. The Amended LSLR Plan's Exhibit 4, Page 2, indicated a refusal option that specified, "I understand that if [Veolia Water] replaces the [Veolia Water]-owned portion of the service line, there may be a temporary increase in lead in the drinking water related to this replacement process." This statement appears to indicate that Veolia Water may complete partial LSLRs. The Commission notes that partial LSLRs are strictly prohibited. Also, the Amended LSLR Plan's responses for 52 Pa. Code §§ 65.56(b)(10)(ii)-(iii) indicated that information will be provided to certain customers via certified letter, but the Amended LSLR Plan's responses for 52 Pa. Code §§ 65.56(b)(10)(ii)-(iii) and (c)(1) do not appear to include copies of these certified letters. Please provide a revised Amended LSLR Plan, Exhibit 4, and responses for 52 Pa. Code §§ 65.56(b)(10)(ii)-(iii) and (c)(1) to ensure that Veolia Water does not complete partial LSLRs and to provide copies of Veolia Water's certified letters identified the Amended LSLR Plan's responses for 52 Pa. Code §§ 65.56(b)(10)(ii)-(iii) and/or (c)(1).
- P-29. On October 4, 2024, Veolia Water filed a revised *pro forma* tariff supplement with the Commission at this docket (October 2024 Pro Forma Tariff). 52 Pa. Code § 65.58(b)(1) requires that an entity's *pro forma* tariff or tariff supplement must include a definition for customer-owned LSL for purposes of the entity's LSLR Program that is consistent with 52 Pa. Code § 65.52. However, the October 2024 Pro Forma Tariff uses the terms "lead customer owned service line" in Pages 67 and 68, "lead customer service line" in Page 68, and "customer service line" in Page 68, Paragraph B that do not conform with 52 Pa. Code § 65.52. Please provide a revised *pro forma* tariff supplement that is consistent

TUS Data Request Set 2

Petition of Veolia Water Pennsylvania, Inc. for Approval of its Lead Service Line Replacement Program and Modification of its Long-Term Infrastructure Improvement Plan at Docket No. P-2023-3042107

with 52 Pa. Code § 65.52, that includes adding a definition for customer-owned LSL for purposes of the entity's LSLR Program that is consistent with 52 Pa. Code § 65.52 and that replaces the terms "lead customer owned service line", "lead customer service line", and "customer service line" with customer-owned LSL. For example, on November 1, 2023, Veolia Water filed a *pro forma* tariff at this docket (November 2023 Pro Forma Tariff), and the November 2023 Pro Forma Tariff, Page 68 included defined terms for "Customer Owned Lead Service Line" and "Lead Service Line" that appear to conform with 52 Pa. Code § 65.52.

- P-30. 52 Pa. Code § 65.58(d)(1)(ii) requires that an entity's *pro forma* tariff or tariff supplement must include language explaining its reimbursement terms and conditions, including the forms of payment to be used by the entity to distribute reimbursements and the length of time by which the entity will issue a reimbursement for an eligible reimbursement request. Please provide a revised *pro forma* tariff supplement that is consistent with 52 Pa. Code § 65.58(d)(1)(ii) and that specifies the forms of payment to be used by Veolia Water to distribute reimbursements (e.g., the November 2023 Pro Forma Tariff, Page 67 specified reimbursements by bank check) and the length of time, in days, by which Veolia Water will issue a reimbursement for an eligible request. For example, the November 2023 Pro Forma Tariff, Page 67 indicated "within 60 days of verification of the customer's claim", which may be modified so that the length of time to verify reimbursement request eligibility is included in the total length of time to issue a reimbursement.
- P-31. 52 Pa. Code § 65.58(d)(1)(iii)(A) requires reimbursements for LSLR expenses for customers or property owners, if the customer is not the property owner, located within a LSLR project area who replaced their LSL within one year before or from LSLR project commencement. However, the October 2024 Pro Forma Tariff, Page 67, does not include tariff language that would ensure that required reimbursements will be provided per 52 Pa. Code § 65.58(d)(1)(iii)(A). Please provide a revised *pro forma* tariff supplement that is consistent with 52 Pa. Code § 65.58(d)(1)(iii)(A). For example, the November 2023 Pro Forma Tariff, Page 67, included reimbursement terms that appear to conform with 52 Pa. Code § 65.58(d)(1)(iii)(A), except the following areas: (1) reimbursements must be provided to an applicable customer or property owner who replaced their LSL within "one year before or from" LSLR project commencement, rather than within "one year prior to"; (2) reimbursements must be provided for "LSLR expenses" rather than "reasonable costs"; and (3) reimbursement amounts described in Data Request P-33.
- P-32. 52 Pa. Code § 65.58(d)(1)(iii)(A) requires reimbursements for LSLR expenses up to 125% of the average cost the entity would have incurred to perform the replacement of a similarly-sized service line, not to exceed the actual cost. However, the October 2024 Pro Forma Tariff, Page 67, Section B does not include tariff language that would ensure that required reimbursements will be provided per 52 Pa. Code § 65.58(d)(1)(iii)(A). Please provide a revised *pro forma* tariff supplement that is consistent with 52 Pa. Code §

TUS Data Request Set 2

Petition of Veolia Water Pennsylvania, Inc. for Approval of its Lead Service Line Replacement Program and Modification of its Long-Term Infrastructure Improvement Plan at Docket No. P-2023-3042107

65.58(d)(1)(iii)(A). For example, Veolia Water's November 2023 Pro Forma Tariff, Page 67 included terms for reimbursement amounts that appear to conform with 52 Pa. Code § 65.58(d)(1)(iii)(A), except reimbursement terms described in Data Request P-32.

- P-33. 52 Pa. Code § 65.58(d)(2) requires that notwithstanding the LSLR program annual cap, an entity shall provide a reimbursement to an eligible customer or property owner, if the customer is not the property owner, within the period established under 52 Pa. Code § (d)(1)(ii), and if the reimbursement would cause the entity to exceed its current annual cap, the entity must increase its current annual cap by the amount of the reimbursement and decrease its next annual cap by this amount. However, the October 2024 Pro Forma Tariff, Page 67, Section B does not include tariff language that would ensure that required reimbursements will be provided per 52 Pa. Code § 65.58(d)(2). Please provide a revised *pro forma* tariff supplement that provides that is consistent with 52 Pa. Code § 65.58(d)(2).
- P-34. 52 Pa. Code § 65.58(e)(3) requires the October 2024 Pro Forma Tariff to include defined maximum coverage amounts under the warranty. The October 2024 Pro Forma Tariff, Page 67, Section does not specify maximum coverage amounts under the warranty, such as a coverage amount in dollars or a provision indicating that the coverage amount is unlimited. Please provide responses for each of the following:
- a. Provide a revised *pro forma* tariff supplement that is consistent with 52 Pa. Code § 65.58(e)(3) and that specifies a warranty coverage amount (e.g., \$X, X% of Veolia Water's cost for the LSLR work, etc.).
 - b. Explain how Veolia Water determined its warranty coverage amounts and why the proposed amount is reasonable.