

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster – Water Bureau for Approval of A Lead Service Line Replacement Program and Related Tariff Changes, Pursuant to 66 Pa. C.S.A. § 1311(b) and 52 Pa. Code §§ 65.51, et seq. :
: **Docket No. P-2023-3041043**
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AMENDED JOINT PETITION FOR SETTLEMENT

TO THE HONORABLE JEFFREY A. WATSON, ADMINISTRATIVE LAW JUDGE:

The City of Lancaster – Water Bureau (the “City” or “Water Bureau”), the Office of Consumer Advocate (“OCA”), the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Bureau of Investigation and Enforcement (“I&E”), and the Office of Small Business Advocate (“OSBA”) (collectively, the “Joint Petitioners” or the “Parties”), by and through their respective counsel, submit this Joint Petition for Settlement (“Settlement”) in the above-captioned proceeding and request that the Administrative Law Judge (“ALJ”) approve the Settlement without modification. In support of this Settlement, the Parties state as follows:

I. BACKGROUND AND HISTORY OF THE PROCEEDING

1. The City of Lancaster is an incorporated municipality in Lancaster County with a population of approximately 57,453.

2. The City provides water service to 176,328 customers outside the City of Lancaster in portions of the following municipalities in Lancaster County, Pennsylvania: (1) Lancaster Township; (2) Manheim Township; (3) Millersville Borough; (4) West Lampeter Township; (5) Pequea Township; (6) Manor Township; (7) West Hempfield Township; (8) East Hempfield Township; and (9) East Lampeter Township.

3. The City's water service outside of its municipal limits is regulated by the Commission under the terms and provision of 66 Pa. C.S. § 101, et seq.

4. This proceeding was initiated on May 31, 2023, when the City petitioned the Commission to approve a Lead Service Line Replacement Program ("LSLR Program") to replace customer-owned lead service lines ("LSLs") and to recover the associated costs related to those replacements pursuant to Section 1311(b)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S.A. § 1311(b)(2) and Section 65.61 *et seq.* of the Commission's Rules and Regulations, 52 Pa. Code § 65.51, *et seq.*

5. In the Prehearing Order dated July 13, 2023, the ALJ set a Prehearing Conference date of August 15, 2023.

6. Prior to a Prehearing Conference in this matter, the Parties advised the ALJ that they had made progress in settlement discussions and requested additional time to complete those discussions. The Parties further requested to adjourn the Prehearing Conference.

7. The ALJ canceled the Prehearing Conference on August 11, 2023.

8. On November 13, 2023, the ALJ issued a First Interim Order directing the Parties to file a Status Report on or before November 30, 2023.

9. The Parties submitted a Joint Status Report on November 30, 2023, advising that settlement discussions had advanced and were continuing, but that additional time was needed.

10. On February 1, 2024, the Parties submitted a Second Joint Status Report advising that settlement discussions had advanced to the point where only a few limited issues remained, and requested additional time to pursue a settlement.

11. On April 12, 2024, the Parties jointly submitted a Notice of Settlement in Principle that advised, in relevant part, that the "City and the OCA have reached a settlement in principle,

to which I&E does not object. The OSBA has not yet expressed an opinion as to whether it will join or not object to the settlement, which resolves all issues raised by the parties in this matter.”

12. Subsequently, via e-mail dated April 15, 2024, the OSBA advised the ALJ and the Parties that it would “also be joining the Settlement, and will prepare a Statement in Support.”

13. The Parties filed a Joint Petition for Complete Settlement on April 9, 2025.

14. Between April 15, 2024 and the date the Parties filed the Joint Petition, the City was required to revise its Long Term Infrastructure Improvement Plan (“LTIIP”) to reflect various changes and updates. As such, the City’s revised LTIIP reflects those changes and updates, in addition to those revisions necessitated as a result of the LSLR Program.

15. On May 15, 2025, the ALJ entered an Interim Order identifying certain omissions from the settlement documents filed by the Parties and directing the Parties to file amended settlement documents on or before July 31, 2025.

16. This Amended Joint Petition and the supporting documents filed contemporaneously, including the document referred to as “Exhibit 3” in the Joint Petition filed on April 9, which is now identified as “Exhibit 2”, Amended Statements in Support from the City, the OCA, and I&E, and an Amended Motion for Admission of Testimony and Exhibits, are being filed on July 31, 2025.

II. TERMS AND CONDITIONS OF SETTLEMENT

17. The Settlement consists of the following terms and conditions:

A. Nature of LSLR Program and Tariff Revisions

18. Notwithstanding Sections 4.15, 4.16, 4.17, and 4.18 of the City’s Tariff, the City will replace customer-owned LSLs: (1) encountered as part of the City’s ongoing main replacement work; and (2) at a customer’s request, subject to certain conditions, including verification of the existence of a LSL and the City’s determination of when the replacement will

occur based on several factors such as the number of pending customer requests for replacement of LSLS, and contractor availability and proximity.

19. The City's residential, commercial, and industrial customers will be eligible to participate in the LSLR Program.

20. Under either of the scenarios identified in Paragraph 15, the customer will own and retain responsibility for the maintenance, repair, and replacement of its portion of the service line after it is replaced by the City.

21. The City will not replace a customer-owned LSL unless the customer enters into an agreement substantially in the form of City Exhibit 2 in which the customer consents to replacement of their portion of the service line and grants permission for the City (and the City's employees and contractors) to enter onto their property for the purpose of completing the LSL replacement.

22. A customer's refusal to allow the City to replace their portion of an LSL or the customer's refusal to arrange for the replacement of their portion of an LSL themselves will result in the water service temporarily being shut off and the customer not having any water service until the privately-owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied.

23. Generally, the City will not replace a customer-owned LSL to avoid termination of water service when the property owner who is not the customer cannot be identified, cannot be located, or is non-responsive. The City reserves the right to review requests from non-property owner customers to complete the replacement of the customer-owned LSL on a case by case basis in extenuating circumstances, including where the non-property owner customer is seriously ill or has a medical condition that will be aggravated by the cessation of service, or where the non-

property owner customer is a victim of abuse and has an order issued by the courts.

24. The City may request the non-property owner customer to provide verification of the medical condition by a licensed physician, nurse practitioner, or physician assistant. The decision to replace the customer-owned LSL in such circumstances is within the sole discretion of the City.

25. The City will track and report the following information in its LSLR Program reports: the number of terminations where the property owner could not be identified, could not be located, or was non-responsive.

B. Implementation of the LSLR Program.

26. The City filed an LSL inventory on or about October 16, 2024, in accordance with the Revised Lead and Copper Rule.

27. Based on the City’s preliminary inventory and currently available resources, the City will replace LSLs within the PUC Jurisdictional Territory as follows:

| YEAR | # Replacements |
|--------------------------------------|----------------|
| 2024 (YR 1) (Completed) ¹ | 4 |
| 2025 (YR 2) | 9 |
| 2026 (YR 3) | 9 |
| 2027 (YR 4) | 9 |
| 2028 (YR 5) | 9 |
| 2029 (YR 6) | 9 |
| 2030 (YR 7) | 9 |
| 2031 (YR 8) | 9 |
| 2032 (YR 9) | 9 |
| 2033 (YR 10) | 9 |
| TOTAL: | 85 |

¹ The City replaced four (4) LSLs in the PUC Jurisdictional Territory in 2024.

28. The City's cap on LSL replacements in the PUC Jurisdictional Territory is 50 per year.

29. Within City Limits, the City will replace 25 LSLs per year.

30. The foregoing replacement schedule is extremely preliminary as the City has no information on the privately-owned portion of its system. After the inventory is completed and submitted, pursuant to the 52 Pa. Code § 65.55, the City is currently obligated to remove and replace all LSLs, whether City owned or customer owned within 30 years.

31. However, the City understands that this time period is likely to be reduced to 10 years, which is reflected in the foregoing schedule. The City will propose the foregoing schedule, if necessary, in accordance with its obligations under 52 Pa. Code § 65.53(b) and/or other applicable statutes or regulations. The City will address the pace of replacement, including the cost of those replacements, based on the results from the City's survey in its periodic filings.

32. It is anticipated that LSLRs will occur April 1st through October 31st. The replacement process for LSLs will comply with the requirements set forth by the PADEP, USEPA, and the PUC.

33. PUC regulations, 52 Pa. Code § 65.58(d), require a reimbursement to an eligible customer or property owner who replaced their LSL, within 1 year before or from LSLR project commencement. The City will use due diligence to identify property owners to obtain the appropriate consent, assisted by deeds and other historical property information maintained by the Lancaster County Property Assessment Office.

34. The following practices and principles will apply to all LSL replacements:

- a. The City will use an open cut approach and remove the old lead line and properly dispose of it. A new copper line will be installed in the same trench.
- b. The City does not plan to use directional drilling as that method would not address the environmental impact of leaving lead in the ground by abandoning the old lead line in place. The City plans to remove the lead pipe from the ground.
- c. The City does not anticipate that pipe splitting will reduce costs. In the City's case, the curb stop will still be disturbed, regardless of the method used, and a significant portion of the cost is replacing concrete.
- d. The City estimates that most of the replacement lead line cost is in the rehabilitation of the concrete curb and sidewalk. The known lead lines are primarily in urban areas which create challenges for removal and replacement.
- e. In the event the City acquires another water distribution system, all new customers will be treated in the same manner as current City customers.

C. Warranty.

35. The City agrees to provide a two (2) year warranty on workmanship and materials for customer owned LSLs that the City or its contractor replaces.

36. The warranty will start on the date construction is completed and will be provided by the contractor. Maximum coverage will be for the cost of the installation.

D. Reimbursement to Customers Who Recently Paid for Their Own LSL Replacements.

37. The City will reimburse customers who paid for their own LSL replacement within one year of the date the City commences a main replacement project that would have affected the customer under the following criteria.

38. If the customer chooses to use a contractor that is not preapproved by the City, the City will reimburse the customer provided:

- a. The City is provided an opportunity to inspect the customer's installation, which includes inspection of the newly installed line inside of the home at the lateral connection with the meter. If possible, the property owner or customer must provide the City with notice of the installation at least 72 hours before it occurs. The required opportunity for inspection will be waived if the City receives both of the following:
 - i. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and
 - ii. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices.

39. If the City inspects the customers' installation, the property owner or customer reimburses the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase annually. The time for inspection is anticipated to be less than four (4) hours. The City reserves the right to charge the customer the inspection fee, along with all other remedies

available at law, if it is subsequently discovered that the materials submitted to the City by or on behalf of the customer as part of the LSLR replacement verification process were fraudulent.

40. The property owner or customer presents the City with the bill for reimbursement within 60 days of the installation's completion.

41. The property owner or customer will be reimbursed using a City issued check for up to 125% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City's sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost.

42. The City will issue the reimbursement via check.

43. The City will issue the reimbursement check for eligible applications no later than one hundred twenty (120) days from receipt of the eligible application.

44. Customers can submit a reimbursement request by mail using the following address:

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601

45. Customers may also submit a reimbursement request online by submitting the required materials and documents through the following link: <https://form.jotform.com/233463704101041>. The ability for customers to submit requests for reimbursement online is offered as a matter of convenience only, and the City reserves the right to discontinue the ability for customers to submit reimbursement requests online in its discretion and without notice.

46. Customers may also present reimbursement requests in-person at the following locations:

150 Pitney Road
Lancaster, PA 17601

39 West Chestnut Street
Lancaster, PA 17603

1220 New Danville Pike
Lancaster, PA 17603

E. Customer Outreach and Communication Plan.

47. The PADEP and USEPA require the City to publish information on both the City-owned portion and the privately-owned portion of the service line. To accomplish this, the City requires assistance from its customers.

48. The City will send out notifications and request that customers check their portion of the service line as it comes into their building or residence. This will require the customer to take a photograph for verification by City personnel. Please refer to Appendix A “Customer Outreach and Communications to the City’s LSLR Plan, which itself is included as Appendix A to this Joint Petition, for additional information.

49. When the City is attempting to contact a property owner in a situation where the property owner is not the customer in connection with the termination of service, the City will comply with all applicable requirements concerning termination of service. The City will also provide the property owner with information and resources relating to health risks associated with lead in water and LSLs in the form set forth in Appendix A to the City’s LSLR Plan.

50. The City will add a service line inventory to its website within twelve (12) months of PUC approval of this LSLR Plan that will include the following:

- An online tool describing the LSL replacement schedule by geographic location, at least six (6) months into the future;
- Information regarding the reimbursement requirements and a secure online tool that provides customers or property owners, if the customer is not the

property owner, the ability to determine whether the customer or property owner may be eligible for reimbursement;

- Information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types or the City-owned and privately-owned portions of the service line and a method to request assistance to determine if the service line is a LSL;
- Information and resources relating to health risks associated with lead in water and LSLs, the status of efforts to replace the lines, and any community meetings.

F. Cost Recovery.

1. Annual Cap and Budgetary Allotment.

51. The City will perform a maximum of 50 LSL replacements per year within the PUC Jurisdictional Territory within a maximum budget of \$750,000. If, in any year, the entire budgetary allotment is not expended, the remainder of the allotment will be carried forward and added to the budgetary allotment for the next subsequent year, subject to the cap of 50 LSL replacements per year.

2. Accounting and Ratemaking Treatment of LSL Replacements.

52. The City will capitalize LSL replacement costs and record those costs.

53. The City will create a separate sub-account, 829100, to record LSL replacement costs. Only customer-owned LSL replacement costs will be included in this sub-account.

54. Consistent with applicable law, the City will include the actual costs of customer-side LSL replacements in its rate base in a subsequent base rate case and will recover the fixed costs of such investments in property placed in service between base rates through the City's existing DSIC.

3. Cost Allocation.

55. Customer-owned LSL replacement costs will be allocated to all water customers.

G. Reporting.

56. The City will track and report the following information in its LSLR Program reports: the number of terminations where the property owner could not be identified, could not be located, or was non-responsive.

57. The City will also track and report the following information: the number of eligible/ineligible applications for reimbursement, and for eligible applications: (a) the amount charged/deducted (if any) for inspection fees, (b) the date the application was received, (c) the date the reimbursement check was sent, and (c) the amount of the reimbursement check.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

58. The City's Statement in Support is attached to this Joint Petition as Statement A, setting forth the reasons why this Settlement is in the public interest.

59. The OCA's Statement in Support is attached hereto as Statement B.

60. I&E's Statement in Support is attached hereto as Statement C.

61. The OSBA's Statement in Support is attached hereto as Statement D.

62. The Parties agree that the Settlement is in the public interest for the following additional reasons:

- a. The Settlement is Consistent with Applicable Law:
- b. Substantial Litigation and Associated Costs will be Avoided:
- c. The Settlement is Consistent with Commission Policies Promoting Negotiated Settlements.

IV. ADDITIONAL TERMS AND CONDITIONS

63. The Commission's approval of the Settlement shall not be construed as approval of any party's position on any issue, except to the extent required to effectuate the terms and conditions of the Settlement. Accordingly, this Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

64. The Parties agree to waive cross-examination of each other's witnesses and agree that the testimony and exhibits identified in sections (a) and (b) below may be admitted into evidence by stipulation and motion. To that end, the Parties have prepared, and are filing contemporaneously with this Settlement, a separate Motion, with attached Stipulation, requesting that the ALJ admit such testimony and exhibits into the record:

- a. The City's Petition, filed on May 31, 2023, with accompanying exhibits; and
- b. The Direct Testimony of Christine Volkay-Hilditch, P.E., BCEE, Deputy Director of Public Works of the City of Lancaster.
- c. The approval and consent form the City will utilize with customers prior to performing customer-side LSLR replacements, designated as Exhibit 2.

65. It is understood and agreed among the Joint Petitioners that the Settlement is the result of compromise and does not necessarily represent the position(s) that would be advanced by any party in this or any other proceeding, if it were fully litigated.

66. The Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner that is fair and reasonable. The Settlement is the product of a negotiated compromise and is presented without prejudice to any position which any of the parties may have advanced and without prejudice to the position any of the parties may advance in the future on the merits of the issues in future proceedings, except to the extent necessary to effectuate the terms and conditions of this Settlement.

67. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission should disapprove the Settlement or modify the terms and conditions herein, this Settlement may be withdrawn upon written notice to the Commission and all active parties within five business days following entry

of the Commission's Order by any of the Joint Petitioners and, in such event, shall be of no force and effect. In the event that the Commission disapproves the Settlement or the Company or any other Joint Petitioner elects to withdraw as provided above, the Parties reserve their respective rights to fully litigate this remanded case, including but limited to presentation of witnesses, cross-examination and legal argument through submission of Briefs, Exceptions, and Replies to Exceptions.

68. If the ALJ, in any Recommended Decision on this Joint Petition, recommends that the Settlement be adopted herein as proposed without modification, the Joint Petitioners agree to waive the filing of Exceptions. However, the Joint Petitioners do not waive their rights to file Exceptions with respect to any modifications to the terms and conditions of this Settlement, or any additional matters proposed by the ALJ in any Recommended Decision. The Joint Petitioners also reserve the right to file Replies to any Exceptions that may be filed.

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request as follows:

1. That the ALJ enter a Recommended Decision and the Commission enter an Order approving the Settlement embodied in this Joint Petition, including all terms and conditions thereof without modification;
2. That the ALJ admit the Joint Stipulation of Facts attached hereto as Exhibit 1 into the record in this proceeding on the terms and conditions set forth therein;
3. That the ALJ recommend that the Commission approve the City's LSLR Program as set forth herein, which is attached hereto as Appendix A;
4. That the ALJ recommend that the Commission approve the City's proposed tariff changes as set forth in Appendix B, and authorize the City to file the tariff supplement in Appendix

B on a single days' notice;

5. That the ALJ recommend that the Commission's Bureau of Technical Utility Services to complete its review of the LTIIP filed in this docket, and included as Exhibit C to this Petition, and submit an Order for Commission consideration; and

6. That the ALJ recommend that the Commission approve the City's proposal to record the costs of the customer-owned LSL replacements in a separate, segregated subaccount and to recover a return on and a return of its investment in the replacement of customer-owned LSLs, pursuant to 66 Pa. C.S.A. § 1311(b)(2)(iii).

Respectfully submitted,

/s/ Shane P. Simon

Courtney L. Schultz, Esq. (PA. ID. 306479)

Shane P. Simon, Esq. (PA. ID. 319643)

Saul Ewing LLP

1500 Market Street

Centre Square West, 38th Floor

Philadelphia, PA 19102

Tel. 215-972-7717

courtney.schultz@saul.com

shane.simon@saul.com

Attorneys for City of Lancaster – Water Bureau

Dated: July 31, 2025

/s/ Christy M. Appleby

Christy M. Appleby, Esq.

Counsel for Office of Consumer Advocate

/s/ Carrie B. Wright

Carrie B. Wright, Esq.

Counsel for Bureau of Investigation & Enforcement

/s/ Steven C. Gray

Steven C. Gray, Esq.

Counsel for Office of Small Business Advocate

EXHIBIT 1
JOINT STIPULATION OF FACTS

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster – Water Bureau for Approval of A Lead Service Line Replacement Program and Related Tariff Changes, Pursuant to 66 Pa. C.S.A. § 1311(b) and 52 Pa. Code §§ 65.51, et seq. :
: **Docket No. P-2023-3041043**
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AMENDED JOINT STIPULATION OF FACTS

TO THE HONORABLE JEFFREY WATSON, ADMINISTRATIVE LAW JUDGE:

The City of Lancaster – Water Bureau (the “City” or “Water Bureau”), the Office of Consumer Advocate (“OCA”), the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Bureau of Investigation and Enforcement (“I&E”), and the Office of Small Business Advocate (“OSBA”) (collectively, the “Joint Petitioners” or the “Parties”), by and through their respective counsel, all parties to the above-captioned proceeding, hereby file this Joint Stipulation of Facts (“Stipulation”). In support of this Stipulation, the Parties state as follows:

I. BACKGROUND

1. This proceeding was initiated on May 31, 2023, when the City petitioned the Commission to approve a Lead Service Line Replacement Program (“LSLR Program”) to replace customer-owned lead service lines (“LSLs”) and to recover the associated costs related to those replacements pursuant to Section 1311(b)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S.A. § 1311(b)(2) and Section 65.61 *et seq.* of the Commission’s Rules and Regulations, 52 Pa. Code § 65.51, *et seq.*

2. In its petition, the City requested that the Commission: (1) approve the City’s proposed tariff revisions set forth in a Supplement to the City’s current tariff; (2) approve the City’s

LSLR Program; (3) approve the City's LSLR Plan, as set forth in proposed Section 8 to its revised LTIIP, (4) approve the City's proposal to record the costs of the customer-owned LSL replacements in a separate, segregated subaccount and to recover a return on and a return of its investment in the replacement of customer-owned LSLs, pursuant to 66 Pa. C.S.A. § 1311(b)(2)(iii); and (5) direct the Commission's Bureau of Technical Utility Services to complete its review of the LTIIP filed in this docket, and submit an Order for Commission consideration.

3. Contemporaneously with this Stipulation, the Parties have filed an Amended Joint Petition for Settlement ("Settlement") that resolves all issues in this proceeding. The Settlement was reached after an investigation of the City's petition, including informal discovery and settlement discussions. The Settlement is the product of compromise between and among the Parties concerning their respective positions taken in this proceeding.

4. Because of the efforts of the Parties to conserve time and resources through settlement without formal litigation, no testimony has been served in this proceeding. Accordingly, the Parties have agreed to the facts set forth herein.

II. STIPULATION OF FACTS

5. The Parties hereby stipulate to the admission of the City's Petition and accompanying exhibits into evidence in this proceeding.

6. The City of Lancaster is an incorporated municipality in Lancaster County with a population of approximately 57,453.

7. The City provides water service to 176,328 customers outside the City of Lancaster in portions of the following municipalities in Lancaster County, Pennsylvania: (1) Lancaster Township; (2) Manheim Township; (3) Millersville Borough; (4) West Lampeter Township; (5) Pequea Township; (6) Manor Township; (7) West Hempfield Township; (8) East Hempfield Township; and (9) East Lampeter Township.

8. The City’s water service outside of its municipal limits is regulated by the Commission under the terms and provision of the Code, 66 Pa. C.S. § 101, et seq.

9. Lead is a heavy metal that commonly occurs in our environment. While humans can be exposed to lead through a variety of sources, including dust, soil, or paint chips, by far the most common source of lead exposure is ingestion from drinking water. The deleterious health effects of lead are now well-recognized.

10. The Pennsylvania Department of Environmental Protection (“PADEP”) advises that “[l]ead can cause serious health problems if too much enters your body from drinking water or other sources.”¹ Lead can “cause damage to the brain and kidneys, interfere with the production of red blood cells that carry oxygen to all parts of [the] body. The greatest risk of lead exposure is to infants, young children, and pregnant women.”²

11. Under the City’s currently-effective tariff, the customer owns the service line from the curb stop to the meter. The City then owns the portion of the service line from the curb stop to the main.

12. Ownership of the customer-side portion of a service line will **not** change as part of the City’s LSLR Plan. Nor will the general responsibility for the customer to maintain his or her portion of the service line.

13. The City recognizes the need to address LSLs. Thus, during the COVID-19 pandemic, the City proactively digitized its service line records, which had been on paper. The City inputted the information from these records into the City’s Geographic Information System

¹ See PADEP, “Lead in Drinking Water.” Available at: <https://www.dep.pa.gov/Citizens/My-Water/PublicDrinkingWater/pages/lead-in-drinking-water.aspx> (last accessed May 12, 2023).

² *Id.*

(“GIS”). This process alerted the City to the existence of eighty-five (85) LSLs in the PUC-Jurisdictional Area. These LSLs are spread out in several older developments.

14. However, the City’s currently-approved tariff does not allow the replacement of customer-owned LSLs.

15. In 2018, the Pennsylvania General Assembly passed, and the Governor signed, Act 120, which became law on October 24, 2018, and amended the Public Utility Code to facilitate a water utility’s ability to replace customer-owned LSLs.³

16. Act 120 prohibits “partial” LSL replacements. This prohibition is likely based on the fact that such “partial” replacements can lead to a higher potential for lead exposure through drinking water.

17. The City’s proposed Supplement to its tariff, if approved, will revise the applicable Rules and Regulations to permit the City to replace customer-owned LSLs at its sole cost, within the parameters of the replacement program (“Program”) described below.

18. The City’s Program, as modified by the Settlement will allow the City to proactively remove and replace (with customer consent) LSLs that the City encounters as part of its ongoing main replacement work. The Program will also allow the City to replace customer-owned LSLs at a customer’s request, subject to certain conditions.

19. The City’s PUC jurisdictional residential, commercial, and industrial customers will be eligible to participate in the LSLR Program.

20. Once the City has replaced a customer-owned LSL, the customer will own and retain responsibility for the maintenance, repair, and replacement of its portion of the service line.

³ 66 Pa.C.S. § 1311(b).

21. The City will not replace a customer-owned LSL unless the customer enters into an agreement substantially in the form included with the City's Lead Service Line Replacement Plan in which the customer consents to replacement of their portion of the service line and grants permission for the City (and the City's employees and contractors) to enter onto their property for the purpose of completing the LSL replacement.

22. A customer's refusal to allow the City to replace their portion of an LSL or the customer's refusal to arrange for the replacement of their portion of an LSL themselves will result in the temporary water service being shut off and the customer not having any water service until the privately-owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied.

23. Generally, the City will not replace a customer-owned LSL to avoid termination of water service when the property owner who is not the customer cannot be identified, cannot be located, or is non-responsive. The City reserves the right to review requests from non-property owner customers to complete the replacement of the customer-owned LSL on a case by case basis in extenuating circumstances, including where the non-property owner customer is seriously ill or has a medical condition that will be aggravated by the cessation of service, or where the non-property owner customer is a victim of abuse and has an order issued by the courts.

24. The City proposes an annual cap on customer-owned LSL replacements of fifty (50) per year in the City's PUC jurisdictional territory, and a monetary cap of \$750,000 per year.

25. The City will provide a two (2) year warranty on workmanship and materials for customer owned LSLs that the City or its contractor replaces.

26. The warranty will start on the date construction is completed and will be provided by the contractor. Maximum coverage will be for the cost of the installation.

27. The City will reimburse customers who paid for their own LSL replacement within one year of the date the City commences a main replacement project that would have affected the customer under the following criteria.

28. If the customer chooses to use a contractor that is not preapproved by the City, the City will reimburse the customer provided:

- a. The City is provided an opportunity to inspect the customer's installation, which includes inspection of the newly installed line inside of the home at the lateral connection with the meter. If possible, the property owner or customer must provide the City with notice of the installation at least 72 hours before it occurs. The required opportunity for inspection will be waived if the City receives both of the following:
 - i. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and
 - ii. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices.

29. If the City inspects the customers' installation, the property owner or customer reimburses the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase annually. The time for inspection is anticipated to be less than four (4) hours. The City reserves the right to charge the customer the inspection fee, along with all other remedies

available at law, if it is subsequently discovered that the materials submitted to the City by or on behalf of the customer as part of the LSLR replacement verification process were fraudulent.

30. The property owner or customer presents the City with the bill for reimbursement within 60 days of the installation's completion.

31. The property owner or customer will be reimbursed using a City issued check for up to 125% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City's sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost.

32. The City will issue the reimbursement via check.

33. The City will issue the reimbursement check for eligible applications no later than one hundred twenty (120) days from receipt of the eligible application.

34. Customers can submit a reimbursement request by mail using the following address:

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601

35. Customers may also submit a reimbursement request online by submitting the required materials and documents through the following link: <https://form.jotform.com/233463704101041>. The ability for customers to submit requests for reimbursement online is offered as a matter of convenience, only, and the City reserves the right to discontinue the ability for customers to submit reimbursement requests online in its discretion and without notice.

36. Customers may also present reimbursement requests in-person at the following locations:

150 Pitney Road
Lancaster, PA 17601

39 West Chestnut Street
Lancaster, PA 17603

1220 New Danville Pike
Lancaster, PA 17603

37. The City proposes to record LSL replacement costs in a separate subaccount, numbered 829100. Consistent with applicable law, the City will include its actual costs associated with its replacement of customer-owned LSLs in the City's rate base in a future base rate proceeding and will recover the fixed costs of such investment in property placed in service between base rate cases through its existing Distribution System Improvement Charge.

38. The City will track and report the following information in its LSLR Program reports: the number of terminations where the property owner could not be identified, could not be located, or was non-responsive.

39. The City will also track and report the following information: the number of eligible/ineligible applications for reimbursement, and for eligible applications: (a) the amount charged/deducted (if any) for inspection fees, (b) the date the application was received, (c) the date the reimbursement check was sent, and (c) the amount of the reimbursement check.

40. The City will communicate its Program to its customers by adding a service line inventory to its website within twelve (12) months of PUC approval of its Program that will include the following:

- An online tool describing the LSL replacement schedule by geographic location, at least six (6) months into the future;
- Information regarding the reimbursement requirements and a secure online tool that provides customers or property owners, if the customer is not the property owner, the ability to determine whether the customer or property owner may be eligible for reimbursement;

- Information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types or the City-owned and privately-owned portions of the service line and a method to request assistance to determine if the service line is a LSL;
- Information and resources relating to health risks associated with lead in water and LSLs, the status of efforts to replace the lines, and any community meetings.

41. The City’s Program, as modified by the Settlement, is in the public interest for several reasons.

42. The Pennsylvania General Assembly has determined that it is in the public interest for water utilities to replace customer-owned LSLs “concurrent[ly] with a scheduled utility main replacement project.” 66 Pa. C.S. § 1311(b)(2)(i).

43. The federal Lead and Copper Rule Revisions mandates that only a *full* – not partial – lead service line replacements count toward compliance under applicable federal laws and regulations. *See* 40 C.F.R. § 141.84(f)(3) (“Only full lead service line replacements count towards a water system’s annual replacement goal. Partial lead service line replacements do not count towards the goal.”).

44. A full (as opposed to a partial) LSL replacement removes a potential source of elevated lead levels in its entirety.

45. The budgetary allotment of \$750,000 per year is reasonably and appropriately tied to accomplishing the City’s mandated replacement goals and mitigating the impact on customer rates.

III. TERMS AND CONDITIONS OF THE STIPULATION

46. This Stipulation is presented by the Parties in conjunction with the simultaneously filed Joint Petition for Settlement, which is intended to resolve all issues in this proceeding. If the

Commission rejects or otherwise modifies the Settlement, the Parties reserve their respective rights to object to the admission of the Stipulation, submit additional testimony and exhibits, and cross-examine witnesses at evidentiary hearings.

47. This Stipulation is being presented, in conjunction with the Settlement, for the sole purpose of resolving the issues in the above-captioned proceeding. Regardless of whether this Stipulation is approved, no adverse inference shall be draw, nor shall prejudice result to any Party, in this or any future proceeding, as a consequence of this Stipulation or any of its terms or conditions.

48. Attached hereto as Exhibit A is a proposed “Order Granting Joint Stipulation of Facts” for consideration by the ALJ.

WHEREFORE, the Parties, by and through their respective counsel, respectfully request that the Honorable Administrative Law Judge Jeffrey A. Watson admit the foregoing Joint Stipulation of Facts into the record in this proceeding on the terms and conditions set forth in the Stipulation.

Respectfully submitted,

/s/ Shane P. Simon

Courtney L. Schultz, Esq. (PA. ID. 306479)

Shane P. Simon, Esq. (PA. ID. 319643)

Saul Ewing LLP

1500 Market Street

Centre Square West, 38th Floor

Philadelphia, PA 19102

Tel. 215-972-7717

courtney.schultz@saul.com

shane.simon@saul.com

Attorneys for City of Lancaster – Water Bureau

Dated: July 31, 2025

/s/ Christy M. Appleby
Christy M. Appleby, Esq.
Counsel for Office of Consumer Advocate

/s/ Carrie B. Wright
Carrie B. Wright, Esq.
Counsel for Bureau of Investigation &
Enforcement

/s/ Steven C. Gray
Steven C. Gray, Esq.
Counsel for Office of Small Business Advocate

EXHIBIT A

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|--|---|----------------------------------|
| Petition of The City of Lancaster – Water | : | |
| Bureau for Approval of A Lead Service | : | |
| Line Replacement Program and Related | : | Docket No. P-2023-3041043 |
| Tariff Changes, Pursuant to 66 Pa. C.S.A. | : | |
| § 1311(b) and 52 Pa. Code §§ 65.51, et seq. | : | |
| | : | |

ORDER GRANTING JOINT STIPULATION OF FACTS

On July 31, 2025, The City of Lancaster – Water Bureau, the Office of Consumer Advocate, the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement, and the Office of Small Business Advocate (“Parties”), all parties to the above-captioned proceeding, filed a Joint Stipulation of Facts (“Stipulation”). Each of the Parties stipulated to the veracity and authenticity of the facts set forth in the Stipulation and requested that the Stipulation be admitted into the record of this proceeding on the terms and conditions set forth in the Stipulation. The Stipulation is attached to this Order.

THEREFORE, IT IS ORDERED:

1. That the Stipulation, filed on July 31, 2025, is admitted into the record of this proceeding on the terms and conditions set forth in the Stipulation.

Date: _____

Jeffrey A. Watson
Administrative Law Judge

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster – Water :
Bureau for Approval of A Lead Service :
Line Replacement Program and Related : **Docket No. P-2023-3041043**
Tariff Changes, Pursuant to 66 Pa. C.S.A. :
§ 1311(b) and 52 Pa. Code §§ 65.51, et seq. :
:

**JOINT PROPOSED FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS**

I. PROPOSED FINDINGS OF FACT

1. The City of Lancaster is an incorporated municipality in Lancaster County with a population of approximately 57,453. Joint Stipulation of Facts, ¶ 6

2. The City provides water service to 176,328 customers outside the City of Lancaster in portions of the following municipalities in Lancaster County, Pennsylvania: (1) Lancaster Township; (2) Manheim Township; (3) Millersville Borough; (4) West Lampeter Township; (5) Pequea Township; (6) Manor Township; (7) West Hempfield Township; (8) East Hempfield Township; and (9) East Lampeter Township. *Id.*, ¶ 7.

3. The City’s water service outside of its municipal limits is regulated by the Commission under the terms and provision of the Code, 66 Pa. C.S. § 101, *et seq.* *Id.*, ¶ 8.

4. Lead is a heavy metal that commonly occurs in our environment. While humans can be exposed to lead through a variety of sources, including dust, soil, or paint chips, by far the most common source of lead exposure is ingestion from drinking water. The deleterious health effects of lead are now well-recognized. *Id.*, ¶ 9.

5. Under the City’s currently-effective tariff, the customer owns the service line from the curb stop to the meter. The City then owns the portion of the service line from the curb

stop to the main. *Id.*, ¶ 11.

6. The City has currently identified eighty-five (85) LSLs in the PUC-Jurisdictional Area. These LSLs are spread out in several older developments. *Id.*, ¶ 13.

7. The City’s currently-approved tariff does not allow the replacement of customer-owned LSLs. *Id.*, ¶ 14.

8. In 2018, the Pennsylvania General Assembly passed, and the Governor signed, Act 120, which became law on October 24, 2018, and amended the Public Utility Code to facilitate a water utility’s ability to replace customer-owned LSLs.¹ *Id.*, ¶ 15.

9. Act 120 prohibits “partial” LSL replacements. This prohibition is likely based on the fact that such “partial” replacements can lead to a higher potential for lead exposure through drinking water. *Id.*, ¶ 16.

10. This proceeding was initiated on May 31, 2023, when the City petitioned the Commission to approve a Lead Service Line Replacement Program to replace customer-owned lead service lines and to recover the associated costs related to those replacements pursuant to Section 1311(b)(2) of the Pennsylvania Public Utility Code, 66 Pa. C.S.A. § 1311(b)(2) and Section 65.61 *et seq.* of the Commission’s Rules and Regulations, 52 Pa. Code § 65.51, *et seq.* *Id.*, ¶ 1.

11. Specifically, the City requested that the Commission: (1) approve the City’s proposed tariff revisions set forth in a Supplement to the City’s current tariff; (2) approve the City’s LSLR Program; (3) approve the City’s LSLR Plan, as set forth in proposed Section 8 to its revised LTIP, (4) approve the City’s proposal to record the costs of the customer-owned LSL

¹ 66 Pa.C.S. § 1311(b).

replacements in a separate, segregated subaccount and to recover a return on and a return of its investment in the replacement of customer-owned LSLs, pursuant to 66 Pa. C.S.A. § 1311(b)(2)(iii); and (5) direct the Commission’s Bureau of Technical Utility Services to complete its review of the LTIP filed in this docket, and submit an Order for Commission consideration. *Id.*, ¶ 2.

12. The Petition was served on the Commission’s the Office of Consumer Advocate (“OCA”), the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) Bureau of Investigation and Enforcement (“I&E”), and the Office of Small Business Advocate (“OSBA”), as well as the individuals who had participated in the City’s last base rate case.

13. I&E filed a Notice of Appearance on June 7, 2023.

14. OCA filed an Answer to the City’s petition with comments on June 20, 2023.

15. In the Prehearing Order dated July 13, 2023, the ALJ set a Prehearing Conference date of August 15, 2023.

16. OSBA filed a Notice of Appearance on July 26, 2023.

17. Prior to a Prehearing Conference in this matter, the Parties advised the ALJ that they had made progress in settlement discussions and requested additional time to complete those discussions. The Parties further requested to adjourn the Prehearing Conference.

18. The ALJ canceled the Prehearing Conference on August 11, 2023.

19. On November 13, 2023, the ALJ issued a First Interim Order directing the Parties to file a Status Report on or before November 30, 2023.

20. The Parties submitted a Joint Status Report on November 30, 2023, advising that settlement discussions had advanced and were continuing, but that additional time was needed.

21. On February 1, 2024, the Parties submitted a Second Joint Status Report advising

that settlement discussions had advanced to the point where only a few limited issues remained, and requested additional time to pursue a settlement.

22. On April 12, 2024, the Parties jointly submitted a Notice of Settlement in Principle that advised, in relevant part, that the “City and the OCA have reached a settlement in principle, to which I&E does not object. The OSBA has not yet expressed an opinion as to whether it will join or not object to the settlement, which resolves all issues raised by the parties in this matter.”

23. Subsequently, via e-mail dated April 15, 2024, the OSBA advised the ALJ and the Parties that it would “also be joining the Settlement, and will prepare a Statement in Support.”

24. On April 9, 2025, the City, the OCA, I&E, and the OSBA submitted a Joint Petition for Settlement (“Settlement” or “Joint Petition”) and requested that the ALJ approve the Settlement without modification.

25. Between April 15, 2024 and the date that the Parties filed the Joint Petition, the City was required to revise its Long Term Infrastructure Improvement Plan (“LTIIP”) to reflect various changes and updates. As such, the City’s revised LTIIP submitted with the Joint Petition reflected those changes and updates, in addition to those revisions necessitated as a result of the LSLR Program. *See* Secretarial Letter, Docket No. M-2024-3048173 (Dated July 30, 2024).

26. On May 15, 2025, the ALJ issued an Interim Order highlighting omissions in the Joint Petition and corresponding settlement documents and inviting the Parties to file amended documents on or before July 31, 2025.

27. The Parties filed an Amended Joint Petition and corresponding amended settlement documents on July 31, 2025.

28. Under the Settlement, the Parties agreed that the City’s LSLR Program would be implemented as filed, with the modifications described in the Amended Joint Petition.

29. The City's Program, as modified by the Settlement will allow the City to proactively remove and replace (with customer consent) LSLs that the City encounters as part of its ongoing main replacement work. The Program will also allow the City to replace customer-owned LSLs at a customer's request, subject to certain conditions. Joint Stipulation of Facts, ¶ 18.

30. The City's PUC-Jurisdictional residential, commercial, and industrial customers will be eligible to participate in the LSLR Program. *Id.*, ¶ 19.

31. Ownership of the customer-side portion of a service line will **not** change as part of the City's LSLR Plan. Nor will the general responsibility for the customer to maintain his or her portion of the service line. *Id.*, ¶ 12.

32. Once the City has replaced a customer-owned LSL, the customer will own and retain responsibility for the maintenance, repair, and replacement of its portion of the service line. *Id.*, ¶ 20.

33. The City will not replace a customer-owned LSL unless the customer enters into an agreement substantially in the form accompanying the City's Lead Service Line Replacement Program in which the customer consents to replacement of their portion of the service line and grants permission for the City (and the City's employees and contractors) to enter onto their property for the purpose of completing the LSL replacement. *Id.*, ¶ 21.

34. A customer's refusal to allow the City to replace their portion of an LSL or the customer's refusal to arrange for the replacement of their portion of an LSL themselves will result in the temporary water service being shut off and the customer not having any water service until the privately-owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied. *Id.*, ¶ 22.

35. Generally, the City will not replace a customer-owned LSL to avoid termination of

water service when the property owner who is not the customer cannot be identified, cannot be located, or is non-responsive. The City reserves the right to review requests from non-property owner customers to complete the replacement of the customer-owned LSL on a case by case basis in extenuating circumstances, including where the non-property owner customer is seriously ill or has a medical condition that will be aggravated by the cessation of service, or where the non-property owner customer is a victim of abuse and has an order issued by the courts. *Id.*, ¶ 23.

36. The City proposes an annual cap on customer-owned LSL replacements of fifty (50) per year in the City’s PUC Jurisdictional Territory, and a monetary cap of \$750,000 per year. *Id.*, ¶ 24.

37. The City will replace LSLs in its PUC Jurisdictional Territory on a scheduled as follows:

| YEAR | # Replacements |
|-------------------------|----------------|
| 2024 (YR 1) (Completed) | 4 |
| 2025 (YR 2) | 9 |
| 2026 (YR 3) | 9 |
| 2027 (YR 4) | 9 |
| 2028 (YR 5) | 9 |
| 2029 (YR 6) | 9 |
| 2030 (YR 7) | 9 |
| 2031 (YR 8) | 9 |
| 2032 (YR 9) | 9 |
| 2033 (YR 10) | 9 |
| TOTAL: | 85 |

38. The City will provide a two (2) year warranty on workmanship and materials for customer owned LSLs that the City or its contractor replaces. *Id.*, ¶ 25.

39. The warranty will start on the date construction is completed and will be provided by the contractor. Maximum coverage will be for the cost of the installation. *Id.*, ¶ 26.

40. The City will reimburse customers who paid for their own LSL replacement within

one year of the date the City commences a main replacement project that would have affected the customer under the following criteria. *Id.*, ¶ 27.

41. If the customer chooses to use a contractor that is not preapproved by the City, the City will reimburse the customer provided:

- a. The City is provided an opportunity to inspect the customer's installation, which includes inspection of the newly installed line inside of the home at the lateral connection with the meter. If possible, the property owner or customer must provide the City with notice of the installation at least 72 hours before it occurs. The required opportunity for inspection will be waived if the City receives both of the following:
 - i. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and
 - ii. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices. *Id.*, ¶ 28.

37. If the City inspects the customers' installation, the property owner or customer reimburses the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase annually. The time for inspection is anticipated to be less than four (4) hours. The City reserves the right to charge the customer the inspection fee, along with all other remedies available at law, if it is subsequently discovered that the materials submitted to the City by or on

behalf of the customer as part of the LSLR replacement verification process were fraudulent. *Id.*, ¶ 29.

38. The property owner or customer presents the City with the bill for reimbursement within 60 days of the installation's completion. *Id.*, ¶ 30.

39. The property owner or customer will be reimbursed using a City issued check for up to 125% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City's sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost. *Id.*, ¶ 31.

40. The City will issue the reimbursement via check. *Id.*, ¶ 32.

41. The City will issue the reimbursement check for eligible applications no later than one hundred twenty (120) days from receipt of the eligible application. *Id.*, ¶ 33.

42. Customers can submit a reimbursement request by mail using the following address:

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601

Id., ¶ 34.

43. Customers may also submit a reimbursement request online by submitting the required materials and documents through the following link: <https://form.jotform.com/233463704101041>. The ability for customers to submit requests for reimbursement online is offered as a matter of convenience, only, and the City reserves the right to discontinue the ability for customers to submit reimbursement requests online in its discretion and without notice. *Id.*, ¶ 35.

44. Customers may also present reimbursement requests in-person at the following locations:

150 Pitney Road
Lancaster, PA 17601

39 West Chestnut Street
Lancaster, PA 17603

1220 New Danville Pike
Lancaster, PA 17603

Id., ¶ 36.

45. The City proposes to record customer-owned LSL replacement costs in a separate subaccount, numbered 829100. Consistent with applicable law, the City will include its actual costs associated with its replacement of customer-owned LSLs in the City's rate base in a future base rate proceeding and will recover the fixed costs of such investment in property placed in service between base rate cases through its existing Distribution System Improvement Charge. *Id.*, ¶ 37.

46. The City will communicate its Program to its customers by adding a service line inventory to its website within twelve (12) months of PUC approval of its Program that will include the following:

- An online tool describing the LSL replacement schedule by geographic location, at least six (6) months into the future;
- Information regarding the reimbursement requirements and a secure online tool that provides customers or property owners, if the customer is not the property owner, the ability to determine whether the customer or property owner may be eligible for reimbursement;
- Information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types or the City-owned and privately-owned portions of the service line and a method to request assistance to determine if the service line is a LSL;

- Information and resources relating to health risks associated with lead in water and LSLs, the status of efforts to replace the lines, and any community meetings.

Id., ¶ 38.

47. The City’s Program, as modified by the Settlement, is in the public interest for several reasons.

- a. A full (as opposed to a partial) LSL replacement removes a potential source of elevated lead levels in its entirety.
- b. The budgetary allotment of \$750,000 per year is reasonably and appropriately tied to accomplishing the City’s mandated replacement goals and mitigating the impact on customer rates.

Id., ¶¶ 39-43.

II. PROPOSED CONCLUSIONS OF LAW

1. Pennsylvania Act 120 authorizes a public water utility to replace customer-owned LSLs and recover a return on, and return of, the replacement costs through the utility’s base rates and its DSIC. 66 Pa. C.S. §§ 1311(b)(2)(ii) and (iii).

2. Act 120 requires a public utility to file a new tariff or supplement to an existing tariff with the Commission and receive approval prior to replacing customer-owned LSLs and recovering these costs. *Id.* at § 1311(b)(2)(v).

3. The Pennsylvania General Assembly has determined that it is in the public interest for water utilities to replace customer-owned LSLs “concurrent[ly] with a scheduled utility main replacement project.” 66 Pa. C.S. § 1311(b)(2)(i).

4. The federal Lead and Copper Rule Revisions mandates that only a *full* – not partial – lead service line replacements count toward compliance under applicable federal laws and

regulations. *See* 40 C.F.R. § 141.84(f)(3) (“Only full lead service line replacements count towards a water system's annual replacement goal. Partial lead service line replacements do not count towards the goal.”).

5. The tariff supplement must contain a cap on the maximum number of Customer-owned LSLs to be replaced annually. Additionally, a customer-owned LSL replacement program must allow for a warranty period for the work completed and reimbursement to customers who have replaced their LSL within one year of the commencement of a project in accordance with a Commission-approved tariff. *Id.* at § 1311(b)(2)(v)-(vii).

6. To approve a settlement, the Commission must determine that the proposed terms and conditions, viewed in the context of the settlement as a whole, are in the public interest. *See Pa. P.U.C. v. CS Water & Sewer Ass’n*, 74 Pa. P.U.C. 767, 771 (1991); *Pa. P.U.C. v. Philadelphia Elec. Co.*, 60 Pa. P.U.C. 1, 22 (1985).

7. The Commission’s policy and precedent embodied in its regulation at 52 Pa. Code § 5.231 and its Policy Statement on Settlements at 52 Pa. Code § 69.401 encourage parties to resolve contested proceedings by settlement.

8. In its Policy Statement, the Commission stated that “the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding” (emphasis added).

9. In *Pa. P.U.C. v. PECO Energy Co.*, Docket No. R-2010-2161575 (Recommended Decision issued November 2, 2010), p. 12, which was approved and adopted by the Commission in its Final Order entered December 21, 2010, the ALJ summarized the benefits of resolving contested cases by settlement:

Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve administrative hearing resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401. Rate cases are expensive to litigate and the cost of such litigation at a reasonable level is an operating expense recovered in the rates approved by the Commission. This means that a settlement, which allows the parties to avoid the substantial costs of preparing and serving testimony and the cross-examination of witnesses in lengthy hearings, the preparation and service of briefs, reply briefs, exceptions and reply exceptions, together with the briefs and reply briefs necessitated by any appeal of the Commission's decision, yields significant expense savings for the company's customers. That is one reason why settlements are encouraged by long-standing Commission policy.

10. The terms and conditions of the Joint Petition are consistent with Act 120 and satisfy all of the Commission's criteria for approval of a settlement.

III. PROPOSED ORDERING PARAGRAPHS

1. The Amended Joint Petition is granted and the Settlement is approved, without modification.
2. The City is permitted to file a Tariff Supplement revising its currently effective Tariff and incorporating the terms of the Settlement and changes to its rules and regulations as set forth in Exhibit 4 of the Joint Petition to become effective on one day's notice from the date of the tariff filing.
3. That the Bureau of Technical Utility Services shall complete its review of the amended Lead Service Line Replacement Plan, modified Long-Term Infrastructure improvement Plan, and tariff supplement subject to the schedule in place at the time the proceeding was assigned to the Office of Administrative Law Judge for hearings in this matter and submit an order for Commission consideration.
4. That, the proceeding at Docket No. P-2023-3041043 shall remain open pending completion of the Bureau of Technical Utility Services' review as ordered in Ordering Paragraph No. 3 above.

EXHIBIT 2
CUSTOMER-SIDE LSLR CONSENT FORM



AUTHORIZATION FOR PRIVATE LEAD SERVICE LINE REPLACEMENT

The Bureau of Water of the City of Lancaster (“City”) is offering certain Property Owners replacement of their part of any lead service line (“LSL”) connected to the City’s water mains at no cost to the Property Owner under the City’s Lead Service Line Replacement Program (“LSLR Program”).

Under the City’s rules and regulations, the Property Owner owns and is responsible for the maintenance of the entire water line from the curb box to the premises being served by the City’s water service (a “private LSL”). As part of the LSLR Program, the City will replace private LSLs that are connected to its service lines. The City’s records reflect that the water service line from our water main to your home may be made of lead, or other materials containing lead such as brass or galvanized steel. Whichever option you choose, the LSL must be replaced. If you desire to participate in the LSLR Program then you must complete this form per the instructions provided below.

A Property Owner, or the Property Owner’s legal representative, must provide authorization and consent to participate in the LSLR Program by signing this Authorization for Private LSL Replacement Form (“Form”). The following is a description of the responsibilities of the City and Property Owners who want to participate in the LSLR Program:

The City and/or any contractor(s) and other representative(s) that the City elects to utilize will need access to your Property to perform the work associated with the LSL replacement (“Replacement Work”). This Replacement Work includes access to the water meter inside your home, and involves: (i) shutting off your water service for approximately eight (8) hours; (ii) removing your existing LSL; replacing the LSL with a new copper service line (from the street to your home, and through your basement wall to the existing water meter); (iii) connecting the new service line to the City’s water main and flushing the new service line; (iv) re-seeding and/or re-mulching all turf areas disturbed as soon as practicable. Pavement areas disturbed will be replaced with similar pavement surfaces. The City will not be responsible for any damage to trees or landscaping affected by replacement of the LSL. Before beginning the Replacement Work, the City will notify you when its designated representatives will be on your Property to perform the Replacement Work. It is your responsibility to provide reasonable access and a working area for the City or its designated representatives at the service line and water meter location. An adult must be present at the Property when the Replacement Work is being done. The City and its designated representatives may continue to enter onto your Property until the Replacement Work is completed, and both you and the City have accepted the completed work. The City and its designated representatives will suitably identify themselves prior to entering the Property.

YOUR RESPONSE TO THIS FORM IS REQUIRED: You must sign and submit this Form to participate in the LSLR Program. The City will not replace the private LSL on your Property without your authorization and consent. If you refuse to participate, and you choose to replace the



Private LSL at your own cost and expense, you must do so within one year of when the commencement of the work on the Property would have begun to be eligible for reimbursement.

If you do **NOT** wish to participate in the LSLR Program, you may decline using the option below. If you decline to participate in the LSLR Program, the City will **NOT** replace the private LSL on your Property. Your continued use of a LSL could have harmful effects. No level of lead in drinking water is safe, and the United States Department of Environmental Protection and Pennsylvania Department of Environmental Protection agree that lead in drinking water can cause serious health problems. It can cause damage to the brain and kidneys, and interfere with the production of red blood cells that carry oxygen to all parts of your body. The greatest risk of lead exposure is to infants, young children and pregnant women.

Please return this Form as soon as possible.

PLEASE RETURN THIS FORM AFTER COMPLETING THE APPROPRIATE SECTION ON THE FOLLOWING PAGE INDICATING WHETHER YOU AGREE TO PARTICIPATE IN THE LSLR PROGRAM OR DECLINE TO PARTICIPATE IN THE LSLR PROGRAM. A SELF-ADDRESSED ENVELOPE IS ENCLOSED.

APPROVAL FOR PRIVATE LSL REPLACEMENT

I **AGREE** and **CONSENT**, on my own behalf, and on behalf of all other persons who could claim by or through me, except for the express obligations in this Form, to release and hold harmless the City of Lancaster – Bureau of Water (the “City”) and its employees, agents, contractors, or representatives, and the City of Lancaster from any and all claims, causes of action, damages, or losses, of any nature whatsoever, that I may have with respect to the work authorized by this Form; it being acknowledged and agreed by me that I have accepted, voluntarily at no cost, the offer to participate in the LSLR Program, as offered by the City.

_____ Date: _____

(Signature of Property Owner)

_____ Address: _____

(Typed or Printed Name)

Please provide the contact information where you can be reached during normal business hours:

Phone: _____ Email: _____

DECLINE PRIVATE LSL REPLACEMENT

I **DECLINE** to have the City of Lancaster – Bureau of Water (the “City”) address my privately owned lead service line. I understand that lead is a toxic metal that can be harmful to human health even at low exposure levels. Lead is persistent, and it can bioaccumulate in the human body over time. All persons, especially, pregnant women, children, and infants, are vulnerable to the dangerous effects of lead in drinking water. For more information on the harmful effects of lead in drinking water please visit the following website maintained by the United States Environmental Protection Agency: <https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water>.

I understand that my refusal or failure to accept the City’s offer to replace my privately owned lead service line will **require** replacement of my Private LSL at **my expense** within one (1) year from the date when the commencement of the work on my Property would have begun in order for me to be eligible for reimbursement for the replacement of my Private LSL by the City.

I further understand that my refusal or failure to allow the City or its representative to replace my Private LSL, or my failure to replace my Private LSL concurrently with the City’s replacement of its portion of its service line if applicable, **will lead to termination of my water service** under the applicable provisions of the City’s currently-effective tariff, which is available on the internet at: <https://www.cityoflanasterpa.gov/wp-content/uploads/2019/08/City-of-Lancaster-Water-Tariff-Suppl.-No.-48-Effective-June-29-2022.pdf>.

_____ Date: _____

(Signature of Property Owner)

_____ Address: _____

(Typed or Printed Name)

Phone: _____ Email: _____

AUTORIZACIÓN PARA
SUSTITUCIÓN DE LA LÍNEA DE SERVICIO DE PLOMO
PRIVADA

La Oficina de Agua de la Ciudad de Lancaster ("Ciudad") está ofreciendo a ciertos Propietarios el reemplazo de su parte de cualquier línea de servicio de plomo ("LSL", por sus siglas en inglés) conectada a las tuberías principales de agua de la Ciudad sin costo alguno para el Propietario bajo el Programa de Reemplazo de Línea de Servicio de Plomo de la Ciudad ("Programa LSLR", por sus siglas en inglés).

De acuerdo con las normas y reglamentos de la Ciudad, el Propietario posee y es responsable del mantenimiento de toda línea de agua de la caja de la acera a los locales que son atendidos por el servicio de agua de la Ciudad (un "LSL privado"). Como parte del Programa LSLR, la Ciudad sustituirá los LSL privados que estén conectados a sus líneas de servicio. Los registros de la Ciudad reflejan que la línea de servicio de agua de nuestra red de agua a su casa puede ser de plomo, u otros materiales que contienen plomo como el latón o acero galvanizado. Sea cual sea la opción elegida, el LSL debe sustituirse. Si desea participar en el Programa LSLR, deberá completar este formulario siguiendo las instrucciones que figuran a continuación.

El Propietario, o su representante legal, debe dar su autorización y consentimiento para participar en el Programa LSLR firmando este Formulario de Autorización de Sustitución de LSL Privado ("Formulario"). A continuación se describen las responsabilidades de la Ciudad y de los Propietarios que deseen participar en el Programa LSLR:

La Ciudad y/o cualquier contratista(s) y otro(s) representante(s) que la Ciudad elija utilizar necesitarán acceso a su Propiedad para realizar el trabajo asociado con el reemplazo del LSL ("Trabajo de Reemplazo"). Este trabajo de sustitución incluye el acceso al medidor de agua dentro de su casa, e implica: (i) el corte de su servicio de agua durante aproximadamente ocho (8) horas; (ii) la eliminación de su LSL existente; la sustitución de la LSL con una nueva línea de servicio de cobre (de la calle a su casa, y a través de la pared del sótano hasta el medidor de agua existente); (iii) la conexión de la nueva línea de servicio a la red principal de agua de la Ciudad y el lavado de la nueva línea de servicio; (iv) resiembra y / o recolocación del acolchado de todas las áreas de césped perturbado tan pronto como sea posible. Las zonas de pavimento alteradas se sustituirán por superficies de pavimento similares. La Ciudad no será responsable de ningún daño a los árboles o al paisajismo afectado por la sustitución del LSL. Antes de comenzar el trabajo de sustitución, la Ciudad le notificará cuándo sus representantes designados estarán en su propiedad para realizar el trabajo de sustitución. Es su responsabilidad proporcionar un acceso razonable y un área de trabajo para la Ciudad o sus representantes designados en la línea de servicio y la ubicación del medidor de agua. Debe haber un adulto presente en el inmueble cuando se realicen las obras de sustitución. La Ciudad y sus representantes designados pueden seguir entrando en su Propiedad hasta que el Trabajo de Sustitución esté terminado, y tanto usted como la Ciudad hayan aceptado el trabajo terminado. La Ciudad y sus representantes designados se identificarán adecuadamente antes de entrar en la Propiedad.

SU RESPUESTA A ESTE FORMULARIO ES OBLIGATORIA: Debe firmar y enviar este formulario para participar en el Programa LSLR. La Ciudad no reemplazará el LSL privado en su Propiedad sin su autorización y consentimiento. Si se niega a participar y opta por sustituir el LSL Privado por su cuenta y cargo, deberá hacerlo en el plazo de un año a partir de la fecha en que hubieran comenzado los trabajos en el Inmueble para poder optar al reembolso.



Si **NO** desea participar en el Programa LSLR, puede renunciar utilizando la opción que figura a continuación. Si rechaza participar en el Programa LSLR, el Ayuntamiento **NO** sustituirá el LSL privado de su Propiedad. Su uso continuado podría tener efectos perjudiciales. Ningún nivel de plomo en el agua potable es seguro, y el Departamento de Protección del Ambiente de Estados Unidos y el Departamento de Protección del Ambiente de Pennsylvania coinciden en que el plomo en el agua potable puede causar graves problemas de salud. Puede causar daños en el cerebro y los riñones, e interferir en la producción de glóbulos rojos que transportan oxígeno a todas las partes del cuerpo. El mayor riesgo de exposición al plomo lo corren los lactantes, los niños pequeños y las mujeres embarazadas.

Por favor, devuelva este formulario lo antes posible.

DEVUELVA ESTE FORMULARIO DESPUÉS DE RELLENAR LA SECCIÓN CORRESPONDIENTE EN LA PÁGINA SIGUIENTE INDICANDO SI ACEPTA PARTICIPAR EN EL PROGRAMA LSLR O SI RECHAZA PARTICIPAR EN EL PROGRAMA LSLR. SE ADJUNTA UN SOBRE CON SU DIRECCIÓN.

APROBACIÓN DE LA SUSTITUCIÓN DE UN LSL PRIVADO

ACEPTO y CONSIENTO, en mi propio nombre, y en nombre de todas las demás personas que pudieran reclamar por mí o a través de mí, excepto por las obligaciones expresas en este Formulario, liberar y eximir de responsabilidad a la Ciudad de Lancaster - Oficina de Agua (la "Ciudad") y a sus empleados, agentes, contratistas o representantes, y a la Ciudad de Lancaster de cualquier y todo reclamo, causa de acción, daño o pérdida, de cualquier naturaleza, que yo pudiera tener con respecto al trabajo autorizado por este Formulario; siendo reconocido y acordado por mí que he aceptado, voluntariamente y sin costo alguno, la oferta de participar en el Programa LSLR, ofrecido por la Ciudad.

(Firma del propietario) Fecha: _____

(Nombre mecanografiado o en letra de molde) Dirección: _____

Indique los datos de contacto en los que se le puede localizar durante el horario laboral normal:

Teléfono: _____ Correo electrónico: _____

RECHAZO DE SUSTITUCIÓN LSL PRIVADA

RECHAZO que la Ciudad de Lancaster - Oficina de Aguas (la "Ciudad") se ocupe de mi línea de servicio de plomo de propiedad privada. Entiendo que el plomo es un metal tóxico que puede ser perjudicial para la salud humana incluso a bajos niveles de exposición. El plomo es persistente y puede bioacumularse en el cuerpo humano con el tiempo. Todas las personas, especialmente las mujeres embarazadas, los niños y los bebés, son vulnerables a los peligrosos efectos del plomo en el agua potable. Para más información sobre los efectos nocivos del plomo en el agua potable, visite el siguiente sitio web de la Agencia de Protección del ambiente de los Estados Unidos: <https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water>.

Entiendo que mi negativa o falta de aceptación de la oferta de la Ciudad para reemplazar mi línea de servicio de plomo de propiedad privada **requerirá** el reemplazo de mi LSL Privado a **mi cargo** dentro de un (1) año a partir de la fecha en que el inicio de las obras en mi Propiedad habría comenzado para que yo sea elegible para el reembolso por el reemplazo de mi LSL Privado por la Ciudad.

Asimismo, entiendo que mi negativa o falla en permitir que la Ciudad o su representante sustituyan mi LSL privada, o mi negativa a sustituir mi LSL privada simultáneamente con la sustitución por parte de la Ciudad de su parte de su línea de servicio, si procede, dará **lugar a la rescisión de mi servicio de agua** en virtud de las disposiciones aplicables de la tarifa actualmente en vigor de la Ciudad, que está disponible en Internet en: <https://www.cityoflancasterpa.gov/wp-content/uploads/2019/08/City-of-Lancaster-Water-Tariff-Suppl.-No.-48-Effective-June-29-2022.pdf>.

(Firma del propietario) Fecha: _____

(Nombre mecanografiado o en letra de molde) Dirección: _____

Teléfono: _____ Correo electrónico: _____

APPENDIX A

CITY OF LANCASTER

LEAD SERVICE LINE REPLACEMENT PLAN



City of Lancaster – Bureau of Water
Lead Service Line Replacement Plan
July 2025

1. Goals

This lead service line replacement plan (“LSLR Plan”) was developed by the City of Lancaster – Bureau of Water (“City”) to ensure compliance with the United States Environmental Protection Agency (“USEPA”), Pennsylvania Department of Environmental Protection (“PADEP”), and Pennsylvania Public Utility Commission’s (“PUC”) regulations and guidance on lead in drinking water and lead service lines (“LSLs”). These regulations were developed to address the health issues associated with lead in water. The goal of this LSLR Plan is to remediate all the LSLs within the City’s water system. The USEPA and PADEP recently revised the Lead and Copper Rule to require systematic replacement of LSLs over time. The regulations contain two replacement time frames. The USEPA requires all LSLs to be replaced over a thirty-three (33) year period, if water quality is in compliance with the Lead and Copper Rule. Whereas, the PUC requires replacement in thirty (30) year period. The City’s goal is to replace all LSLs in its PUC jurisdictional service territory in thirty (30) years.

2. Objectives

The City will replace both the privately-owned and City-owned portion of an LSL from the main to the curb stop on City-owned side, and from the curb stop into the building on the privately-owned side of the service line.

The City filed an LSL inventory on or about October 16, 2024, in accordance with the Revised Lead and Copper Rule.

3. Definitions

- a. “Service lines” or “service line” means the pipe or pipes that connect(s) a water main to a building inlet and any fitting connected to the pipe or pipes.
- b. “Lead service lines” or “lead service line” or “LSL” includes any service line made of lead, galvanized iron, or galvanized steel.
- c. “Copper service lines” or “copper service line” includes any service line that is made of copper.

4. Processes and Procedures

The City has a current partial LSL inventory for the City-owned portion of service lines. There are currently approximately five hundred fifty (550) known LSLs within the City limits and

eighty-five (85) known LSLs in the City’s PUC Jurisdictional Territory. Based on this preliminary inventory, and the City’s resources, replacement per year would be as follows:

- PUC Jurisdictional Territory:

| YEAR | # Replacements |
|-------------------------|----------------|
| 2024 (YR 1) (Completed) | 4 |
| 2025 (YR 2) | 9 |
| 2026 (YR 3) | 9 |
| 2027 (YR 4) | 9 |
| 2028 (YR 5) | 9 |
| 2029 (YR 6) | 9 |
| 2030 (YR 7) | 9 |
| 2031 (YR 8) | 9 |
| 2032 (YR 9) | 9 |
| 2033 (YR 10) | 9 |
| TOTAL: | 85 |

- Within City Limits – 25 per year

The foregoing replacement schedule is extremely preliminary as the City has no information on the privately-owned portion of its system. Pursuant to 52 Pa. Code § 65.55, the City is obligated to remove and replace all LSLs, whether City owned or customer owned within 30 years. However, the City understands that this time period is likely to be reduced to 10 years, which is reflected in the foregoing schedule. The City will propose the foregoing schedule, if necessary, in accordance with its obligations under 52 Pa. Code § 65.53(b) and/or other applicable statutes or regulations. The City will address pace of replacement, including the cost of those replacements, based on the results from the City’s survey in its periodic filings.

Any service line in the inventory with an unknown material must be considered a LSL. It is estimated that 20% of the City’s service area was installed after the Pennsylvania lead ban in 1991. The City currently has over 49,000 customer water accounts and of that number roughly eighty percent (80%), or 39,200 customer accounts, require identification of service line material. The City will need to budget funds to cover these investigations.

The City will cap its LSL replacements at fifty (50) per year in the PUC Jurisdictional Area.

Appendix B provides the Consent Order Form by which the customer (property owner) will authorize a LSL replacement. Appendix B also outlines the procedures for documenting refusal of, or failure to accept the City’s offer to replace a privately-owned LSL. This authorization includes the disclosures required under 52 Pa. Code § 65.56(b)(10)(i)-(iii).

5. Inventory of Lead Service Lines

In recognition of the USEPA and PADEP regulatory requirements, the City will conduct an inventory of all service lines in its service territory. An inventory is required of all customer service lines, both the City-owned side of the service line as well as the privately-owned side of the service line. An accurate inventory is a critical part of the new Lead and Copper Rule, and the City will base its inventory on the following evidence-based records, methods, and/or techniques:

a. *Curb Cards and Verification*

The City has curb cards for its public system service lines. A curb card is an index card which shows the information on the privately-owned side of the service line. These cards date back to the 1910's, and have information including service line size, date of installation and material. According to PADEP guidance documents, the curb cards are not sufficient validation, alone, for a service line inventory, and they need to be verified by machine learning. However, the USEPA regulations require only one form of validation, which can include reliance on records. The City plans to use the curb cards for information on the privately-owned side of the service line. Predictive models can verify the accuracy of the curb cards and assist in identifying other LSLs. If there is no curb card, a contractor or City staff would be required to physically investigate both the City side and the customer side.

b. *Excavation*

Excavation can also be used to check the curb cards as part of verification process when using predictive models. This means that there is a certain portion of a service line that will require excavation to corroborate the information on the curb card. The City will only excavate at the curb box because of the short distance from box to building entry in an urban environment. In areas outside of the City limits, there may be a need for separate points of verification along the same service line. The service lines that are found to be LSLs at the time of excavation may not be replaced at that time.

c. *Inspections*

On the privately-owned side of the service line, when there is a need to replace a water meter, or a building inspection by the City of Lancaster Codes Department is required, the City can inspect the service line at the meter or in the building basement to verify the material of the service line.

d. *Customer-Provided Information*

The City developed a Geographic Information System ("GIS") application to assist in the identification of LSLs. Customers will be asked to identify their water line and take a picture of it so that City staff can verify the material of the incoming water line.

The information will be entered into an online database. Public education will precede deployment of the GIS application.

6. Operation and Maintenance

a. *Existing Corrosion Control Measures and Statistical Analysis of 2022 Lead Testing.*

The City implements measures to protect customers from lead leaching into the water from service lines. The City uses a corrosion inhibitor called orthophosphate. In addition, pH is also controlled which helps prevent lead leaching. Analytical testing results demonstrate that this chemical works as no test results were above a trigger level or action level in the testing that was required every three (3) years under the existing Lead and Copper Rule. The testing is for the service lines containing lead, and the results indicated that lead levels are not in violation. The 90th percentile value is 9.9 ppb; the existing action level is 15 ppb.

b. *Inspections*

The City performs routine maintenance on its transmission and distribution system and routinely fixes main breaks. During the course of this work, the City may find LSLs. If the City finds a LSL, and the City is already excavating, the City will replace the LSL in accordance with Section 7 of this LSLR Plan.

c. *Routine Maintenance*

If a LSL is found on the privately-owned side of the service line, the line will need to be scheduled for replacement. The privately-owned side will require replacement before the City replaces its portion of the service line. The City will identify preapproved, qualified contractors with predetermined costs associated with LSL replacement. If the customer uses one of these preapproved, qualified contractors, replacement of the LSL will be completed at no cost to the customer. If the customer chooses to use a contractor that is not preapproved by the City, the City will not cover the costs of the replacement of the customer's LSL. The exception to this provision will be if the City directly contracts the LSL replacement as part of a neighborhood City project. In this case, the two-year warranty will still apply.

The City will investigate the City-owned portion of the service line if the customer chooses his or her own plumber. If the City-owned portion of the service line is found to contain lead, the City will replace its portion of the service line within ninety (90) days after the customer replaces their portion of the service line.

If a LSL is discovered on either the City-owned or privately-owned side of the service line, then the City will provide water filters to the customer that are capable of removing

lead from water (NSF 53). The City will also provide the customer with a lead testing kit to determine the level of lead that may be in the customer's drinking water. It is the responsibility of the customer to accurately perform the test.

Once the customer-owned side of the service line has been replaced, the City will designate the City-owned portion of the service line for replacement. The City will continue to provide the customer with water filters until the City-owned portion of the service line has been replaced. The City will also continue to provide the customer with water filters after the replacement as set forth in Section 8.b of this LSLR Plan.

d. Meter Replacement

Meter replacements occur every twenty (20) years. If the City schedules a meter replacement and the service line coming into the home is determined to be a LSL, the replacement of the LSL is required. The City will test dig the City-owned side of the service line to determine if it is lead, if the material is otherwise unknown, but the privately-owned side must be replaced. The procedures in Section 7 of this LSLR Plan will apply.

e. Prioritization

LSLR projects will be prioritized based on targeted sensitive populations as defined by the EPA and PADEP, which includes areas with elevated levels of lead in tap water, areas with high concentrations of lead service lines, and/or areas of the distribution system which have elevated corrosion rates. A list of sensitive populations will be developed to determine the service line materials. The list will include schools, daycare facilities, hospitals, and large apartment buildings. These service lines will be detailed as sensitive populations in the Service Line Inventory. Homes with multiple meters and multiple family residents will also be prioritized to determine service line material.

f. Emergencies

The entire service line must be replaced under the LSL Rules if the service line is lead on both sides. If the City replaces its portion of the service line, and the private side is also lead, then the City will install a temporary water line until the customer has replaced their service line. The customer will be required to sign the consent authorization in Appendix B. If the customer refuses to execute the consent, the water service will be terminated, following the City's shut off procedures.

7. System Replacements

a. Replacement Criteria

Once the service line inventory is complete, the City will need to replace the LSLs. It is anticipated that LSLRs will occur April 1st through October 31st. The replacement

process for LSLs will comply with the requirements set forth by the PADEP, USEPA, and the PUC.

PUC regulations, 52 Pa. Code § 65.58(d), require a reimbursement to an eligible customer or property owner who replaced their LSL, within 1 year before or from LSLR project commencement. The City will use due diligence to identify property owners to obtain the appropriate consent, assisted by deeds and other historical property information maintained by the Lancaster County Property Assessment Office.

The following practices and principles will apply to all LSL replacements:

- The City will use an open cut approach and remove the old lead line and properly dispose of it. A new copper line will be installed in the same trench.
- The City does not plan to use directional drilling as that method would not address the environmental impact of leaving lead in the ground by abandoning the old lead line in place. The City plans to remove the lead pipe from the ground.
- The City does not anticipate that pipe splitting will reduce costs. In the City's case, the curb stop will still be disturbed, regardless of the method used, and a significant portion of the cost is replacing concrete.
- The City estimates that most of the replacement lead line cost is in the rehabilitation of the concrete curb and sidewalk. The known lead lines are primarily in urban areas which create challenges for removal and replacement.
- In the event the City acquires another water distribution system, all new customers will be treated in the same manner as current City customers.

Service lines will be replaced as follows:

- *Lead on City-Owned Side and Lead on Privately-Owned Side (Full Line Replacement)*

The entire service line must be replaced under the PUC regulations if the service line is lead on both sides. If the City replaces its portion of the service line, and the private side is also lead, then the City will install a temporary water line until the customer has replaced their service line. The customer must contact a contractor from the City's list of preapproved, qualified contractors and arrange with the contractor to complete the work within four (4) weeks of the installation of the temporary service. Failure to do so will result in the temporary water service being shut off and the customer not having any water service until the privately-owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied.

- *Lead on the City-Owned Side and Copper on the Privately-Owned Side*

The customer may have previously replaced his or her portion of the service line with copper, or a copper service line may have been installed when the customer's property was built. If this is the case, the City will replace the City-owned portion of the LSL up to the existing copper service line. All the procedures associated with installation of a full service line replacement will be followed, but the customer will not need to replace their portion of the service line.

- *Copper on the City-Owned Side and Lead on the Privately-Owned Side*

If the City-owned portion of the service line is copper and the privately-owned portion is lead, the privately-owned portion must be replaced. The customer will need to replace his or her portion of the service line up to the City-owned portion of the service line. All the procedures associated with installation of a full service line replacement will be followed. The customer must contact a preapproved, qualified contractor from the City's list and arrange for the replacement to be completed within four (4) weeks of the installation of the temporary service. Failure to do so will result in the temporary water service being shut off and the customer not having any water service until the privately-owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied.

- *Copper on the City-Owned Side and on the Customer-Owned Side*

If both portions of the service line are copper, no replacement is required.

LSLs will be disposed of in accordance with PADEP regulations. The City does not anticipate recycling LSLs. However, if the lead can be recycled, any proceeds from such recycling would be returned to a "Miscellaneous Revenue" line in the City's annual water utility budget. The customer would not have any right to the proceeds of a recycled LSL.

Generally, the City will not replace a customer-owned LSL to avoid termination of water service when the property owner who is not the customer cannot be identified, cannot be located, or is non-responsive. The City reserves the right to review requests from non-property owner customers to complete the replacement of the customer-owned LSL on a case by case basis in extenuating circumstances, including where the non-property owner customer is seriously ill or has a medical condition that will be aggravated by the cessation of service, or where the non-property owner customer is a victim of abuse and has an order issued by the courts. The City may request the non-property owner customer to provide verification of the medical condition by a licensed physician, nurse practitioner, or physician assistant. The decision to replace the customer-owned LSL in such circumstances is within the sole discretion of the City.

The City will track and report the following information in its LSLR Program reports: the number of terminations where the property owner could not be identified, could not be located, or was non-responsive.

8. Post Replacement Measures

a. Notices and Instructions

Following a LSL replacement, the following steps will occur:

- i. The City will post an informational door hanger at the residence. The door hanger will inform the resident of the work done, instruct them how to flush pipes and taps, and direct the resident to collect a post-replacement water sample after allowing the water to sit unused for 6 to 8 hours;
- ii. Provide the household with a tap water sample kit;
- iii. If a partial LSL was performed, and the resident fails to return the water test sample and arrange for replacement of the privately-owned portion of the service line with a preapproved, qualified contractor from the City's list within four weeks, the City will give notice to the customer that it intends to shut off the temporary water service to the customer's property;
- iv. The City provides an additional free test to a customer when the customer's previous post-replacement tap water sample reveals lead levels above 10 ppb; and
- v. If a post-replacement sample shows water lead levels above 50 ppb, the City will deliver to the residence at least one (1) case of generally-available bottled water per day until the City completes a meter drop and flush at the residence. Residents who receive a meter drop and flush will remain eligible for additional water filter cartridges and other assistance as described above.

b. Water Filter Distribution

The City will offer a generally-available NSF-certified pitcher or tap filter and three (3) replacement cartridges to customers for six (6) months free of charge after a partial or full LSL replacement.

c. Testing

If a resident's post-replacement tap water lead test reveals lead levels above ten (10) ppb, the City will provide to the resident an additional testing kit, at no charge, and instructions to return a follow-up test result three (3) months after the initial test.

If the follow-up test result shows lead levels above ten (10) ppb, the City will assist the resident in determining why lead levels remain elevated.

If such further testing reveals lead levels above ten (10) ppb, the City will provide to the resident, at no charge, a generally-available ANSI/NSF 53 certified water filter to remove lead, six (6) months of filter cartridges, and an additional tap water lead testing kit with instructions to return a follow-up test result three (3) months after the initial test. Note that the water filter will be provided per 40 CFR 141.84(e)(3).

The City would also recheck that both sides of the lines are replaced and not lead. If the investigation determines that the lines are not lead, then the City would also direct the homeowner to a plumber to investigate internal water lines in the property.

d. *Warranty*

When the customer replaces the privately-owned LSL, the contractor that replaces it must provide a two (2) year warranty on workmanship and materials. This will be a part of the agreement that the City has with its preapproved, qualified contractors. The warranty will start on the date construction is completed and will be provided by the contractor. Maximum coverage will be for the cost of the installation. It is anticipated that the agreement will allow the contractor to remediate any deficiencies with the installation under the terms of the contract as City contracts require performance bonds.

9. Financial Considerations

The City anticipates that it will fund its LSLR Program with bond proceeds and/or PENNVEST loans or grants.

a. *Financial Responsibility for Privately-Owned Service Line Replacements – PUC Jurisdictional Territory and City Limits*

The City will cover the cost of replacement of a LSL if the customer uses the City's preapproved, qualified contractors and the customer resides in the City's PUC Jurisdictional Territory or within the City limits.

b. *Reimbursement of LSL Replacements*

If a LSL is found on the privately-owned side of the service line, the line will need to be scheduled for replacement. The City will identify preapproved, qualified contractors with predetermined costs associated with LSL replacement. If the customer uses one of these preapproved, qualified contractors, replacement of the LSL will be completed at no cost to the customer.

If the customer chooses to use a contractor that is not preapproved by the City, the City will reimburse the customer provided:

- The City is provided an opportunity to inspect the customer’s installation, which includes inspection of the newly installed line inside of the home at the lateral connection with the meter. The property owner or customer must provide the City with notice of the installation at least 72 hours before it occurs. The required opportunity for inspection will be waived if the City receives both of the following:
 1. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and
 2. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices.
- If the City inspects the customers’ installation, the property owner or customer reimburses the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase annually. The time for inspection is anticipated to be less than four (4) hours. The City reserves the right to charge the customer the inspection fee, along with all other remedies available at law, if it is subsequently discovered that the materials submitted to the City by or on behalf of the customer as part of the LSLR replacement verification process were fraudulent.
- The property owner or customer presents the City with the bill for reimbursement within 60 days of the installation’s completion.
- The property owner or customer will be reimbursed using a City issued check for up to 125% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City’s sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost.
- Customers can submit a reimbursement request by mail using the following address:

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601
- Customers may submit a reimbursement request online by submitting the required materials and documents through the following link: <https://form.jotform.com/233463704101041>. The ability for customers to submit requests for reimbursement online is offered as a matter of convenience,

only, and the City reserves the right to discontinue the ability for customers to submit reimbursement requests online in its discretion and without notice.

- Customers may also present reimbursement requests in-person at the following locations:

150 Pitney Road
Lancaster, PA 17601

39 West Chestnut Street
Lancaster, PA 17603

1220 New Danville Pike
Lancaster, PA 17603

- The City will issue the reimbursement via check.
- The City will issue the reimbursement check for eligible applications no later than one hundred twenty (120) days from receipt of the eligible application.

c. *Cost Tracking of LSL Replacements*

Within City Limits

The City will separately identify all projected LSL replacement costs and details on its budgets and audits.

PUC Jurisdictional Territory

The City will separately identify all projected LSL replacement costs and details on its cost projections in its rate filings. Actual costs will be included if known. The City will track and report the following information in its LSLR Program reports: the number of eligible/ineligible applications for reimbursement, and for eligible applications: (a) the amount charged/deducted (if any) for inspection fees, (b) the date the application was received, (c) the date the reimbursement check was sent, and (c) the amount of the reimbursement check.

10. Customer Outreach and Communications

The PADEP and USEPA require the City to publish information on both the City-owned portion and the privately-owned portion of the service line. To accomplish this, the City requires assistance from its customers. The City will send out notifications and request that customers check their portion of the service line as it comes into their building or residence. This will require the customer to take a photograph for verification by City personnel. Please see **Appendix A** to this LSLR Plan for additional information.

When the City is attempting to contact a property owner in a situation where the property owner is not the customer in connection with the termination of service, the City will comply with all applicable requirements concerning termination of service. The City will also provide the property owner with information and resources relating to health risks associated with lead in water and LSLs in the form set forth in **Appendix A** to this LSLR Plan.

The City will add a service line inventory to its website within twelve (12) months of PUC approval of this LSLR Plan that will include the following:

- An online tool describing the LSL replacement schedule by geographic location, at least six (6) months into the future;
- Information regarding the reimbursement requirements and a secure online tool that provides customers or property owners, if the customer is not the property owner, the ability to determine whether the customer or property owner may be eligible for reimbursement;
- Information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types or the City-owned and privately-owned portions of the service line and a method to request assistance to determine if the service line is a LSL;
- Information and resources relating to health risks associated with lead in water and LSLs, the status of efforts to replace the lines, and any community meetings.



APPENDIX A

CUSTOMER OUTREACH AND COMMUNICATIONS

IMPORTANT INFORMATION ABOUT LEAD IN YOUR DRINKING WATER

The City of Lancaster found elevated levels of lead in drinking water in some homes/buildings. Lead can cause serious health problems, especially for pregnant women and young children. Please read this information closely to see what you can do to reduce lead in your drinking water.

Exposure to lead in drinking water can cause serious health effects in all age groups. Infants and children can have decreases in IQ and attention span. Lead exposure can lead to new learning and behavior problems or exacerbate existing learning and behavior problems. The children of women who are exposed to lead before or during pregnancy can have increased risk of these adverse health effects. Adults can have increased risk of heart disease, high blood pressure, kidney, or nervous system problems.

Lead is a chemical. It is used in many things, however, it was commonly used in paint in homes prior to the federal government's ban for such use in 1978. Lead-based paint becomes a concern when it chips, turns into dust, or gets into the soil. Lead enters drinking water primarily as a result of the corrosion, or wearing away, of materials containing lead in the water distribution system and household or building plumbing. These materials include lead-based solder used to join copper pipe, brass and chrome plated brass faucets, and in some cases, pipes made of lead that connect houses and buildings to water mains.

The pipe that connects your household plumbing to the water main in the street is called a service line. The City of Lancaster is replacing your service line because it either contains lead, is galvanized iron/steel and was or is currently downstream of lead, or there is a lead gooseneck, pigtail or connector on your service line. While it is important for the long term quality of your drinking water to remove these lead pipes, studies have shown that when lead service lines are disturbed, in the short-term they can release lead for weeks or months after the disturbance. This notice provides information you need to know regarding the replacement and why it is important. There are steps you can take to protect you and your family from exposure to lead in tap water which are explained below.

What should I do?

- After the service line is returned to service but before using the water for consumption, remove and clean all faucet aerators, flush your service line and all internal plumbing by opening all taps and letting the water run for at least 30 minutes, and re-install the cleaned aerators.
- To conserve water instead of simply running the water for 30 minutes, other household/non-potable water usage activities such as washing clothes, showering, flushing the toilet and running the dishwasher are effective methods of flushing the line.
- After the initial flush, run the water for 3-5 minutes before using and use cold water for cooking, preparing baby formula, and drinking to reduce your exposure to lead in the water. Boiling water does not reduce lead levels.
- In addition to flushing the lines, you are being provided with a pitcher filter that is certified to remove lead and six months of replacement cartridges. This filter may be used for water that will be used for drinking and cooking.
- Between 30 and 60 days after the line replacement is completed, a tap water sample will be required. Please coordinate with the Water Quality Lab for the Sampling kit and follow the instructions for providing the sample including allowing 6-8 hours of letting the water sit unused, before filling the provided tap water sample kit.
- Adults should consider having the blood of any children living on the premises tested for lead.



Please share this information with all the other individuals who drink water at this location, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

For more information, call us at 717-291-4820, or visit our website at <https://www.cityoflanasterpa.gov/water/>.

For more information on reducing lead exposure around your home/building and the health effects of lead, visit the EPA's website at <http://www.epa.gov/lead> or contact your health care provider.

As noted above, the City of Lancaster's system contains lead service lines and it is working to identify and replace all lead service lines. To request a copy of the City of Lancaster's current lead service line inventory, please contact us at the number provided above. We can also provide you with information on programs that provide financing solutions to assist property owners with replacement of their portion of a lead service line, including assisting you in determining if you are eligible for reimbursement or a no-cost replacement as part of the City of Lancaster's Pennsylvania Public Service Commission-approved Lead Service Line Replacement Program. The City of Lancaster is required to replace its portion of a lead service line when the property owner notifies them they are replacing their portion of the lead service line.

INFORMACIÓN IMPORTANTE SOBRE EL PLOMO EN SU AGUA POTABLE

La ciudad de Lancaster encontró niveles elevados de plomo en el agua potable de algunas casas/edificios. El plomo puede causar graves problemas de salud, especialmente a las mujeres embarazadas y los niños pequeños. Por favor lea atentamente esta información para saber qué puede hacer para reducir la presencia de plomo en su agua potable.

La exposición al plomo en el agua potable puede causar efectos graves para la salud en todos los grupos de edad. Los lactantes y los niños pueden presentar disminuciones del cociente intelectual y de la capacidad de atención. La exposición al plomo puede provocar nuevos problemas de aprendizaje y comportamiento o agravar los ya existentes. Los hijos de mujeres expuestas al plomo antes o durante el embarazo pueden tener un mayor riesgo de sufrir estos efectos adversos para la salud. Los adultos pueden tener mayor riesgo de padecer cardiopatías, hipertensión, problemas renales o del sistema nervioso.

El plomo es una sustancia química. Se utiliza en muchas cosas, sin embargo, se utilizaba comúnmente en la pintura de los hogares antes de que el gobierno federal prohibiera su uso en 1978. La pintura a base de plomo se convierte en un problema cuando se descascara, se convierte en polvo o penetra en el suelo. El plomo entra en el agua potable principalmente como resultado de la corrosión, o desgaste, de los materiales que contienen plomo en el sistema de distribución de agua y en las tuberías de los hogares o edificios. Entre estos materiales se encuentran las soldaduras con plomo utilizadas para unir tuberías de cobre, grifos de latón y latón cromado y, en algunos casos, tuberías de plomo que conectan casas y edificios a la red de suministro de agua.

La tubería que conecta la fontanería de su casa con la red de suministro de agua de la calle se llama línea de servicio.

La ciudad de Lancaster está reemplazando su línea de servicio, ya sea porque contiene plomo, es de hierro/acero galvanizado y estuvo o está actualmente aguas abajo de plomo, o hay un cuello de cisne de plomo, línea flexible o conector en su línea de servicio. Aunque la eliminación de estas tuberías de plomo es importante para la calidad del agua potable a largo plazo, los estudios han demostrado que cuando se alteran las tuberías de plomo, a corto plazo pueden liberar plomo durante semanas o meses después de la alteración. Este aviso le proporciona la información que necesita saber sobre la sustitución y por qué es importante. Hay medidas que puede tomar para protegerse a usted y a su familia de la exposición al plomo en el agua del grifo, que se explican a continuación.

¿Qué debo hacer?

- Después de volver a poner en servicio la línea de servicio, pero antes de utilizar el agua para el consumo, retire y limpie todos los aireadores de los grifos, purgue la línea de servicio y toda la fontanería interna abriendo todos los grifos y dejando correr el agua durante al menos 30 minutos, y vuelva a instalar los aireadores limpios.
- Para ahorrar agua, en lugar de simplemente dejar correr el agua durante 30 minutos, otras actividades domésticas/de uso de agua no potable, como lavar la ropa, ducharse, tirar de la cadena y poner el lavavajillas, son métodos eficaces para descargar la línea.
- Tras la purga inicial, deje correr el agua durante 3-5 minutos antes de usarla y utilice agua fría para cocinar, preparar la leche de fórmula y beber para reducir su exposición al plomo en el agua. Hervir el agua no reduce los niveles de plomo.
- Además de purgar las tuberías, se le proporciona un filtro de jarra certificado para eliminar el plomo y seis meses de cartuchos de repuesto. Este filtro puede utilizarse para el agua que se utilizará para beber y cocinar.
- Entre 30 y 60 días después de la sustitución de la línea, se requerirá una muestra de agua del grifo. Se le ha proporcionado un kit de muestras de agua del grifo. Siga las instrucciones para



proporcionar la muestra, incluido el tiempo de 6 a 8 horas para dejar el agua sin usar antes de llenar el kit suministrado de muestras de agua del grifo.

- Los adultos deben considerar la posibilidad de someter a análisis de plomo la sangre de los niños que vivan en el lugar.

Por favor, comparta esta información con todas las demás personas que beban agua en este lugar, especialmente con aquellas que no hayan recibido este aviso directamente (por ejemplo, personas en apartamentos, residencias de ancianos, escuelas y empresas). Puede hacerlo colocando este aviso en un lugar público o distribuyendo copias a mano o por correo.

Para más información, llámenos al 717-291-4820, o visite nuestro sitio web en <https://www.cityoflanasterpa.gov/water>.

Si desea más información sobre cómo reducir la exposición al plomo en su casa o edificio y sobre los efectos del plomo en la salud, visite el sitio web de la EPA en <http://www.epa.gov/lead> o póngase en contacto con su médico.

Como se ha señalado anteriormente, el sistema de la ciudad de Lancaster contiene líneas de servicio de plomo y está trabajando para identificar y sustituir todas las líneas de servicio de plomo. Para solicitar una copia del inventario actual de líneas de servicio de plomo de la ciudad de Lancaster, póngase en contacto con nosotros en el número facilitado anteriormente. También podemos proporcionarle información sobre los programas que ofrecen soluciones de financiación para ayudar a los propietarios con la sustitución de su parte de una línea de servicio de plomo, incluyendo la asistencia en la determinación de si usted es elegible para el reembolso o un reemplazo sin costo como parte del Programa de Reemplazo de Línea de Servicio con Plomo, aprobado por la Comisión de Servicios Públicos de Pennsylvania de la Ciudad de Lancaster. La ciudad de Lancaster está obligada a reemplazar su parte de una línea de servicio de plomo cuando el dueño de la propiedad notifica que está reemplazando su parte de la línea de servicio de plomo.



APPENDIX B
AUTHORIZATION FOR PRIVATE
LEAD SERVICE LINE REPLACEMENT



AUTHORIZATION FOR PRIVATE LEAD SERVICE LINE REPLACEMENT

The Bureau of Water of the City of Lancaster (“City”) is offering certain Property Owners replacement of their part of any lead service line (“LSL”) connected to the City’s water mains at no cost to the Property Owner under the City’s Lead Service Line Replacement Program (“LSLR Program”).

Under the City’s rules and regulations, the Property Owner owns and is responsible for the maintenance of the entire water line from the curb box to the premises being served by the City’s water service (a “private LSL”). As part of the LSLR Program, the City will replace private LSLs that are connected to its service lines. The City’s records reflect that the water service line from our water main to your home may be made of lead, or other materials containing lead such as brass or galvanized steel. Whichever option you choose, the LSL must be replaced. If you desire to participate in the LSLR Program then you must complete this form per the instructions provided below.

A Property Owner, or the Property Owner’s legal representative, must provide authorization and consent to participate in the LSLR Program by signing this Authorization for Private LSL Replacement Form (“Form”). The following is a description of the responsibilities of the City and Property Owners who want to participate in the LSLR Program:

The City and/or any contractor(s) and other representative(s) that the City elects to utilize will need access to your Property to perform the work associated with the LSL replacement (“Replacement Work”). This Replacement Work includes access to the water meter inside your home, and involves: (i) shutting off your water service for approximately eight (8) hours; (ii) removing your existing LSL; replacing the LSL with a new copper service line (from the street to your home, and through your basement wall to the existing water meter); (iii) connecting the new service line to the City’s water main and flushing the new service line; (iv) re-seeding and/or re-mulching all turf areas disturbed as soon as practicable. Pavement areas disturbed will be replaced with similar pavement surfaces. The City will not be responsible for any damage to trees or landscaping affected by replacement of the LSL. Before beginning the Replacement Work, the City will notify you when its designated representatives will be on your Property to perform the Replacement Work. It is your responsibility to provide reasonable access and a working area for the City or its designated representatives at the service line and water meter location. An adult must be present at the Property when the Replacement Work is being done. The City and its designated representatives may continue to enter onto your Property until the Replacement Work is completed, and both you and the City have accepted the completed work. The City and its designated representatives will suitably identify themselves prior to entering the Property.

YOUR RESPONSE TO THIS FORM IS REQUIRED: You must sign and submit this Form to participate in the LSLR Program. The City will not replace the private LSL on your Property without your authorization and consent. If you refuse to participate, and you choose to replace the



Private LSL at your own cost and expense, you must do so within one year of when the commencement of the work on the Property would have begun to be eligible for reimbursement.

If you do **NOT** wish to participate in the LSLR Program, you may decline using the option below. If you decline to participate in the LSLR Program, the City will **NOT** replace the private LSL on your Property. Your continued use of a LSL could have harmful effects. No level of lead in drinking water is safe, and the United States Department of Environmental Protection and Pennsylvania Department of Environmental Protection agree that lead in drinking water can cause serious health problems. It can cause damage to the brain and kidneys, and interfere with the production of red blood cells that carry oxygen to all parts of your body. The greatest risk of lead exposure is to infants, young children and pregnant women.

Please return this Form as soon as possible.

PLEASE RETURN THIS FORM AFTER COMPLETING THE APPROPRIATE SECTION ON THE FOLLOWING PAGE INDICATING WHETHER YOU AGREE TO PARTICIPATE IN THE LSLR PROGRAM OR DECLINE TO PARTICIPATE IN THE LSLR PROGRAM. A SELF-ADDRESSED ENVELOPE IS ENCLOSED.

APPROVAL FOR PRIVATE LSL REPLACEMENT

I **AGREE** and **CONSENT**, on my own behalf, and on behalf of all other persons who could claim by or through me, except for the express obligations in this Form, to release and hold harmless the City of Lancaster – Bureau of Water (the “City”) and its employees, agents, contractors, or representatives, and the City of Lancaster from any and all claims, causes of action, damages, or losses, of any nature whatsoever, that I may have with respect to the work authorized by this Form; it being acknowledged and agreed by me that I have accepted, voluntarily at no cost, the offer to participate in the LSLR Program, as offered by the City.

_____ Date: _____

(Signature of Property Owner)

_____ Address: _____
(Typed or Printed Name)

Please provide the contact information where you can be reached during normal business hours:

Phone: _____ Email: _____

DECLINE PRIVATE LSL REPLACEMENT

I **DECLINE** to have the City of Lancaster – Bureau of Water (the “City”) address my privately owned lead service line. I understand that lead is a toxic metal that can be harmful to human health even at low exposure levels. Lead is persistent, and it can bioaccumulate in the human body over time. All persons, especially, pregnant women, children, and infants, are vulnerable to the dangerous effects of lead in drinking water. For more information on the harmful effects of lead in drinking water please visit the following website maintained by the United States Environmental Protection Agency: <https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water>.

I understand that my refusal or failure to accept the City’s offer to replace my privately owned lead service line will **require** replacement of my Private LSL at **my expense** within one (1) year from the date when the commencement of the work on my Property would have begun in order for me to be eligible for reimbursement for the replacement of my Private LSL by the City.

I further understand that my refusal or failure to allow the City or its representative to replace my Private LSL, or my failure to replace my Private LSL concurrently with the City’s replacement of its portion of its service line if applicable, **will lead to termination of my water service** under the applicable provisions of the City’s currently-effective tariff, which is available on the internet at: <https://www.cityoflanasterpa.gov/wp-content/uploads/2019/08/City-of-Lancaster-Water-Tariff-Suppl.-No.-48-Effective-June-29-2022.pdf>.

_____ Date: _____
(Signature of Property Owner)

_____ Address: _____
(Typed or Printed Name)

Phone: _____ Email: _____

AUTORIZACIÓN PARA SUSTITUCIÓN DE LA LÍNEA DE SERVICIO DE PLOMO PRIVADA

La Oficina de Agua de la Ciudad de Lancaster ("Ciudad") está ofreciendo a ciertos Propietarios el reemplazo de su parte de cualquier línea de servicio de plomo ("LSL", por sus siglas en inglés) conectada a las tuberías principales de agua de la Ciudad sin costo alguno para el Propietario bajo el Programa de Reemplazo de Línea de Servicio de Plomo de la Ciudad ("Programa LSLR", por sus siglas en inglés).

De acuerdo con las normas y reglamentos de la Ciudad, el Propietario posee y es responsable del mantenimiento de toda línea de agua de la caja de la acera a los locales que son atendidos por el servicio de agua de la Ciudad (un "LSL privado"). Como parte del Programa LSLR, la Ciudad sustituirá los LSL privados que estén conectados a sus líneas de servicio. Los registros de la Ciudad reflejan que la línea de servicio de agua de nuestra red de agua a su casa puede ser de plomo, u otros materiales que contienen plomo como el latón o acero galvanizado. Sea cual sea la opción elegida, el LSL debe sustituirse. Si desea participar en el Programa LSLR, deberá completar este formulario siguiendo las instrucciones que figuran a continuación.

El Propietario, o su representante legal, debe dar su autorización y consentimiento para participar en el Programa LSLR firmando este Formulario de Autorización de Sustitución de LSL Privado ("Formulario"). A continuación se describen las responsabilidades de la Ciudad y de los Propietarios que deseen participar en el Programa LSLR:

La Ciudad y/o cualquier contratista(s) y otro(s) representante(s) que la Ciudad elija utilizar necesitarán acceso a su Propiedad para realizar el trabajo asociado con el reemplazo del LSL ("Trabajo de Reemplazo"). Este trabajo de sustitución incluye el acceso al medidor de agua dentro de su casa, e implica: (i) el corte de su servicio de agua durante aproximadamente ocho (8) horas; (ii) la eliminación de su LSL existente; la sustitución de la LSL con una nueva línea de servicio de cobre (de la calle a su casa, y a través de la pared del sótano hasta el medidor de agua existente); (iii) la conexión de la nueva línea de servicio a la red principal de agua de la Ciudad y el lavado de la nueva línea de servicio; (iv) resiembra y / o recolocación del acolchado de todas las áreas de césped perturbado tan pronto como sea posible. Las zonas de pavimento alteradas se sustituirán por superficies de pavimento similares. La Ciudad no será responsable de ningún daño a los árboles o al paisajismo afectado por la sustitución del LSL. Antes de comenzar el trabajo de sustitución, la Ciudad le notificará cuándo sus representantes designados estarán en su propiedad para realizar el trabajo de sustitución. Es su responsabilidad proporcionar un acceso razonable y un área de trabajo para la Ciudad o sus representantes designados en la línea de servicio y la ubicación del medidor de agua. Debe haber un adulto presente en el inmueble cuando se realicen las obras de sustitución. La Ciudad y sus representantes designados pueden seguir entrando en su Propiedad hasta que el Trabajo de Sustitución esté terminado, y tanto usted como la Ciudad hayan aceptado el trabajo terminado. La Ciudad y sus representantes designados se identificarán adecuadamente antes de entrar en la Propiedad.

SU RESPUESTA A ESTE FORMULARIO ES OBLIGATORIA: Debe firmar y enviar este formulario para participar en el Programa LSLR. La Ciudad no reemplazará el LSL privado en su Propiedad sin su autorización y consentimiento. Si se niega a participar y opta por sustituir el LSL Privado por su cuenta y cargo, deberá hacerlo en el plazo de un año a partir de la fecha en que hubieran comenzado los trabajos en el Inmueble para poder optar al reembolso.



Si **NO** desea participar en el Programa LSLR, puede renunciar utilizando la opción que figura a continuación. Si rechaza participar en el Programa LSLR, el Ayuntamiento **NO** sustituirá el LSL privado de su Propiedad. Su uso continuado podría tener efectos perjudiciales. Ningún nivel de plomo en el agua potable es seguro, y el Departamento de Protección del Ambiente de Estados Unidos y el Departamento de Protección del Ambiente de Pennsylvania coinciden en que el plomo en el agua potable puede causar graves problemas de salud. Puede causar daños en el cerebro y los riñones, e interferir en la producción de glóbulos rojos que transportan oxígeno a todas las partes del cuerpo. El mayor riesgo de exposición al plomo lo corren los lactantes, los niños pequeños y las mujeres embarazadas.

Por favor, devuelva este formulario lo antes posible.

DEVUELVA ESTE FORMULARIO DESPUÉS DE RELLENAR LA SECCIÓN CORRESPONDIENTE EN LA PÁGINA SIGUIENTE INDICANDO SI ACEPTA PARTICIPAR EN EL PROGRAMA LSLR O SI RECHAZA PARTICIPAR EN EL PROGRAMA LSLR. SE ADJUNTA UN SOBRE CON SU DIRECCIÓN.

APROBACIÓN DE LA SUSTITUCIÓN DE UN LSL PRIVADO

ACEPTO y CONSIENTO, en mi propio nombre, y en nombre de todas las demás personas que pudieran reclamar por mí o a través de mí, excepto por las obligaciones expresas en este Formulario, liberar y eximir de responsabilidad a la Ciudad de Lancaster - Oficina de Agua (la "Ciudad") y a sus empleados, agentes, contratistas o representantes, y a la Ciudad de Lancaster de cualquier y todo reclamo, causa de acción, daño o pérdida, de cualquier naturaleza, que yo pudiera tener con respecto al trabajo autorizado por este Formulario; siendo reconocido y acordado por mí que he aceptado, voluntariamente y sin costo alguno, la oferta de participar en el Programa LSLR, ofrecido por la Ciudad.

(Firma del propietario) Fecha: _____

(Nombre mecanografiado o en letra de molde) Dirección: _____

Indique los datos de contacto en los que se le puede localizar durante el horario laboral normal:

Teléfono: _____ Correo electrónico: _____

RECHAZO DE SUSTITUCIÓN LSL PRIVADA

RECHAZO que la Ciudad de Lancaster - Oficina de Aguas (la "Ciudad") se ocupe de mi línea de servicio de plomo de propiedad privada. Entiendo que el plomo es un metal tóxico que puede ser perjudicial para la salud humana incluso a bajos niveles de exposición. El plomo es persistente y puede bioacumularse en el cuerpo humano con el tiempo. Todas las personas, especialmente las mujeres embarazadas, los niños y los bebés, son vulnerables a los peligrosos efectos del plomo en el agua potable. Para más información sobre los efectos nocivos del plomo en el agua potable, visite el siguiente sitio web de la Agencia de Protección del ambiente de los Estados Unidos: <https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water>.

Entiendo que mi negativa o falta de aceptación de la oferta de la Ciudad para reemplazar mi línea de servicio de plomo de propiedad privada **requerirá** el reemplazo de mi LSL Privado a **mi cargo** dentro de un (1) año a partir de la fecha en que el inicio de las obras en mi Propiedad habría comenzado para que yo sea elegible para el reembolso por el reemplazo de mi LSL Privado por la Ciudad.

Asimismo, entiendo que mi negativa o falla en permitir que la Ciudad o su representante sustituyan mi LSL privada, o mi negativa a sustituir mi LSL privada simultáneamente con la sustitución por parte de la Ciudad de su parte de su línea de servicio, si procede, dará **lugar a la rescisión de mi servicio de agua** en virtud de las disposiciones aplicables de la tarifa actualmente en vigor de la Ciudad, que está disponible en Internet en: <https://www.cityoflancasterpa.gov/wp-content/uploads/2019/08/City-of-Lancaster-Water-Tariff-Suppl.-No.-48-Effective-June-29-2022.pdf>.

(Firma del propietario) Fecha: _____

(Nombre mecanografiado o en letra de molde) Dirección: _____

Teléfono: _____ Correo electrónico: _____

APPENDIX B
DRAFT REVISED TARIFF PAGES

Supplement No. 49
to
Tariff Water - Pa. P.U.C. No. 6

CITY OF LANCASTER
RATES, RULES AND REGULATIONS
GOVERNING THE DISTRIBUTION OF WATER
IN
TERRITORY OUTSIDE THE CITY OF LANCASTER
INCLUDING AREAS IN THE BOROUGH OF MILLERSVILLE AND
THE TOWNSHIPS OF
EAST HEMPFIELD, EAST LAMPETER, LANCASTER, MANHEIM,
MANOR, PEQUEA, WEST HEMPFIELD, AND WEST LAMPETER
IN LANCASTER COUNTY, PENNSYLVANIA

NOTICE

ISSUED: _____, 2025

EFFECTIVE: _____, 2025

By: Tina Campbell
Business Administrator
Lancaster Pennsylvania

This Tariff Supplement concerns replacement of Customer Owned Lead Service Lines

List of Changes Made by this Tariff

This Supplement concerns the City of Lancaster's replacement of Customer Owned Lead Service Lines ("COLSLs") on tariff page 13, as approved by the Pennsylvania Public Utility Commission at Docket No. P-2023-3041043. Please refer to pages 3 and 13.

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| Sec. | 15 - | Frozen Service Lines | 23 Revised |
| Sec. | 16 - | Pools and Tanks | 23 Revised |
| Sec. | 17 - | Fire Hydrants | 24 Original |
| Sec. | 18 - | Responsibility for Equipment | 24 Original |
| Sec. | 19 - | Access to Premises | 25 Fourth Revised |
| Sec. | 20 - | Interruptions in Service | 25 Fourth Revised |
| Sec. | 21 - | Changing Rules and Regulations | 25 Fourth Revised |
| Sec. | 22 - | Water Conservation Contingency Plan | 26-27 Original |
| Sec. | 23 - | Main Extensions | 28-33 Revised |

Schedule of Rates
Meter Rate - General Service

Application

This Schedule applies to all service other than (1) emergency sales for resale and (2) fire protection (See Section 3).

Customer Charges

All metered customers shall be subject to a monthly or quarterly customer charge, based on the required size of meter to render adequate service.

| Size of Meter | Customer Charge | | Size of Meter | Customer Charge | |
|---------------|-----------------|-------------|---------------|-----------------|-------------|
| | Per Month | Per Quarter | | Per Month | Per Quarter |
| 5/8" | \$7.95 | \$23.85 | 3" | \$102.40 | \$307.20 |
| 3/4" | \$9.30 | \$27.90 | 4" | \$159.90 | \$479.70 |
| 3/4 x 1" | \$16.70 | \$50.10 | 6" | \$318.00 | \$954.00 |
| 1" | \$21.10 | \$63.60 | 8" | \$503.60 | \$1,510.80 |
| 1-1/2" | \$33.20 | \$99.60 | 10" | \$666.20 | \$1,998.60 |
| 2" | \$51.90 | \$155.70 | 12" | \$1,004.55 | \$3,013.64 |

Consumption Charges — Residential, Commercial and Industrial

In addition to the customer charge the following water consumption charges will apply:

| | <u>Rate Per 1,000 Gallons</u> |
|---|-------------------------------|
| For the first 25,000 gallons/month or 75,000 gallons/quarter | \$4.796 |
| For the next 575,000 gallons/month or 1,725,000 gallons/quarter | \$3.949 |
| For all over 600,000 gallons/month or 1,800,000 gallons/quarter | \$3.710 |
| Consumption Charge — Large Industrial for all consumption | \$3.568 |

The minimum charge shall be the customer charge.

When more than one meter is installed on the premises for the convenience of the customer, the above consumption and customer charges will be assessed against the individual meters.

Schedule of Rates

Meter Rate - Water Sold for Resale Purposes

Application

This Schedule is applicable to all metered sales to public utilities and municipal corporations for resale purposes.

Customer Charges

| <u>Size of Meter</u> | <u>Minimum Charge Per Month</u> | <u>Minimum Charge Per Quarter</u> |
|---------------------------------|--|--|
| 4" | \$159.90 | \$479.70 |
| 6" | \$318.00 | \$954.00 |
| 8" | \$503.60 | \$1,510.80 |
| 10" | \$666.20 | \$1,998.60 |

Consumption Charges

In addition to the customer charge the following water consumption charges will apply:

Rate Per 1,000 Gallons

For all consumption \$3.758

The minimum charge shall be the customer charge.

When more than one meter is installed on the premises for the convenience of the customer, the above consumption and customer charges will be assessed against the individual meters.

(C)

Schedule of Rates

Tapping Fee

Application

This Schedule is applicable to all new connections to the company's system in West Lampeter Township,

Capacity Portion:

\$850.00 per residential connection*

Special Purpose Part:

\$1,150.00 per residential connection*

Total Tapping Fee:

\$2,000.00 per residential connection*

* A single family dwelling, mobile home, apartment unit, condominium and the like shall be considered one residential connection. Connections for nonresidential structures will be calculated on an equivalent basis for a residential connection as determined by the City's consulting engineers at the time application for service is made. Each unit of a multi-occupancy building shall be at least one residential unit. All non-residential connections will be subject to audit after they are in use. If actual usage exceeds the amount originally applied for as determined by the City's consulting engineers, the owner shall be invoiced for the additional tapping fee.

(C) Indicates Change

Schedule of Rates

Flat Rate — Private Fire Protection Service

Application

This Schedule is applicable to all private fire lines serving yard hydrants and automatic sprinkler or fire service systems located inside buildings, if (1) adequate provision is made to prevent the use of water from such service connections for purposes other than fire extinguishing and (2) a detector check, of a type approved by the Bureau of Water, is installed on the customer's fire service line, said detector check to be purchased and installed at the customer's expense.

Rate:

| | <u>Per Month</u> | <u>Per Quarter</u> |
|----------------|------------------|--------------------|
| 1" Connection | \$ 3.23 | \$ 9.69 |
| 1½" Connection | 7.27 | 21.81 |
| 2" Connection | 12.92 | 38.76 |
| 3" Connection | 29.06 | 87.18 |
| 4" Connection | -42.34 | 127.02 |
| 6" Connection | 68.90 | 206.70 |
| 8" Connection | 119.15 | 357.45 |
| 10" Connection | 159.91 | 479.73 |
| 12" Connection | 231.01 | 693.03 |

No charge will be made for water used for extinguishment of accidental fires. All consumption recorded by the disc (small flow) meter, whether from use of water for other purposes, or from leakage from customer-owned pipelines, will be billed at the meter rate for General Service.

RULES AND REGULATIONS

Sec. 1 - Definition of Terms

- Applicant: An individual or agency applying for water service.
- Bureau of Water: The Bureau of Water of the City of Lancaster
(or Utility)
- Commission: Pennsylvania Public Utility Commission.
- Customer: The individual or agency contracting for a supply of water to a property as hereinafter classified, i. e.,
- (a) A building under one roof and occupied as one residence or business; or
 - (b) A combination of buildings in one enclosure and occupied by one family or business; or
 - (c) One side of a double house having a solid vertical partition wall and occupied by one family or business; or
 - (d) One side or part of a house occupied by more than one family or business, even though the closet and other fixtures be used in common; or
 - (e) Each apartment, office, or suite of offices located in a building having several such apartments, offices, or suites of offices and using in common one hall and one or more means of entrance.
- Date of Presentation: The date upon which a bill or notice is mailed, as evidenced by postmark, or delivered personally to the customer.
- Domestic Service: Provision of water for household residential purposes, including water for sprinkling lawns, gardens, and shrubbery; Watering livestock; washing vehicles; and other similar and customary purposes.
- Fire Protection Service: Provision of water for public and private fire protection.
- Flat Rate Service: Provision of water in unmeasured quantities.
- Flat Rate: A fixed periodic charge for an unmetered service.

RULES AND REGULATIONS

Sec. I - Definition of Terms, cont.

- Commercial Service: Provision of water to premises where the customer is engaged in trade.
- Industrial Service: Provision of water to a customer for use in manufacturing or processing activities.
- Large Industrial Service: Provision of water to a customer for use in manufacturing or processing activities and consumes during the prior calendar year, an average usage exceeding 10,000,000 gallons per month. (C)
- Irrigation Service: Provision of water for commercial agricultural, floricultural, or horticultural use.
- Main Extension: Extension of distribution pipelines, exclusive of service connections, beyond existing facilities.
- Mains: Distribution pipelines located in streets, highways, public ways, alleys, or private rights of way which are used to carry water to serve the general public.
- Meter Rate Service: Provision of water in measured quantities.
- Municipal or Public Use: Provision of water to a municipality or other public body for other than fire protection purposes.
- Premises: The integral property of area, including improvements thereon, to which water service is or will be provided.
- Service Line, Utility's: The connecting facilities between the utility's distribution main and the customer's service line, in general consisting of a valve or corporation stop at the main, piping there from to the street curb line, terminating with a curb stop and curb box.
- Service Line, Customer's: The connecting facilities from the utility's curb stop and curb box to a point of consumption.
- Tariff Schedules: The entire body of effective rates, charges, rules, and regulations, as set forth herein.
- Temporary Service: Provision of service for circuses, bazaars, fairs, construction work, irrigation of vacant property, and similar uses, that because of their nature will not be used steadily or permanently.

(C) Indicates Change

RULES AND REGULATIONS

Sec. 2 - Service Area

The service area of the Bureau of Water of the City of Lancaster outside of or beyond the city limits of the City of Lancaster includes areas in the following townships and borough in Lancaster County:

East Hempfield Township
East Lampeter Township
Lancaster Township
Manheim Township
Manor Township
Pequea Township
West Hempfield Township
West Lampeter Township
Borough of Millersville

Sec. 3 - Description of Service

A. Supply

The Bureau of Water will exercise reasonable diligence and care to deliver a continuous and sufficient supply of water to the customer at a proper pressure, and to avoid any shortage or interruption in delivery.

B. Quality

The Bureau of Water will endeavor to supply a safe and potable water at all times.

C. Classes of Service

Services installed by the Bureau of Water will be classified as follows:

RULES AND REGULATIONS

Sec. 3 - Description of Service, cont.

C. Classes of Service, cont.

1. Residential
2. Commercial
3. Industrial
4. Irrigation (Commercial)
5. Municipal (Excluding Fire Protection)
6. Private Fire Protection
7. Public Fire Protection
8. Other Utilities for Resale Purposes (Emergency Use Only)
9. Temporary

Metered service only is available, except service for public and private fire protection service.

Sec. 4 - Service Connections

A. Application for Service Connection

4.1 Any property owner desiring the introduction of a service line from the utility's main to the curb of his or her premises must first make written application on a form furnished by the Bureau of Water. The application must be signed by the property owner or his duly authorized attorney.

B. Utility's Service Lines

4.2 The Bureau of Water will, at its own expense, furnish and install a service of such size and at such location as the applicant requests, provided such request is reasonable. The utility's service lines will be maintained at its own expense as an integral part of its distribution system and they will be the property of the utility and under its exclusive control.

4.3 Where the customer requests a service line larger than that deemed necessary by the utility, the utility will install the larger service, provided the customer pays the additional cost for the larger service.

4.4 Any temporary or emergency feature of a service line requested by the customer shall be at the expense of the customer. If the owner of a parcel of ground desires a service line installed to the curb in advance of street Improvement and where there is no present demand for a supply of water, such owner shall

RULES AND REGULATIONS

Sec. 4 - Service Connections, cont.

B. Utility's Service Lines, cont.

pay the cost of installing the service line, which cost shall be refunded if and when an application is made and approved for a supply of water through the service line.

4.5 Where more than one customer is now supplied through one service line, a violation of these Rules and Regulations by any customer on the common service line shall be deemed a violation by all such customers, but water service to the premises shall not be discontinued until after the expiration of a reasonable time for the installation of a separate customer's service line by or for each customer after notice by the utility to all such customers of the violation of the Rules and Regulations. The utility will install a sufficient number of separate curb stops and curb boxes at the termination of the utility's service line to permit the installation of a separate customer's service line for each customer, or the utility may, at its election, permit the use of one customer's service line by all such customers other than the customer who shall have violated these Rules and Regulations.

4.6 No service line of the utility will be installed at a time when street openings are prohibited by municipal regulations or, in the judgment of the utility, working conditions are unreasonable for such installations.

4.7 No service pipe shall be placed within eighteen inches of any sewer line or in the same trench with a gas pipe or other facilities of a public service company, or within three feet of any open vault or area, or pass through any premises other than the one supplied, nor shall it be laid at a depth of less than 3 1/2 feet below the surface of the ground, or less than 3 1/2 feet below the street grade, where one has been established by public authority, except when otherwise approved by the proper official of the Bureau of Water.

4.8 No service line will be installed by the utility on private property unless the owner furnishes a right of way satisfactory to the utility.

4.9 When new service lines are installed, or old ones replaced, the stop and curb box will be placed inside the curb and within six inches of the same,

4.10 If a customer being supplied by an existing service line desires that its location be changed to suit his own convenience, such customer shall pay all costs of making the change, including all labor, materials, and permits,

4.11 Under no circumstances shall any person not authorized by the utility turn the curb stop cock on or off.

RULES AND REGULATIONS

Sec. 4 - Service Connections, cont.

B. Utility's Service Lines, cont.

4.12 Hereafter only one customer will be supplied through one service pipe. Where more than one customer is now supplied through one service pipe under the control of one curb cock, it shall be replaced by separate curb stops and curb boxes for each customer in accordance with Rule 4.5, at the convenience of the utility. All service lines will be the same size as the curb stop up to the water meter. The curb stop shall be six (6) inches behind curbs or pavement edges. If the curb box is in a driveway, the box must be a two (2) inch box. The curb box must be aligned with the shut-off valve, plumb, backfilled and tamped in place, and be at grade after any landscaping. The curb box must be straight and centered on the shut off valve before the City will take ownership of the valve. (C)

4.13 Where renewal of a service line of the utility is found to be necessary, the utility will renew said service line in the same location as the old one. However, if the customer, for his own convenience, desires the utility's service line at some other location and agrees to pay all expenses of such relocation in excess of the cost of installing the new service line in the same location as the old and cutting off and disconnecting the old service line, the utility will lay the new service line at the location desired. Should the customer, for his convenience, request that the service be renewed using larger size materials than deemed necessary by the utility, the utility will renew the service using the larger size materials, provided the customer pays the additional cost.

4.14 The utility is not responsible for the installation and/or maintenance of the customers water lines beyond the end of the utility's service line, except as set forth in Section 4.19, below.

C. Customer's Service Line

4.15 Each customers service line shall be installed and maintained by or on behalf of such customer at his own expense. A customer's service, line shall be of a material and at a location approved by the utility. All connections, service lines, and fixtures owned by the Customer shall be maintained by the Customer in good order, and all meters and appurtenances owned by the Company and located on the Premises of the Customer shall be protected properly by the Customer. All leaks or other deteriorated conditions of the Customer's service line or any other pipe or fixture in or upon the Premises must be repaired immediately by the owner or occupant of the Premises. (C)

4.16 The customer's service line shall not: (a) occupy the same trench with, or be placed within eighteen inches of any sewer pipe of any facility of any other public service company, except that a common trench may be ledged for the service if approved by the utility; or (b) be placed within three feet of any open excavation or vault; or (c) pass through any premises other than those served by such customer's service line.

4.17 There shall be placed in the service line, inside the wall of the building supplied, at the expense of the customer, a roundway brass stop and waste cock, easily accessible to the occupants for their protection in enabling them to turn off the water in case of leaks, and to drain the pipe to prevent freezing.

4.18 Where any service line is directly connected to a heating unit (water heater, steam boiler, etc.) a check valve and a relief valve shall be inserted in the line between the utility's meter and said heating unit at the maximum distance possible from the utility's meter.

4.19 Notwithstanding Sections 4.15 – 4.18, above, the utility shall, provided the customer provides consent, replace lead Customer Owned Service Lines (“COLSLs”) pursuant to the utility’s Lead Service Line Replacement Plan (“Replacement Plan”). Pursuant to its Replacement Plan, the utility will replace COLSLs it encounters when replacing its mains, up to fifty (50) COLSL replacements per year within a maximum budgeted amount of \$750,000 per year. Any portion of the annual budgetary allotment of \$750,000 that is not spent on COLSL replacements in that year will roll over to the next subsequent year, subject to annual cap of fifty (50) COLSL replacements per year. If the utility does not use the excess budgeted amount that carried over from the previous year, that excess budgeted amount will not carry forward into the following year. The utility may petition the Commission to modify its annual budgeted amount and/or the cap on COLSL replacements per year if, in the utility’s sole discretion, the utility determines these amounts are not adequate to meet the needs of the Replacement Plan. Any petition to modify the budgeted amount or maximum number of COLSLs replaced per year is subject to Commission approval. Costs incurred by the utility under the Replacement Plan shall be subject to Act 120 of 2018 (P.L. 738, No. 120) and the accounting and ratemaking treatment approved by the Pennsylvania Public Utility Commission entered [date] at Docket No. P-2023-3041043. After a COLSL is replaced by the utility or the utility’s contractor, the Customer shall own and have full responsibility for the repair, replacement, and maintenance of the new Customer Service Line installed, and which, thereafter, Rules 4.15 – 4.18 shall apply:

- a. The Customer shall enter into an Agreement for the Replacement of the COLSL, in a form provided by the utility prior to the initiation of any work by the utility or its contractors to replace a COLSL. The City will cover the cost of replacement of a COLSL if the customer uses the City’s preapproved, qualified contractors and the customer resides in the City’s PUC Jurisdictional Territory or within the City limits. The utility shall provide a two-year warranty on workmanship, materials, and replacement of surface cover for any COLSL that the utility or its contractor replaces. The maximum coverage under the warranty shall be the average amount required to replace a COLSL. The liability of the utility and/or its contractor shall be limited only to those costs necessary to reasonably replace the COLSL and restore the affected portion of the Customer’s property to approximately the same condition it was in prior to commencement of the COLSL replacement.
- b. If the Customer chooses to use a contractor that is not preapproved by the City to replace a COLSL, the City will reimburse the customer if the City is given the opportunity to inspect the customer’s installation, which includes inspection of the newly installed line inside of the building at the lateral connection with the meter. The property owner or customer must provide the City notice a minimum of 72 hours’ notice of the installation time before it occurs.
- c. The required opportunity for inspection will be waived if the City receives both of the following:
 - i. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and
 - ii. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices.
- d. If the City inspects the customers’ installation, the property owner or customer must reimburse the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase

annually. The time for inspection is anticipated to be less than four (4) hours. The City reserves the right to charge the customer the inspection fee, along with all other remedies available at law, if it is subsequently discovered that the materials submitted to the City by or on behalf of the customer as part of the LSLR replacement verification process were fraudulent.

e. The property owner or customer must present the City with the bill for reimbursement within sixty (60) days of the installation's completion. The property owner or customer will be reimbursed using a City issued check for up to 125% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City's sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost. Customers can submit a reimbursement request by mail using the following address:

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601

Customers may submit a reimbursement request online by submitting the required materials and documents through the following link: <https://form.jotform.com/233463704101041>. The ability for customers to submit requests for reimbursement online is offered as a matter of convenience, only, and the City reserves the right to discontinue the ability for customers to submit reimbursement requests online in its discretion and without notice.

Customers may also present reimbursement requests in-person at the following locations:

150 Pitney Road
Lancaster, PA 17601

39 West Chestnut Street
Lancaster, PA 17603

1220 New Danville Pike
Lancaster, PA 17603

The City will issue the reimbursement check for eligible applications no later than one hundred twenty (120) days from receipt of the eligible application. (C)

(C) Indicates Change

RULES AND REGULATIONS

Sec. 5 – Application for Service

A. Application

5.1 Each applicant for water service will be required to sign a form provided by the utility, and an agreement to abide by all the rules and regulations of the utility.

The applicant shall provide the following:

1. Owner or builder name, phone number, and email address;
2. New service address and the date on which the applicant will be ready for service;
3. Whether the premises have ever before been supplied by the utility;
4. The purpose for which the service is to be used;
5. Lot number;
6. The size of the service;
7. The address to which bills are to be mailed or delivered;
8. Whether the application is the owner or tenant of, or agent for, the premises;
9. Plumber's name, phone number, and email address;
10. Applicable plumbing permit if required by the municipality where service is requested;
11. Acknowledgment of the applicable rate schedule. (C)

The application is merely a written request for service and does not bind the applicant to take service for any period of time longer than the one upon which the rates and minimum charges of the applicable rate schedule are based; neither does it bind the utility to give service, except under reasonable conditions.

5.2 Developers shall also complete a service installation form and a water application form for all lots in the development prior to any construction. The developer will provide the following:

1. A copy of the development plans, showing the lot number, address, and Lancaster County Real Estate tax map;
2. Lot numbers painted on the curb;
3. A W = water; painted or stamped on the concrete where the service is requested.

The developer will be responsible for curb boxes until the utility has made final inspection. Only one water lateral will be permitted for each proposed lot. (C)

5.3 Commercial and Industrial applicants shall also provide:

1. Prints showing tap of the main and location of the meter;
2. Completion of New Service Backflow Prevention Form, before construction;
3. Provide a capacity request letter in gallons per day;
4. Obtain utility approval before bidding to construct the new service;
5. Provide copy of any municipal required street excavation permit if the street must be disturbed. (C)

B. Change in Customer's Equipment

Customers making any material change in the size, character, or extent of the equipment or operations utilizing water service, or whose change in operations results in a large increase in the use of water, shall immediately give the utility written notice of the nature of the change and, if necessary, amend their application.

C. Change of Ownership of Property

Where customer is owner of premises supplied with water service, he should immediately notify the Bureau of Water, if and when the property is sold, and the new owner or tenant should sign an application for water service, so that bills for water service will be properly addressed.

(C) - Indicates Change.

RULES AND REGULATIONS

Sec. 6 - Special Contracts

Contracts, other than applications, may be required prior to service, under the following conditions:

1. When construction of special extension facilities is necessary.
2. For temporary service. (See Sec. 13.)
3. For tire protection service.
4. For connections with other qualified utilities for emergency service.

Sec. 7 - Meters

A. Ownership and Protection of Meter

7.1 All meters will be furnished and maintained, as far as ordinary wear is concerned, by the utility, and remain the property of the utility, and be accessible to and subject to its control. A gate valve shall be placed on the service line on the street side of and near the meter (Rule 4.17), and a suitable check valve and a relief valve shall be inserted in the line between the utility's meter and any heating unit directly connected to the service line (Rule 4.18); all to be placed by and remain the property of the customer.

7.2 The customer shall be responsible to the utility at all times for proper protection of the meter from injury or loss of the meter arising out of or caused by customers negligence or carelessness, or that of his servants, agents, employees, or any person upon his premises, under, or by authority of, his consent, or sufferance. The customer shall permit no one who is not an agent of the utility or otherwise lawfully authorized so to do, to remove, inspect, or tamper with the utility's meter or other property of the utility on his premises. The customer is also responsible for all equipment that is used to monitor water consumption. If the meter is lost, broken, lighting damaged, frozen and breaks, or any part of the assembly (meter, wire, and outside pad) is damaged by the customer, the customer shall be responsible for the cost to replace the meter and/or damaged assembly parts. (C)

7.3 If a range boiler, or heating boiler, is directly connected to the pipelines, the utility will install an approved type of positive action relief valve on the outlet side of the meter to protect the meter from hot water, at the expense of the customer.

(C) Indicates Change

ISSUED: _____, 2025

EFFECTIVE: _____, 2025

RULES AND REGULATIONS

Sec. 7 - Meters, cont.

B. Size and Location of Meter (C)

7.4 The utility will determine the size and location for the meter. The meter shall be placed at a convenient, accessible location, in a horizontal position, approved by the utility so as to control the entire supply. Meters shall not be higher than 4 feet from the floor. Water lines shall not run under the floor to the meter. A valve will be installed in front of and after the meter. A flared or compression fitting must be used at the first valve before the meter. Copper pipe shall be used up to the valve.

The ERT (encoder-receiver-transmitter) for the meter must be mounted on the wall no lower than 3 feet, at a location approved by the utility. If the customer fails to install the ERT and/or wire at the location required, the service line will be shut off until all requirements have been complied with.

For ERT pit installations, complete any necessary drilling to hook up the antenna for the meter before the meter installation. Pits in a wooded area require pressure treated posts with half plastic piping to cover the wire from the pit to the post. Pits that are on a hill require the post to be mounted at the bottom of the hill, and in an area that allow the utility reader access to get to the ERT. If the utility decides the meter is to be placed within the building to be served, the customer shall provide free of charge and expense to the utility an easily accessible place near the entrance of the service pipe, If the utility decides the meter is to be located outside the building to be served, it must be placed in an approved meter box furnished by the utility at the expense of the customer. (C)

7.5 Meters moved for the convenience of the customer will be relocated at the customer's expense. If the service line from the curb box to the location of the water meter exceeds 100 feet, a meter pit is required. The pit shall be located within 15 feet of the property line. Note that the utility engineer will review the meter pit. A backflow prevention device will be required in accordance with the Backflow Prevention and Cross Connection Control Policies and Procedures Manual (See Section 14.2 of the tariff). (C)

C. Periodic Meter Tests

7.6 All meters shall be tested periodically by the utility without cost to the customer, and the customer may have the meter tested at any other time by making a written application to the Bureau of Water and providing a deposit, as indicated in Rule 7.8, to defray the cost of the special test.

D. Meter Testing in Disputed Account

7.7 In case of a disputed account, involving the accuracy of a meter, such meter shall be tested upon the request of the applicant, in conformity with the provisions of the rules and regulations pertaining to Water Service Utilities, of the Public Utility Commission.

7.8 The meter will be tested upon the written request of the Customer and refund made if a meter is found to be fast at any test in accordance with the Rules set forth in the Water Regulations of the Pennsylvania Public Utility Commission. The Customer shall pay a deposit in advance for testing of the meter in accordance with fees established by the Commission in 52 Pa, Code §65.8(h). If the meter tested upon such request shall be found to be accurate within the limits specified by the Commission, the fee shall be retained by the City; but if not so found, then the cost thereof shall be borne by the City and the fee deposited by the Customer shall be refunded.

(C) Indicates Change

ISSUED: _____, 2025

EFFECTIVE: _____, 2025

RULES AND REGULATIONS

Sec. 7 - Meters, cont.

D. Meter Testing in Disputed Account, cont.

7.9 Rates for testing meters not included in the above classification, or which are so located that the cost is out of proportion to the fee specified, will be furnished by the Commission.

E. Adjustment of Account for Faulty Registration

7.10 If a meter be found to be in error at any test by more than four (4) percent, an allowance or charge shall be made to the customer by the utility, equal to the excess or deficiency in quantity charged the customer, figured back from the date of test through the entire period of the current bill, unless it can be shown that the error is due to an accident or other cause, the exact date of which can be determined, in which case it shall be figured back to such date.

F. Meter Repairs

7.11 When a meter has been found to be in error more than four (4) percent, it will be repaired or replaced with a meter accurate within four (4) percent by the utility without charge to the customer.

G. When Meter Does Not Register

7.12 if a meter, by reason of any defect, has not registered for one month or any part of a quarter year, then the bill for that period shall be estimated on the basis of the average consumption during the three preceding periods. The customer shall at once notify the utility of any cessation of the registration of the meter. Every meter is installed subject to a minimum monthly or quarterly charge in accordance with the Schedule of Rates and such minimum charge shall be non-abatable for nonuse of water, and noncumulative, against subsequent consumption.

RULES AND REGULATIONS

See. 8 - Discontinuance of Service

A. Customer's Request for Service Discontinuance

8.1 When premises are unoccupied, the customer shall notify the utility in writing and the water will be turned off and all charges for water will cease from the date that the water is turned off by the utility. When the property is again occupied, the customer shall again notify the utility in writing and the water will be turned on. No allowance or refund will be made for unoccupied property when written notice both at time of vacancy and at time of occupancy has not been given as above provided, No refund will be allowed for property unoccupied for a *less* period of time than one month.

B. Discontinuance of Service for Failure to Obey Rules

8.2 Service may be discontinued by the utility after due notice to customer for any one of the following reasons:

- (a) Use of water by a customer, or with his consent, for any purpose or at any location or property other than those or that described in the application;
- (b) Failure of a customer to maintain and repair his portion of service line;
- (c) Undue waste of water by a customer or with his consent;
- (d) Failure of a customer to pay a bill for water service within the period herein specified or failure to pay any other fee or charge herein provided;
- (e) Violation by a customer, or with his consent, of any of these Rules and Regulations.

8.3 If the utility has reason to suspect that any customer has tampered with the curb cock after the water has been turned off from the premises, the utility may shut off the water at the main, and it will not be again turned on until satisfactory assurance is given that the practice will be discontinued and all bills, including labor, supplies, and permits, incurred in shutting off and turning on the water are paid in full.

C. Restoration—Reconnection Charge

8.4 A charge of eighty-three dollars (\$83.00) payable in advance will be made for turning on water in restoration of service after discontinuance for any of the reasons specified in Rule 8.2.

(C)(D)

(D) Indicates Decrease

(C) Indicates Change

RULES AND REGULATIONS

Sec. 9 - Deposits

9.1 If the utility requires a deposit pursuant to the Rules and Regulations contained in this tariff or the Water Regulations of the Pennsylvania Public Utility Commission, deposits will be handled in accordance with any applicable Commission regulations and the Public Utility Code. (C)

(C) Indicates Change

RULES AND REGULATIONS

Sec. 10 - Notices

A. Notices to Customers

10.1 Notices from the utility to a customer will normally be given in writing, and either delivered or mailed to him at his last known address.

10.2 Where conditions warrant, and in emergencies, the utility may resort to notification either by telephone or messenger.

B. Notices from Customers

10.3 Notice from the customer to the utility may be given by him or his authorized representative orally or in writing:

- (a) At the office of the Bureau of Water in City Hall; or
- (b) To an employee of the utility.

RULES AND REGULATIONS

Sec. 12 - Bills Due and Payment

12.1 Meters will be read at regular monthly or quarterly intervals, at the option of the utility, for the preparation of regular bills, and as required for the preparation of opening bills, closing bills, and special bills.

12.2 All bills for unmetered service shall be rendered quarterly in arrears.

12.3 The customer will be responsible for the payment for all service rendered by the utility until written notice to discontinue same is received and reasonable time from receipt of said notice shall have elapsed for the utility to take the final reading of the meter.

12.4 If any monthly or quarterly bill for water service is not paid within thirty (30) days after the date on which the bill is rendered, a penalty of one and one-quarter percent (1-¼%) of the amount of said bill shall be imposed thereon, and further, the water shall be shut off after giving the customer ten (10) days written notice of the utility's intention to do so. Upon payment by the customer of an additional charge of eighty-three dollars (\$83.00) as the charge for restoring service, the customer will be returned to service.

(D)(C)

12.5 Payments mailed, as evidenced by the United States Post Office mark, on or previous to the last day of the period in which the payment becomes due will be deemed by the utility to be a payment of the bill within the period in which it becomes due.

12.6 Bills or notices, relating to the utility or its business, shall be mailed or delivered to the customer's last address as shown by the books of the utility and the utility shall not be otherwise responsible for delivery. The utility shall deliver or mail all such notices and bills to the address given on the application, until a change, in writing, has been filed with the utility by the applicant. Failure to receive a bill shall not exempt any customer from the payment of the bill or from being subject to the above provisions with regard to discontinuance of service. The presentation of a bill to the customer is a matter of accommodation and not a waiver of this rule.

(D) Indicates Decrease

(C) Indicates Change

RULES AND REGULATIONS

Sec. 13 - Temporary Service

A. Charge for Water Service

13.1 Charges for water furnished through a temporary service connection shall be at the established rates for other customers.

B. Installation Charge and Deposits

13.2 The applicant for temporary service will be required:

- (a) To pay the utility, in advance, the estimated cost of installing and removing all facilities necessary to furnish such service.
- (b) To deposit an amount sufficient to cover bills for water during the entire period such service may be used, or to otherwise establish his credit.
- (c) To deposit with the utility an amount equal to the value of any equipment loaned by the utility to such applicant for use on temporary services.

C. Responsibility for Meters and Installation

13.3 The customer shall use all possible care to prevent damage to the meter or to any other loaned facilities of the utility which are involved in furnishing the temporary service from the time they are installed until they are removed, or until 48 hours' notice in writing has been given to the utility that the contractor or other person is through with the meter or meters and the installation. If the meter or other facilities are damaged, the cost of making repairs shall be paid by the customer.

D. Temporary Service from a Fire Hydrant/Construction Water

13.4 Water for construction purposes may be furnished by a metered service line from the main or by a utility issued permit to use a fire hydrant with a utility issued isolation device and billing meter. Fire hydrant connections are only available at the locations outlined in Section 13.5. There shall be no hook-ups at the curb stop. A permit fee may be required for the utility issued isolation device with billing meter. If temporary service is supplied through a fire hydrant, a permit for the use of the hydrant shall be obtained from the municipality and the utility. It is specifically prohibited to operate the valve of any fire hydrant other than by the use of a spanner wrench designed for this purpose. (C)

E. Non-Potable Bulk Water Loading Stations (C)

13.5 PADEP required that the utility permit all locations where water is withdrawn from hydrants connected to the utility's distribution system. The Customer must contact the utility to arrange for a permit and a utility issued isolation device and billing meter before water may be withdrawn at any of the PADEP approved locations listed below:

Conestoga Water Treatment Plant, 150 Pitney Road, Lancaster, PA
Susquehanna Water Treatment Plant, 900 South Fifteenth Street, Columbia, PA
WH-14459 2250 Old Philadelphia Pike, Rear East Lampeter Township Building
WH-14460 2056 Waterford Drive
WH-12369 506 Ashton Place
WH-11161 642 Fountain Avenue
WH-12606 5 Bentley Lane
WH-14778 55 Cartledge Lane
WH-12460 140 South Tree Drive
WH-17766 400 Block of East Fulton Street North Side
WH-11735 451 College Avenue
WH-10385 Green Street at South Duke Street
WH-10848 347 North Reservoir Street
WH-10580 Ruby Street at 6th Street
WH-11822 304 South Broad Street
WH-10254 North Queen Street at Penn Square
WH-10621 Fairview Avenue at Fremont Street
WH-11786 750 West Chestnut Street
WH-11153 756 Hamilton Street
WH-10684 861 Marjory Terrace

The utility reserves the right to update this list as may be necessary at the direction of the PADEP, without the approval of the Commission, upon the filing of a revised tariff leaf with the Commission. (C)

F. Unauthorized Use

13.6 Tampering with any fire hydrant for the unauthorized use of water therefrom, or for any other purpose, is a criminal offense, punishable by law. (C)

(C) **Indicates Change**

RULES AND REGULATIONS

Sec. 14 - Cross Connections

14.1 Water service not supplied by the utility shall not be connected or cross-connected with the utility's facilities.

14.2 Backflow Prevention and Cross Connection Control -The utility recognizes that certain water customers have water systems that have connections to apparatus, vessels, etc., which may have impurities in varying degrees that, if not properly isolated and contained, could contaminate and/or pollute both the customer's water system and the utility's water distribution system. The utility has developed a Backflow Prevention and Cross Connection Control Policies and Procedures Manual, which manual is incorporated herein by reference, as updated from time to time and is available on the City's website. This Manual defines the policy and procedures of the City of Lancaster and the water Customer's responsibility regarding backflow prevention and cross-connection.

(C)

14.3 All Commercial, Industrial, and Bulk water customers shall have an approved backflow prevention device consistent with the degree of hazard, as defined by the utility, at the service connection. The backflow protection shall be a properly installed double check valve assembly, or a reduced pressure zone device as determined by the utility. In addition, all fire systems that constitute a potential cross connection shall have a utility-approved double check detector assembly at the lines leading to the fire system.

(C)

14.4 Residential Customers shall be required to install an approved backflow prevention device when they apply for a plumbing permit.

(C)

14.5 The utility will terminate water service to a customer's facility if it is determined that a serious contamination potential exists.

(C)

14.6 The utility requires that the Customer shall provide for the testing, maintenance, and repair of backflow devices by a certified backflow prevention assembly technician at least once a year or whenever failure has occurred or is suspected in order to maintain the devices in satisfactory operating condition. The Customer shall also provide, through a certified backflow prevention assembly technician, for the overhaul or replacement of such devices if they are found to be defective. Records of such tests, repairs, overhauls, and replacements shall be submitted by the Customer to the utility. Customers shall be responsible for maintaining records of such tests and related maintenance for a period of the most recent three (3) years. The installation, care, maintenance and repair of backflow devices are at the customer's expense.

(C)

14.7 Non-compliance with the preceding requirements after due notification may result in the discontinuation of water service. The Customer may be required to reimburse the utility for all costs associated with such action.

(C)

Sec. 15 - Frozen Service Lines

15.1 Should any service line become frozen, the utility will thaw out, at its own expense, that portion of the frozen service line between the main and the curb. The customer shall, at his own expense, thaw out that portion of the frozen service line between the curb and his premises.

Sec. 16 - Pools and Tanks

16.1 When an abnormally large quantity of water is desired for filling a swimming pool or for other purposes, arrangements must be made with the utility prior to taking such water.

16.2 Permission to take water in unusual quantities will be given only if it can be safely delivered through the utility's facilities and if other customers are not inconvenienced.

(C) Indicates Change

RULES AND REGULATIONS
Sec. 17 - Fire Hydrants

A. Use of and Damage to Fire Hydrants

17.1 No person or persons, other than those designated and authorized by the proper authority, or by the utility, shall open any fire hydrant, attempt to draw water from it or in any manner damage or tamper with it. Any violation of this regulation will be prosecuted according to law.

B. Moving of Fire Hydrants

17.2 When a fire hydrant has been installed in the location specified by the proper authority, the utility has fulfilled its obligation. If a property owner or other party desires a change in the size, type or location atilt hydrant, he shall bear all costs of such changes, without refund. Any change in the location of a fire hydrant must be approved by the contracting municipality.

C. Installation of Fire Hydrants

17.3 Any municipality which applies for public fire protection service shall pay the cost of providing the public tire hydrant and the installation thereof. The installation shall be in accordance with the requirements of the Bureau of Water of the City of Lancaster.

Sec. 18 - Responsibility for Equipment

18.1 The customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the utility shall not be responsible for any loss or damage caused by the improper installation of such water equipment, or the negligence, want of proper care or wrongful act of the customer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with such equipment. The utility shall not be responsible for damage to property caused by spigots, faucets, valves and other equipment that are open when water is turned on at the meter, either when the water is turned on originally or when turned on after a temporary shutdown.

RULES AND REGULATIONS

Sec. 19 - Access to Premises

19.1 The utility or its duly authorized agents shall at all reasonable times have the right to enter or leave the customers premises for any purpose properly connected with the service of water to the customer.

Sec. 20 - Interruptions in Service

20.1 The utility shall not be liable for damage resulting from an interruption in service. Temporary shutdowns may be resorted to by the utility for improvements and repairs. Whenever possible, and as time permits, all customers affected will be notified prior to such shutdowns.

20.2 The utility will not be liable for interruption, shortage or insufficiency of supply, or for any loss or damage occasioned thereby, if caused by accident, act of God, fire, strikes, riots, war or any other cause not within its control. The utility, whenever it shall find it necessary or convenient for the purpose of making repairs or improvements to its system, shall have the right temporarily to suspend delivery of water and it shall not be liable for any loss or damage occasioned thereby. Repairs or improvements will be prosecuted as rapidly as is practicable and, so far as possible, at such times as will cause the least inconvenience to the customers.

Sec. 21 - Changing Rules and Regulations

21.1 These rules can only be changed in the manner provided by the Public Utility Law. (C)

(C) Indicates Change

(C)

Sec. 22 - Water Conservation Contingency Plan

1. "If the Company is experiencing a short term supply shortage, the Company may request general-conservation of inside water uses and may impose mandatory conservation measures to reduce or eliminate nonessential uses of water."
2. A list of all nonessential uses of water includes, at a minimum, those contained in 52 PA. Code 465.1, as listed below:
 - a. The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, gardens, vegetables, flowers, or any other vegetation.
 - b. The use of water for washing automobiles, tracks, trailers, trailer houses, or any other type of mobile equipment.
 - c. The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
 - d. The operation of any ornamental fountain or other structures making a similar use of water.
 - e. The use of water for filling swimming or wading pools.
 - f. The operation of any water-cooled comfort air conditioning which does not have water conserving equipment.
 - g. The use of water from fire hydrants for construction purposes of fire drills.
 - h. The use of water to flush a sewer line or sewer manhole.
 - i. The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.
3. Notice of the implementation of the conservation plan shall be sent to all customers *or* be provided by local radio, television, or newspaper advertisements, The utility shall at first request voluntary customer cooperation.

(C) **Indicates Change**

(C)

Sec. 22 — Water Conservation contingency Plan, cont.

4. If voluntary cooperation does not achieve satisfactory results, mandatory compliance will be imposed. If any customer refuses to comply with such mandatory measures, the utility may either adjust the outside water valve connection in a manner which will restrict water flow by up to one-half, or otherwise restrict flow such as by the insertion of a plug device. Note: Prior to such valve adjustment or other flow restriction being imposed, the company must make a bona fide attempt to deliver notice of the valve adjustment or other flow restriction to a responsible person at the affected premises and fully explain the reason for the proposed flow restriction and the means by which the customer may eliminate the grounds for such flow restriction. Less restrictive means may be imposed to secure such compliance.
5. These conservation measures shall be terminated at such time as the supply shortage is eliminated.
6. Complete service termination may be imposed by an Administrative Law Judge or other presiding officer after an expedited hearing has been held to provide the affected customer with an opportunity to be heard.
7. In addition to the provisions as set forth above, the Pennsylvania Emergency Management Council is authorized to promulgate, adopt, and enforce a Water Rationing Plan by virtue of the Emergency Management Services Code, 35 Pa. C.S. #1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.

(C) Indicates Change

Rules and Regulations Governing the Distribution and Sale of Water

Sec. 23 — Main Extensions

(a) Definitions

(C)

- (1) Annual Line Extension Costs: The sum of the Company's additional annual operating and maintenance costs, debt costs and depreciation climes associated with the construction, operation and maintenance of the line extension.
- (2) Annual Revenue (For Line Extension Purposes): The Company's expected additional annual revenue from the line extension based on the Company's currently effective tariff rates and on the average annual usage of customers similar in nature and size to the bona fide service applicant.
- (3) Bona Fide Service Applicant (For Line Extension Purposes): A person or entity applying for water service to an existing or proposed structure within the Company's certificated service territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the applicant or a place of business. An applicant shall not be deemed bona fide service applicant if:
 - (a) applicant is requesting water service to a building lot, subdivision or a secondary residence;
 - (b) the request for service is part of a plan for the development of a residential dwelling or subdivision; or
 - (c) the applicant is requesting special utility service.
- (4) Company Service Line: The water line from the distribution facilities of the Company which connects to the customer service line at the hypothetical or actual line or the actual property line, including the control valve and valve box. The control valve and valve box determine the terminal point for the Company's responsibility for the street service connection.

(C) **Indicates Change**

Rules and Regulations Governing the Distribution and Sale of Water

Sec. 23 Main Extensions, cont.

(C)

- (5) Customer: A person or entity who is an owner or occupant and who contracts with the Company for water service.
- (6) Customer Service Line: The water line extending from the curb, property line or utility connection to a point of consumption.
- (7) Debt Costs: The Company's additional annual cost of debt associated with financing the line extension investment based on the current debt ratio and weighted long-term debt cost rate of the Company or that of a comparable jurisdictional water utility.
- (8) Depreciation Charges: The Company's additional annual depreciation charges associated with the specific line extension investment to be made based on the current depreciation accrual rates for the Company or that of a comparable jurisdictional water utility.
- (9) Line Extension (For Line Extension Purposes): An addition to the Company's main line which is necessary to serve the premises of a customer.
- (10) Operating and Maintenance Costs (For Line Extension Purposes): The Company's average annual operating and maintenance costs associated with serving an additional customer, including customer accounting, billing, collections, water purchased, power purchased, chemicals, and other variable costs based on the current total Company level of such costs, as well as costs particular to the specific needs of that customer, such as line flushing.
- (11) Public Utility: Persons or corporations owning or operating equipment or facilities in this Commonwealth for diverting, developing, pumping, impounding, distributing or furnishing water to or for the public for compensation.

(C) **Indicates Change**

Rules and Regulations Governing the Distribution and Sale of Water

Sec. 23 —Main Extensions, cont.

(C)

- (12) Short-term Supply Shortage; An emergency which causes the total water supply of a Company to be inadequate to meet maximum system demand.
- (13) Special Utility Service: Residential or business service which exceeds that required for ordinary residential purposes. See additional clarification in the Main Extension portion of this tariff.
- (b) The Company shall construct line extensions in its service territory upon request of a service applicant in the following manner and consistent with the definitions noted above;
 - (1) Line extensions to service applicants shall be funded without customer advance if the annual revenue from the line extension will equal or exceed the Company's annual line extension costs.
 - (2) If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a service applicant may be required to provide a customer advance, including associated taxes, if applicable, to the Company's cost of construction for the line extension. The Company's investment for the line extension shall be the portion of the total construction costs which generate annual line extension costs equal to annual revenue from the line extension, The customer's payment or advance amount shall be determined by subtracting the Company's investment for the line extension from the total construction costs of the line extension.
 - (3) The Company's investment for the line extension shall be based upon the following formula where X equals the Company's investment attributed to

Rules and Regulations Governing the Distribution and Sale of Water

Sec. 23 — Main Extensions, cont.

(C)

bona fide service applicant:

X = [AR DM] divided by [I + D], and,

AR = The Company's annual revenue

OM = The Company's annual operation and maintenance expense

I = The Company's debt ratio multiplied by the Company's
weighted long-term debt cost rate.

D = The Company's current depreciation =real rate,

- (c) When a customer advance is required of a bona fide service applicant and an additional customer or customers attach customer service lines to the line extension within ten (10) years from the date of the extension deposit agreement, the Company shall refund a portion of the advance to the customer.
- (1) The Company will refund a per-customer amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such line extension as distinguished from extensions or branches thereof, Provided, however, that the total amount refunded shall not exceed the original deposit without Interest, and further provided that all or any part of the deposit not refunded within said ten (10) year period shall become the property of the Company and shall be treated as Contributions-in-Aid of Construction for ratemaking purposes, The per customer refund amount shall equal the Company's investment attributed to each bona fide service applicant as calculated in the formula contained in this tariff.
- (d) The Company shall require a customer to pay, in advance, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the customer.

(C) Indicates Change

Rules and Regulations Governing the Distribution and Sale of Water

Sec. 23 —Main Extensions, cont.

(C)

- (e) Special utility service shall mean residential or business service which exceeds that required for ordinary residential purposes. Section 30, subsections (b) (d) of this tariff do not apply to special utility service. By way of illustration and not limitation, special utility service shall include the installation of facilities such as oversized mains, booster pumps and storage tanks as necessary to provide adequate flows or to meet specific pressure criteria or service to large water consuming commercial and industrial facilities. The Company shall have no duty to construct facilities to provide special utility service. A customer shall advance to the Company the full cost and associated taxes, if applicable, of facilities for special utility service. An otherwise bona fide applicant requesting service which includes a "special utility service" component is entitled to bona fide service applicant status, but only to the extent of the corresponding Company contribution toward the costs of the line extension which do not meet the special utility service criteria.
- (f) Requirement for Extension Deposit Agreement: Where an extension of facilities is not fully funded by the Company pursuant to (a) of this Section, the execution by the applicant of an Extension Deposit Agreement for customer contribution or advance shall be a condition of extending the facilities. Upon notice that the Company is prepared and able to go forward with the work, the applicant will deposit with the Company the amount specified in the Extension Deposit Agreement.
- (g) Size and Type of Line: The Company shall have the exclusive right to determine the type and size of lines to be installed and the other facilities required to render adequate service. Where the Company decides, however, to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Extension Deposit Agreement shall include only the material and installation cost for a pipe the size and type of which is necessary in the Company's judgement to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of

(C) **Indicates Change**

Rules and Regulations Governing the Distribution and Sale of Water

Sec. 23 —Main Extensions, cont.

(C)

the Company. All estimated or actual cost figures referred to in the Extension Deposit Agreement shall include a reasonable allowance for overhead costs and an allowance for taxes as appropriate and applicable. The minimum size for main extensions shall be six (6) inches pursuant to Commission regulation at 52 Pa, Code § 65,17(b).

- (h) Determination of Extension Length: In determining the length of any extension, the terminal point of such extension shall be at that point in the curb line which is equidistant from the side property lines of the fast lot for which water service is requested, A Company service connection will be provided only for customer service lines that extend at right angles from the curb line in a straight line to the premises to be served.
- (i) Cost True-ups: At the conclusion of the line extension project there shall be a reconciliation of the actual costs incurred to the amount of extension deposit that has been paid by the customer. If the actual cost exceeds the deposit, the applicant shall be responsible for payment to the Company of the difference in a manner specified by the Company. If the deposit exceeds the actual cost, the Company shall refund the difference.

(C) **Indicates Change**

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water

(C)

FORM OF EXTENSION DEPOSIT AGREEMENT

THIS AGREEMENT entered into this ___ day of _____, 19___, by and between the Water Bureau of the City of Lancaster, (hereinafter called the "UTILITY") and _____ (hereinafter called the "DEPOSITOR").

WHEREAS, the Depositor desires extension of the water mains of the Utility, as hereinafter described:

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: The Utility contracts and agrees to lay the water main(s) (and other facilities, if any), as shown in red on the diagram hereto attached and made a part hereof described and located as follows:

SECOND: It is expressly understood and agreed that, if the Utility shall be delayed or prevented from installing the water main (a) (and other facilities, if any), hereinbefore described because of its failure to secure pipe or construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from date hereof, the Depositor shall have The right to cancel and terminate this Agreement on thirty (30) days' written notice to the utility, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by the Depositor shall not be invoked if the Utility has received the construction material and the Depositor has made the deposit as hereinafter required, in which event the Utility shall have the obligation to prosecute the work diligently to its completion.

(C) **Indicates Change**

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water (C)

THIRD: In an extension involving a bona fide service customer, the Depositor hereby agrees to deposit with the Utility, upon notice from the Utility, that it is prepared and able to go forward with the work provided in Paragraph FIRST hereof, an amount of cash equal to (a) the estimated cost of the extension, including the estimated cost of said main(s) and the estimated cost of any other facilities, including but not limited to facilities necessary to render special utility service, which the Utility shall have decided are required to render adequate service, but excluding the cost of public fire hydrants and hydrant laterals and the necessary meters and street service connections, less (b) a credit equal to the amount of the Utility's investment attributable to the number of bona fide service applicants who will be served directly by said extension. Upon such written notice, a Preliminary Memorandum, in the form attached, shall be prepared and signed by both parties showing the deposit required in accordance with the foregoing provisions. Upon the completion of the installation of the extension, a Final Memorandum, in the form attached, shall be prepared and signed by both parties, showing the deposit required based on (a) actual cost of the extension, including the actual installation cost of the mains and other facilities, Less (b) the appropriate, credit allowance based on actual cost, If the deposit shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the Depositor will deposit any additional amount shown to be due or the Utility will refund to the Depositor any excess amount shown to have been deposited, it being the intent of this agreement that the deposit required shall be based on the actual installation cost.

FOURTH: In any extension involving any applicant other than a bona fide service applicant, the Depositor hereby agrees to deposit with the Utility, upon notice from the Utility that is prepared and able to go forward with the work provided in Paragraph FIRST hereof, an amount of cash equal to the estimated cost of the extension, including the estimated cost of main(s), and the estimated cost of any other facilities including, but not limited to, facilities necessary to render special utility service, which the Utility shall have decided are required to render adequate service, including the cost of fire hydrants and hydrant laterals where application for public fire hydrants is made by the applicant and not by public authority, and the Cost of street service connections, but excluding the cost of necessary meters. The same provisions for the preparation of

(C) Indicates Change

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water (C)

Preliminary and Final Memoranda and the adjustments of estimated and actual costs of the extension, as outlined in Paragraph THIRD, shall apply to this extension.

FIFTH: The Utility hereby agrees to refund to the Depositor during the period of ten (10) years from the actual date of the deposit an amount equal to a per customer amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension, as distinguished from extensions or branches thereof; provided, however, that the total amount refunded shall not exceed the original deposit, without interest, and that all or any part of the deposit not refunded within said ten (10) year period shall become the property of the Utility And shall be treated as Contributions-in-Aid of Construction for ratemaking purposes. The per customer refund amount shall equal the Utility's investment attributed to each bona fide applicant as calculated in the formula contained in the Utility's tariff. For non-bona fide applicants, the refund amount shall be equal to the utility's average per customer investment in mains and accessories as shown on the utility's books of accounts.

SIXTH: The Depositor may request refunds under Paragraph FIFTH, once in each calendar quarter, furnishing the Utility, at such time, a listing of additional customers attached to the main(s) covered by this agreement; however, a failure on the part of the Depositor to make such request shall not constitute a waiver of any rights hereunder or relieve the Utility of the obligation to make refunds with reasonable promptness.

SEVENTH: The ownership of the water main(s) laid hereunder shall at all times be in the Utility, its successors and assigns.

EIGHTH: This agreement shall be valid and binding on the Utility only when executed by an authorized Utility representative.

NINTH: This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties.

(C) **Indicates Change**

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water (C)

TENTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to the Utility at Bureau of Water, City Hall, Lancaster, Pennsylvania, and to the Depositor at _____
_____.

ELEVENTH: This agreement is entered into pursuant to the legally established Rules and Regulations of the Utility contained (c) In its tariff; as may be amended from time to time, and the words, phrases, and terms hereof are to be understood and interpreted in conformity with said Rules and Regulations which are incorporated herein by reference.

Executed in triplicate by the parties hereto on the date first above written

WITNESS:

By: CITY OF LANCASTER
BUREAU OF WATER

WITNESS:

By: DEPOSITOR

(C) Indicates Change

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water

(C)

PRELIMINARY MEMORANDUM

This Preliminary memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraphs THIRD and FOURTH of a certain agreement in writing between the parties entered into on the ____ day of _____, 19__, for the installation by the Utility of a certain water main(s) therein described. It is, therefore, agreed and stipulated:

| | | Bona Fide Service <u>Applicants</u> | All Other Applicants |
|-----|--|---|-------------------------|
| (a) | Estimated Cost of Mains | _____ | _____ |
| (b) | Estimated Cost of other facilities Services | None | _____ |
| | Fire Hydrants | None | _____ |
| | Other | _____ | _____ |
| (c) | Total | _____ | _____ |
| (d) | Credit Allowance | | |

The Utility's investment where X equals the Utility's investment attributable to each bona fide service applicant,

X = [AR - OM) divided by[I + D], and;

AR = the Company's annual revenue

OM = the Company's operating and maintenance costs

I = the Company's current debt ratio multiplied by the Company's weighted long-term debt cost rate

D = the Company's current depreciation accrual rate

| | | | |
|-----|---------------------------|-------|-------|
| (e) | Amount of deposit (e) (d) | _____ | _____ |
|-----|---------------------------|-------|-------|

This Preliminary memorandum shall be attached to the original agreement in accordance with the provisions of Paragraphs THIRD and FOURTH thereof.

(C) **Indicates Change**

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water

(C)

Dated _____
(Date of Deposit)

WITNESS:

By: CITY OF LANCASTER
BUREAU OF WATER

WITNESS:

By: DEPOSITOR

(C) Indicates Change

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

Rules and Regulations Governing the Distribution and Sale of Water

(C)

FINAL MEMORANDUM

This Final memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraphs THIRD and FOURTH of a certain agreement in writing between the parties entered into on the ____ day of _____, 19__, for the installation by the utility of a certain water main(s) therein described. It is, therefore, agreed and stipulated:

| | | Bona Fide Service | |
|-----|---|----------------------|------------------|
| | | <u>Applicants</u> | <u>Developer</u> |
| (a) | Actual Cost of Mains | _____ | _____ |
| (b) | Actual Cost of other facilities Services (_____ x _____) | | |
| | No. Unit Cost | | |
| | Fire Hydrants | None | _____ |
| | Other | None | _____ |
| (c) | Total | _____ | _____ |
| (d) | Credit Allowance | _____ | |

The Utility's investment where X equals the Utility's investment attributable to each bona fide service applicant,

- X = [AR - OM) divided by[I + D], and;
- AR = the Company's annual revenue
- OM = the Company's operating and maintenance costs
- I = the Company's current debt ratio multiplied by the Company's weighted long-term debt cost rate
- D = the Company's current depreciation accrual rate

| | | | |
|-----|--|-------|-------|
| (e) | Amount of Final Estimate of Deposit (c) (d) | _____ | _____ |
| (f) | Amount of Preliminary Estimate of Deposit | _____ | _____ |
| (g) | Adjustment of Deposit | | |
| | (a) Balance Owing Applicant | _____ | _____ |
| | (b) Balance Owing Utility | _____ | _____ |

(C) **Indicates Change**

Rules and Regulations Governing the Distribution and Sale of Water (C)

- (h) Basis of Refund - (See Paragraph FIFTH)
 - (a) Each Additional Bona Fide Customer (I) x (If)
 - (b) Add Unit Cost of Service Connection & Advanced by Developer None _____

This Final Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraphs THIRD and FOURTH thereof.

Dated _____

WITNESS:

By: CITY OF LANCASTER
BUREAU OF WATER

WITNESS:

By: DEPOSITOR

(C) Indicates Change

ISSUED: April 19, 1999

EFFECTIVE: June 18, 1999

APPENDIX C

LONG TERM INFRASTRUCTURE IMPROVEMENT PLAN



CITY OF LANCASTER
120 NORTH DUKE STREET
P.O. BOX 1599
LANCASTER, PA 17608

LONG TERM INFRASTRUCTURE IMPROVEMENT PLAN

July 31, 2025

**Stephen Campbell, Director of Public Works
and
Benjamin M. Perwien, P.E., Utility Engineer
Bureau of Water**

CITY OF LANCASTER
LONG TERM INFRASTRUCTURE IMPROVEMENT PLAN

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The City of Lancaster is submitting this Long-Term Infrastructure Improvement Plan (“LTIIIP”) in accordance with the requirements of Subchapter B, Distribution Systems of 66 Pa. C.S. §1350-1360 and the Public Utility Commission’s Final Implementation Order, Docket No. M-2012-2293611, entered August 2, 2012, for the establishment of a Distribution System Improvement Charge (“DSIC”).

INTRODUCTION

The City of Lancaster owns the water distribution system, which is operated and maintained by the City of Lancaster - Department of Public Works, Bureau of Water.¹ The Lancaster water distribution system covers approximately 55 square miles in Lancaster County.

Major facilities in the water system include transmission and distribution mains, pumping stations, pressure reducing stations, a reservoir and storage tanks.

This LTIIIP describes capital improvement recommendations for the City of Lancaster in the Public Utility Commission (“PUC”) regulated area. This plan presents a strategy for infrastructure improvements to ensure that Lancaster can continue to provide safe, high quality, and reliable service to its customers. The City of Lancaster provides water service to over 49,000 customers in Lancaster County in Pennsylvania. Customers are served in the City of Lancaster; portions of the following townships: Lancaster, East Lampeter, West Lampeter, Pequea, Manor, Manheim, and West Hempfield; Millersville Borough and through bulk water agreements with East Petersburg, Upper Leacock Water Authority, West Earl Water Authority, East Hempfield Water Authority, and Northwestern Lancaster County Authority (Penn Township). The area of The City of Lancaster System that the PUC regulates is all of the territory outside of the City boundaries and includes about 31,300 customers. The capital improvements that are in this LTIIIP are allocated for projects serving areas outside Lancaster’s city limits.

In 2021, water demands averaged 20.707 million gallons per day (“MGD”) and maximum day demands were 24.407 MGD. Customer growth in the Lancaster system is forecasted by review of the Lancaster County Planning Commission population projections and planning and zoning information from the municipalities within the City’s Franchise Area obtained from Lancaster County GIS. Average water demands are projected to increase to 26.131 MGD by 2040. Maximum day demands are forecasted to increase to 34.385 MGD by 2040.

Lancaster recognizes the need for continual renewal and replacement of its distribution system to maintain safe, reliable, high-quality water service to its customers. Over the next ten years Lancaster will continue its annual main renewal and replacement program. Locations for pipeline infrastructure improvements will be associated with street improvement plans, history of main breaks, necessary system maintenance, projects associated with fire flow improvements, and system improvements to provide resiliency. This plan outlines the five-year plan for those system improvements.

¹ Sometimes referred to herein as the “City”, “Lancaster” or the “City of Lancaster”, all of which should be read to be referring to the Bureau of Water in most if not all contexts unless otherwise indicated.

1.0 TYPE AND AGE OF ELIGIBLE PROPERTY

The City of Lancaster’s water system includes the raw water intake system on the Susquehanna and Conestoga rivers, two treatment plants and the treated water distribution system, including associated tanks and pumping stations. The raw water system includes supply intakes at the Susquehanna and Conestoga rivers, strainer facilities, low service pump buildings, over one mile of transmission mains, and three valves. The Susquehanna and Conestoga Water Treatment Plants were upgraded to membrane filtration with a capital improvement project that ended in 2011. Membranes were replaced at Conestoga in 2021, and four of eight membrane trains were replaced in 2021 at Susquehanna. The remaining four Susquehanna membrane trains were replaced in 2022. The finished water distribution system includes two high service pump stations, over 620 miles of distribution and transmission main, over 5,000 hydrants, over 47,000 customer water meters and service lines, 12,000 valves, four booster pumping stations, a 15 million gallon reservoir, five storage tank facilities, four pressure reducing valve stations, and a supervisory control and data acquisition (“SCADA”) system. Eligible property for the purpose of the LTIP is limited to the portion of the City of Lancaster’s water system that is regulated by the PUC, and is limited to Transmission and Distribution Lines, Hydrants and Pipeline Valves, Water Meters, and the SCADA System.

Low Service Pumps and Strainer Building

The Susquehanna low service pumps are 400 horsepower with magnetic metering that provides flow at approximately 40 psi to the strainer building. The low service pumping station was built as part of the original plant construction in 1956 and was rehabilitated in 2011 as part of the Membrane Filtration Project. A new strainer building was constructed as part of the Membrane Filtration Project completed in 2011. The flow is then pumped through a single 42-inch diameter steel water main for approximately one mile to the plant. There is no redundant main for this raw water intake pipe which was installed as part of the original plant construction in the 1950s.

The Conestoga low service pumps are 150 horsepower with venturi metering. The pump building was rebuilt in 1974 and was rehabilitated in 2001. A new strainer building was constructed as part of the Membrane Filtration Project in 2011. The flow is then pumped through a single 30-inch diameter ductile iron water main for approximately 810 feet to the plant.

Water Distribution System

The City of Lancaster water distribution system serves over 49,000 customers. The distribution network includes over 620 miles of pipe, ranging in size from 2-inch diameter to 42-inch diameter. Pipe materials in the system include asbestos cement, cast iron, cement-lined ductile iron, galvanized iron, steel, PVC, and cement-lined cast iron pipe. A majority of the water mains in the system are over 50 years old, and some mains are over 150 years old. Over 40 miles of water main within the system is over 100 years old. Over 40 miles of water mains are transite. There are approximately 13,000 pipeline valves, 4,950 hydrants, over 49,000 customer water meters, and over 188 miles of service lines in the Lancaster system.

Pipeline information is presented in Table 1-1, pipeline valve information is presented in Table 1-2, and water meter information is presented in Table 1-3.

Most of the Lancaster service area is served as a single pressure gradient. Treated water from the Susquehanna Water Treatment Plant flows through a 42-inch steel transmission main for approximately 4 miles to the Oyster Point Reservoir, where it flows another seven miles through 42-inch steel main to Race Avenue at the western edge of the City of Lancaster. The 42-inch main was installed in 1956. There are several smaller transmission mains that tie into the 42-inch main. In 2019, the City constructed the first phase of a three phase plan to create a replacement main for the original 42-inch steel main. This first phase was from the Oyster Point Reservoir to the western edge of the City, the second and third phases are explained in more detail in Section 2. Treated water from the Conestoga Water Treatment Plant flows under the Conestoga River and ties into transmission mains on New Holland Avenue through approximately one mile of a 36-inch ductile iron transmission main that was installed in 1970. A redundant main flows under the Conestoga River. It was installed in 1992, it utilizes 3,800 feet of 30-inch ductile iron transmission main and ties into an older transmission main at the intersection of Grofftown Road and Chestnut Street.

There are four pressure zones served by four booster pumping stations within the water system. They include the main pressure zone, the Blossom Hill pressure zone, the Willow Street pressure zone and the Lampeter pressure zone. The Lancaster distribution system storage is provided by five tanks and a reservoir. There are 26.4 million gallons of storage in the system. The main pressure zone is supplied water by the Oyster Point Reservoir, the Lafayette Tank, the Neffsville Tank, the Northwest Pump Station, and the East Pump Station and transmission mains from the two water plants. The Blossom Hill pressure zone is supplied water by the Blossom Hill Tank and the Hess Boulevard Pump Station. The Willow Street pressure zone is supplied water by the Willow Street Tank and Pump Station. The Lampeter pressure zone is supplied water by the Book Road Tank and flow is regulated by a pressure reducing valve (“PRV”) from the Willow Street pressure zone. Pressure zone tank storage and pump station information is summarized in Tables 1-4 and 1-5.

There are five bulk water customers that are served by the Lancaster system that supply water to communities located in East Petersburg Township, Upper Leacock Water Authority, West Earl Water Authority, East Hempfield Water Authority and North Western Lancaster County Authority (Penn Township). Maximum allocated water usage is summarized in Table 1-6.

SCADA System

The SCADA system allows the plant operator to monitor existing conditions of all tank levels and pump stations within the entire system. The software allows them to control the plant output to allow for the system to operate efficiently. In addition, the system allows for pump stations to be monitored from the plants.

Table 1-1
City of Lancaster
Distribution System Pipeline Information Total System

| Diameter (Inches) | Pipe Length (Feet) | Pipe Length (Miles) | Percentage of Total |
|-------------------|--------------------|---------------------|---------------------|
| 2" | 10,693 | 2.025 | 0.324% |
| 4" | 92,231 | 15.182 | 2.431% |
| 6" | 1,477,775 | 271.860 | 43.525% |
| 8" | 985,612 | 198.176 | 31.728% |
| 10" | 45,549 | 6.985 | 1.118% |
| 12" | 412,224 | 76.314 | 12.218% |
| 16" | 141,664 | 26.856 | 4.300% |
| 20" | 9,969 | 0.740 | 0.118% |
| 24" | 67,002 | 12.690 | 2.032% |
| 30" | 10,531 | 1.995 | 0.319% |
| 36" | 4,986 | 0.944 | 0.151% |
| 42" | 57,210 | 10.835 | 1.735% |
| Total | 3,315,446 | 624.603 | 100% |

| Age Range | Pipe Length (Feet) | Pipe Length (Miles) | Percentage of Total |
|--------------|--------------------|---------------------|---------------------|
| Before 1900 | 147,598 | 27.954 | 4.452% |
| 1900-1909 | 20,160 | 3.818 | 0.608% |
| 1910-1919 | 10,667 | 2.020 | 0.322% |
| 1920-1929 | 236,095 | 44.715 | 7.121% |
| 1930-1939 | 99,366 | 18.819 | 2.997% |
| 1940-1949 | 59,879 | 11.341 | 1.806% |
| 1950-1959 | 537,903 | 101.876 | 16.224% |
| 1960-1969 | 323,907 | 61.346 | 9.770% |
| 1970-1979 | 370,148 | 70.104 | 11.164% |
| 1980-1989 | 600,336 | 113.700 | 18.107% |
| 1990-1999 | 402,513 | 76.234 | 12.141% |
| 2000-2010 | 300,632 | 56.938 | 9.068% |
| 2010-2019 | 179,727 | 34.039 | 5.421% |
| 2020+ | 26,515 | 5.022 | 0.800% |
| Total | 3,315,446 | 627.925 | 100% |

Table 1-2
City of Lancaster
Distribution System Valve Information Total System

| Valve Diameter | Number of Valves (1) | Percentage of Total |
|----------------|----------------------|---------------------|
| 2" | 41 | 0.301% |
| 4" | 196 | 1.441% |
| 6" | 8,725 | 64.150% |
| 8" | 3,274 | 24.072% |
| 10" | 156 | 1.147% |
| 12" | 899 | 6.610% |
| 16" | 176 | 1.294% |
| 20" | 13 | 0.096% |
| 24" | 64 | 0.471% |
| 30" | 42 | 0.309% |
| 36" | 10 | 0.074% |
| 42" | 5 | 0.037% |
| Total | 13,601 | 100% |

| Age Range | Number of Valves (1) | Percentage of Total |
|--------------|----------------------|---------------------|
| Before 1900 | 968 | 7.117% |
| 1900-1909 | 56 | 0.412% |
| 1910-1919 | 10 | 0.074% |
| 1920-1929 | 1,003 | 7.374% |
| 1930-1939 | 310 | 2.279% |
| 1940-1949 | 210 | 1.544% |
| 1950-1959 | 1,477 | 10.859% |
| 1960-1969 | 1,260 | 9.264% |
| 1970-1979 | 1,554 | 11.426% |
| 1980-1989 | 2,688 | 19.763% |
| 1990-1999 | 1,641 | 12.065% |
| 2000-2010 | 1,431 | 10.521% |
| 2010-2019 | 868 | 6.382% |
| 2020+ | 125 | 0.919% |
| Total | 13,601 | 100% |

(1) Estimated

Table 1-3
City of Lancaster
Customer Meter Information Total System

| Meter size | Number of Meters | Percent Total |
|--------------|------------------|----------------|
| 5/8" | 25,887 | 53.03% |
| 5/8"x3/4"* | 9,430 | 19.32% |
| 3/4" | 4,575 | 9.37% |
| 3/4"x1"*** | 4,763 | 9.76% |
| 1" | 2,332 | 4.78% |
| 1-1/2" | 511 | 1.05% |
| 2" | 1,004 | 2.06% |
| 4" | 115 | 0.24% |
| 6" | 116 | 0.24% |
| 8" | 61 | 0.12% |
| 10" | 23 | 0.05% |
| Total | 48,817 | 100.00% |

*Meter size of 5/8" x 3/4" is a 3/4" service lateral from the main to the meter, but the meter size is 5/8".

**Meter size of 3/4" x 1" is a 1" service lateral from the main to the meter, but the meter size is 3/4".

| Age Range | Number of Meters | Percent Total |
|---------------|------------------|----------------|
| Pre 1995 | 435 | 0.89% |
| 1995-2000 | 442 | 0.91% |
| 2001-2005 | 1,954 | 4.00% |
| 2006-2010 | 4,746 | 9.72% |
| 2011 to today | 41,240 | 84.48% |
| Total | 48,817 | 100.00% |

Table 1-4
City of Lancaster
Distribution System Pipeline Information for PUC Regulated Area

| Diameter (Inches) | Pipe Length (Feet) | Pipe Length (Miles) | Percentage of Total |
|-------------------|---------------------|---------------------|---------------------|
| 2" | 8,437 | 1.598 | 0.320% |
| 4" | 43,825 | 8.300 | 1.664% |
| 6" | 1,116,188 | 211.399 | 42.379% |
| 8" | 897,713 | 170.021 | 34.084% |
| 10" | 24,732 | 4.684 | 0.939% |
| 12" | 319,435 | 60.499 | 12.128% |
| 16" | 116,994 | 22.158 | 4.442% |
| 20" | 318 | 0.060 | 0.012% |
| 24" | 46,572 | 8.820 | 1.768% |
| 30" | 4,004 | 0.758 | 0.152% |
| 36" | 0 | 0.000 | 0.000% |
| 42" | 55,577 | 10.526 | 2.110% |
| Total | 2,633,795 | 498.825 | 100% |
| Age Range | Pipe Length (Feet) | Pipe Length (Miles) | Percentage of Total |
| Before 1900 | 4,903 | 0.929 | 0.186% |
| 1900-1909 | 10,619 | 2.011 | 0.403% |
| 1910-1919 | 4,569 | 0.865 | 0.173% |
| 1920-1929 | 105,997 | 20.075 | 4.024% |
| 1930-1939 | 58,351 | 11.051 | 2.215% |
| 1940-1949 | 42,587 | 8.066 | 1.617% |
| 1950-1959 | 445,090 | 84.297 | 16.899% |
| 1960-1969 | 283,571 | 53.707 | 10.767% |
| 1970-1979 | 310,594 | 58.825 | 11.793% |
| 1980-1989 | 539,568 | 102.191 | 20.486% |
| 1990-1999 | 360,761 | 68.326 | 13.697% |
| 2000-2010 | 294,268 | 55.733 | 11.173% |
| 2010-2019 | 153,645 | 29.099 | 5.834% |
| 2020+ | 19,272 | 3.650 | 0.732% |
| Total | 2,633,795 | 498.825 | 100% |
| Type of Main | Pipe Length (Miles) | Percentage of Total | |
| Ductile Iron | 304.098 | 60.96% | |
| Cast Iron | 143.031 | 28.67% | |
| Asbestos Cement | 36.878 | 7.39% | |
| Plastic | 4.292 | 0.86% | |
| Steel | 10.526 | 2.11% | |
| Total | 498.825 | 100% | |

Table 1-5
City of Lancaster
Distribution System Valve Information for PUC Regulated Area

| Age Range | Number of Valves (1) | Percentage of Total |
|--------------|----------------------|---------------------|
| Before 1900 | 9 | 0.090% |
| 1900-1909 | 23 | 0.229% |
| 1910-1919 | 7 | 0.070% |
| 1920-1929 | 338 | 3.372% |
| 1930-1939 | 149 | 1.486% |
| 1940-1949 | 129 | 1.287% |
| 1950-1959 | 1,202 | 11.991% |
| 1960-1969 | 1,068 | 10.654% |
| 1970-1979 | 1,236 | 12.330% |
| 1980-1989 | 2,311 | 23.055% |
| 1990-1999 | 1,467 | 14.635% |
| 2000-2010 | 1,410 | 14.066% |
| 2010-2019 | 630 | 6.285% |
| 2020+ | 45 | 0.449% |
| Total | 10,024 | 100% |

| Valve Diameter | Number of Valves (1) | Percentage of Total |
|----------------|----------------------|---------------------|
| 2" | 30 | 0.299% |
| 4" | 94 | 0.938% |
| 6" | 6,243 | 62.281% |
| 8" | 2,795 | 27.883% |
| 10" | 59 | 0.589% |
| 12" | 603 | 6.016% |
| 16" | 112 | 1.117% |
| 20" | 1 | 0.010% |
| 24" | 43 | 0.429% |
| 30" | 38 | 0.379% |
| 36" | 1 | 0.010% |
| 42" | 5 | 0.050% |
| Total | 10,024 | 100% |

(1) Estimated

Table 1-6
 City of Lancaster
 Customer Meter Information for PUC Regulated Area

| Meter size | Number of Meters | Percent Total |
|--------------|------------------|----------------|
| 5/8" | 11,734 | 37.27% |
| 5/8"x3/4"* | 8,773 | 27.86% |
| 3/4" | 3,136 | 9.96% |
| 3/4"x1"*** | 4,719 | 14.99% |
| 1" | 1,904 | 6.05% |
| 1-1/2" | 326 | 1.04% |
| 2" | 677 | 2.15% |
| 4" | 62 | 0.20% |
| 6" | 91 | 0.29% |
| 8" | 51 | 0.16% |
| 10" | 13 | 0.04% |
| Total | 31,486 | 100.00% |

*Meter size of 5/8" x 3/4" is a 3/4" service lateral from the main to the meter, but the meter size is 5/8".

**Meter size of 3/4" x 1" is a 1" service lateral from the main to the meter, but the meter size is 3/4".

| Age Range | Number of Meters | Percent Total |
|---------------|------------------|----------------|
| Pre 1995 | 197 | 0.63% |
| 1995-2000 | 279 | 0.89% |
| 2001-2005 | 1,521 | 4.83% |
| 2006-2010 | 3,293 | 10.46% |
| 2011 to today | 26,196 | 83.20% |
| Total | 31,486 | 100.00% |

Table 1-7
City of Lancaster
Distribution System Pump Information
Assets Not DSIC Eligible

| Pumping Station | Construction Date | # of Pumps | Rated Flow (GPM) | Rated Total Dynamic Head | Motor HP | Drive Type | Back-Up Power |
|----------------------------|-------------------|------------|------------------|--------------------------|----------|---------------------------------------|----------------------------|
| Low Service - Conestoga | 1999 | 2 | 8333 | 50 | 150 | VFD | 2750 kW Generator (Shared) |
| Low Service - Susquehanna | 2010 | 3 | 9550 | 137 | 400 | VFD | 1000 kW Generator |
| High Service - Conestoga | 1999 | 2 | 8333 | 260 | 750 | VFD | 2750 kW Generator (Shared) |
| High Service - Susquehanna | 2010 | 3 | 8333 | 294 | 800 | VFD | 3000 kW Generator |
| Hess Boulevard | 1997 | 2 | 800 | 155 | 40 | Telemecanique Altistart3 soft starter | 100 kW Generator |
| Northwest | 2011 | 4 | 7000 | 220 | 200 | Eaton CPX9000 VFD | No |
| East | 2015 | 2 | 4000 | 75 | 100 | Eaton CPX9000 VFD | 180 kW Generator |
| Willow Street | 2012 | 2 | 2000 | 230 | 150 | Eaton CPX9000 VFD | 280 kW Generator |

Table 1-8
City of Lancaster
Distribution System Storage Information
Assets Not DSIC Eligible

| Storage Name | Construction Date | Last Year Painted | Dimensions or Diameter | Overflow Elevation (Feet) | Bottom Elevation (Feet) | Storage Height (Feet) | Nominal Capacity | Type |
|------------------------|-------------------|-------------------|------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------|
| Oyster Point Reservoir | 1956 | N/A | 102400 SF Rectangle | 518 | 498 | 20 | 15 MG | Covered In-Ground |
| Lafayette Tank | 1967 | 1986 | 113' Diameter | 518 | 419 | 99 | 7.5 MG | Steel Standpipe |
| Willow Street Tank | 1989 | 2013 | 52' | 611 | 493 | 118 | 1.88 MG | Steel Standpipe |
| Neffsville Tank | 1968 | 1986 | 60' Diam | 518 | 430 | 88 | 1.86 MG | Steel Standpipe |
| Lampeter Tank* | 1968 | 1986 | 40.5' Diam | 560 | 531 | 29 | .3 MG | Steel Spheroid |
| Blossom Hill Tank | 1955 | 1984 | 23' Diam | 589 | 510 | 79 | .25 MG | Steel Standpipe |
| | | | | | | | Total 26.11 MG | |

*Lampeter Tank is no longer in service. This area is now part of the Willow Street Pressure Zone.

2.0 SCHEDULE FOR PLANNED REPAIR AND REPLACEMENT OF DSIC ELIGIBLE PROPERTY

Lancaster recognizes the need for ongoing renewal and replacement of its distribution system to maintain safe, reliable, high-quality water service to its customers. Renewal of the system includes cleaning and relining of mains to improve water quality issues when minimal break history exists. Replacement of the system infrastructure involves annual pipeline replacement that target small-diameter mains that are problematic (based on break history), or have capacity issues. Renewal of system infrastructure also involves specific projects identified to address issues associated with pumping stations, storage facilities and SCADA systems. Other construction projects involve installation of main extensions to eliminate dead ends within the system.

Over the next 5 years Lancaster will increase its existing annual main renewal and replacement program, provided it has sufficient revenue to support that increased activity. Locations for pipeline infrastructure improvements (shown on Table 5-1) will be associated with street improvement plans, history of main breaks, necessary system maintenance, projects associated with fire flow improvements, and system improvements to provide redundancy. Table 5-1 is a listing of DSIC projects for the areas outside the Lancaster City limits. i.e., in the PUC Regulated Area.

The Susquehanna Large Diameter Replacement Main Project originally consisted of five phases of construction from the Susquehanna River to the western city limits of Lancaster. The purpose of this project is to provide system resiliency, given the sole transmission main from the Susquehanna Water Treatment Plant is over 60 years old, and to also provide additional pressure during peak demand periods. The existing 42-inch water main has had numerous breaks and supplies 66% of the total system consumptive flows. The first phase of this project (transmission main replacement from the Oyster Point Reservoir into the City) was completed in 2021. The second phase of the project would be from the City's Susquehanna Water Treatment plant to its Oyster Point Reservoir. This was originally supposed to start in 2026-2027, however, the City applied for grant funding for ARPA dollars through Commonwealth Financing Agency. The City was awarded a \$3.8 million grant. Phase 2 is estimated to cost \$31.758 million in current dollars (which is 50% more than the first phase construction costs). Since the project is funded by ARPA dollars, it must be completed by September 2026. The third phase should be bid in 2025 with a completion date in 2025 with an estimated construction cost of \$9.761 million. Due to this phase being a raw water main, this is not eligible property, but it is still a part of the overall project.

As the City of Lancaster's water system ages, the need to replace the old cast iron lines becomes paramount. The design life of iron pipe is typically 100 years. Currently, the City has just over 4 miles of water main that was installed over 100 years ago in the PUC Regulated area. The City has an annual main replacement project that addresses the old cast iron mains and replaces them with new ductile iron main. Since the City is planning to coordinate with its municipal partners, as to not replace main in areas that have recently been paved, the City does not know what segments of streets are going to be in the project year over year.

In addition to its normal schedule of replacement of old cast iron mains, the City of Lancaster has

approximately 42 miles of transite water main that is quickly coming to the end of the materials design life. In April/May 2017 the City repaired 19 water main breaks in 17 days in one development. Boil water advisories were issued with each main break since transite mains cannot be repaired under pressure. As a result of these main breaks, the City's priority shifted to replacing the transite mains. In 2021, the transite mains in the Colonial Manor service area were also replaced after a series of breaks. The City is planning to increase the amount that it spends on transite main replacement, and is planning to replace \$2 million per year to start, with escalations in the succeeding years. This would equal about 6,700 linear feet of main replaced per year. Prioritization of these replacements would be based on known break history and paving schedules of the surrounding municipalities as well as PennDOT.

The City of Lancaster had estimated that it would spend \$4,312,690 for the 2024 year, the actual expenditures were only \$1,551,030.90. The estimated expenditures included \$2,500,000 for a transite pipe replacement project as well as main replacement for old main outside of the city (another \$633,600). In April 2023, the City of Lancaster applied for an American Rescue Plan Act ("ARPA") grant through the Commonwealth Financing Agency. This grant was to complete Phase 2 of the Large Diameter Transmission Main. One of the requirements associated with this grant required the City to escrow equivalent funds in a separate account. The equivalency escrow necessitated the use of a substantial portion of the City's otherwise available capital money that had been allocated for LTIPP projects. The City was unable to complete some of the projects due to the equivalency requirement. These projects were redesignated for the next year.

The Commonwealth Financing Agency also adjourned the grant award hearing on multiple occasions. Originally grant awards were scheduled to be announced in July 2023, but the announcement was adjourned several times. The decision was ultimately announced in December 2023. The City was partially funded for this grant and received \$4 million of the \$30 million originally requested. Receiving this grant also changes when Phase 2 of the Large Diameter Transmission main will be installed. Because the grant was made under ARPA, the project must be completed by September of 2026. More funding is therefore necessary to commence construction. The total cost of this project was estimated at \$31,758,099. Originally, 40% of the Phase 2 costs was included in this filing, but now 100% of the project will be completed in 2026.

The City is expected to increase and keep up with the 2025 costs. The City already has an executed contract for design of the Large Diameter Transmission main, which should be completed by the end of 2026. In addition, the City has a plumbing contract out to pay for lead services on the customer side.

3.0 LOCATION OF ELIGIBLE PROPERTY

Customers are served in the City of Lancaster and portions of the following townships: Lancaster, East Lampeter, West Lampeter, Pequea, Manor, Manheim, and West Hempfield; and Millersville Borough.

Eligible property in the Lancaster system includes the following water distribution facilities:

- Transmission and distribution mains;
- Hydrants and pipeline valves;
- Water meters; and
- SCADA system.

4.0 REASONABLE ESTIMATE OF THE QUANTITY OF ELIGIBLE PROPERTY TO BE IMPROVED

The quantity of eligible property to be improved has been estimated based on budget availability, bonding, projected customer water needs, and allowances for interim repair issues. The proposed cost to construct these improvements are based on engineering total construction estimates in 2022 dollars. Actual costs will vary depending on economies of scale, material costs, and on system conditions that occur each year, especially with the continued effects of the Covid-19 pandemic. The City is currently experiencing significant delays in the arrival of critical components for projects now under construction.

Planned capital projects for the 2023 through 2027 period are summarized below:

| Distribution System | | |
|---------------------|--|--------------|
| 1 | 16" Main on Pleasure Road | \$850,000 |
| 2 | Replace Distribution Main Older than 100 years old | \$146,365 |
| 3 | 2024 Transite Replacement | \$2,017,000 |
| 4 | Replace 8/10" Main on N. George Street Frederick Street to Landis Avenue | \$800,000 |
| 5 | Large Diameter Main Phase 2 | \$37,558,230 |
| 6 | Herr Avenue Main Replacement | \$555,000 |
| 7 | Meter Replacement Program (Over 5 Years) | \$1,220,450 |
| 8 | City owned lead service replacement | \$465,000 |
| 9 | Customer owned lead service replacement | \$372,000 |

5.0 PROJECTED ANNUAL EXPENDITURES AND MEASURES TO ENSURE COST-EFFECTIVE PROJECT IMPLEMENTATION

Projected annual expenditures for each year from 2023 to 2027 are presented below. These annual expenditures are budget estimates and may vary depending on contractor bid prices and construction activity.

| Year | Expenditure |
|------|--------------|
| 2023 | \$226,674 |
| 2024 | \$1,581,031 |
| 2025 | \$14,494,413 |
| 2026 | \$26,892,435 |
| 2027 | \$649,455 |

The City of Lancaster is committed to cost-effective construction practices and project implementation. Measures to ensure cost-effectiveness include:

1. A Comprehensive Planning Study was prepared in 2003, and has been updated annually thereafter, that examined all aspects of the City’s water treatment and distribution systems. Alternative improvement projects were identified and evaluated to address service capacity, pressure issues and operational issues associated with these systems. In addition, a new Facilities Plan is underway in 2022.
2. Individual feasibility studies are performed, where applicable, prior to project design. These studies ensure optimum and most up-to-date project designs.
3. Competitive bidding is used to obtain the best possible price for each project as required by Third-Class City Code.
4. On-going staff training provides the skills and knowledge required for correct equipment operation, preventative maintenance procedures, and making necessary repairs.
5. Qualified and experienced inspectors are employed to ensure conformance with the project plans and specifications. Inspectors require all projects are constructed and installed in accordance with AWWA, PADEP and Lancaster City requirements and standards.
6. Lancaster maintains contact with other utilities, municipalities, and agencies such as PennDOT to coordinate water system improvement projects with other related construction activities, such as road paving/resurfacing work. In addition, The City of Lancaster will continue its ongoing coordination of such projects including its work with the Pennsylvania Department of Transportation (PennDOT) to identify and to coordinate highway reconstruction projects.

As a result of these practices and procedures, Lancaster’s capital improvement program maximizes cost-effectiveness, while minimizing impacts on customer water service, business access, and traffic congestion.

Table 5-1 (see attached) provides LTIP expenditures by year.

6.0 ACCELERATION PLAN AND MAINTENANCE OF SAFE AND RELIABLE SERVICE

As the existing water systems age, replacement and renewal projects are expected to expand and accelerate over the next ten years.

The objectives of the proposed improvement program are to maintain and enhance customer service by addressing system needs, including pressure and flow capacity, fire flow availability, water quality, and emergency capabilities, such as operations during power failures. Projects are proposed that replace aging, problematic, or inadequate capacity infrastructure. As a result, unexpected infrastructure failures should be less likely and fewer emergency repairs and replacements should be required.

As noted above, Lancaster’s historic annual spending level from 2018 through 2021 was very high due to phase 1 of the large diameter transmission main and other large capital projects that are currently under construction. In addition, this period also had historic spending for our advanced metering infrastructure project, which was substantially completed in 2020. In total, \$22,830,069 was spent on the large diameter transmission main project as well as the advanced metering project. Over the past four (4) years, the city has replaced approximately three (3) miles of transite main. The City of Lancaster is planning to accelerate that to replace approximately 1.3 miles of main per year on a going forward basis. Which is approximately 6.3 miles of main over the next five (5) years.

Unexpected infrastructure failures, such as main breaks, can have a significant impact on customer water service when compared to scheduled maintenance work. Standard Lancaster procedures for scheduled maintenance include advance meetings with local township or borough officials to advise them regarding project activities. Customers, traffic, and other project impacts are presented and discussed at these meetings. Individual notifications to affected residences and businesses are provided in writing and by telephone.

In addition, emergency repairs usually are more costly than scheduled maintenance for replacing inadequate infrastructure. Therefore, accelerated implementation of the proposed improvement program will enhance system safety, reliability, and dependability of customer service, and provide for more cost-effective maintenance work.

| Previous 5 Year Spending Totals | |
|---------------------------------|--------------|
| Year | Expenditure |
| 2018 | \$3,824,182 |
| 2019 | \$11,041,648 |
| 2020 | \$9,738,394 |
| 2021 | \$10,298,113 |
| 2022 | \$2,200,880 |

*Estimated

The previous five-year total spending came to an estimated \$37,103,217. Comparatively, the next five years of spending, as shown in Section 5 above, is scheduled to be \$29,391,690. This

may not look like an acceleration, but the previous five-year spend included a once in a hundred year Large Diameter Transmission Main, and a once every 25-30 year replacement of metering technology. The next five (5) years focuses more on main replacements.

Amounts of Eligible Property Replaced per Year in 2023-2027 LTIP

| | 2023 | 2024 | 2025 | 2026 | 2027 |
|--------------|------|------|------|--------|------|
| Services | 0 | 103 | 30 | 31 | 20 |
| Hydrants | 0 | 6 | 7 | 12 | 1 |
| Meters | 697 | 914 | 1200 | 1200 | 1200 |
| Valves | 0 | 32 | 45 | 31 | 4 |
| Feet of Pipe | 0 | 5871 | 9832 | 11,093 | 500 |

*Project types broken out in Table 5-1

Historical Amounts of Eligible Property Replaced per Year

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------|------|-------|-------|-------|------|
| Services | 54 | 273 | 103 | 178 | 101 |
| Hydrants | 0 | 11 | 11 | 11 | 9 |
| Meters | 8179 | 22267 | 1485 | 2017 | 162 |
| Valves | 54 | 72 | 57 | 68 | 35 |
| Feet of Pipe | 5834 | 15895 | 21309 | 21200 | 7900 |
| | | | | | |

7.0 WORKFORCE MANAGEMENT

Lancaster effectively and efficiently manages and conducts construction projects utilizing competitive bidding and an experienced and qualified engineering and inspection staff. Competitive bidding documents are searchable and available online via PENNBID. Advertisements are posted on the PennBid website, in the local newspaper, and on the City's website.

Lancaster's experienced engineering staff evaluates bids received for each project. The staff is familiar with the contractors who have historically bid on projects in the Lancaster area. Bids are evaluated on a cost basis.

Project management involves regular engineering review meetings during project design, and inspection by qualified inspectors during construction. The level of experience of Lancaster's inspectors is such that unsatisfactory work items can be identified and remediated before construction is completed. If necessary, inspectors require unacceptable work to be removed and reinstalled in accordance with project specifications.

8.0 OUTREACH AND COORDINATION WITH OTHER UTILITIES, PENNDOT, AND LOCAL GOVERNMENTS REGARDING PLANNED MAINTENANCE/ CONSTRUCTION PROJECTS AND ROADWAYS THAT MAY BE IMPACTED BY THE LTIP

The City states that it is in frequent contact with other utilities, municipalities, and agencies such as PennDOT to coordinate water system improvement projects with other related construction activities, such as road paving/resurfacing work. In addition, the City of Lancaster will continue its ongoing coordination of such projects including its work with the Pennsylvania Department of Transportation (PennDOT) and other municipalities to identify and to coordinate highway reconstruction projects.

9.0 LEAD SERVICE LINE REPLACEMENT PLAN

In accordance with 66 Pa. C.S. § 1311 and the Pennsylvania Public Utility Commission’s Final Rulemaking Order for the Implementation of Act 120 of 2018 (Public Meeting of February 24, 2022, Docket No. L-2020-3019521), the City is submitting this Lead Service Line Replacement Plan (“LSLR Plan”). This LSLR Plan addresses the City’s efforts to replace city-owned and customer-owned lead service lines as approved at Docket No. P-2023-3042043. Consistent with 52. Pa. Code § 65.54(b), the following LSLR Plan is a “separate and distinct” component of the City’s LTIP.

(1) Identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery.

The City is currently aware of eighty-five (85) lead service lines in its PUC jurisdictional territory and four hundred sixty-five (465) lead service lines within City limits. The City has begun conducting a lead service line inventory as required by 52 Pa. Code § 65.56(a) to aid in the determination of whether any other lead service lines exist in either the City’s PUC jurisdictional territory or within City limits.

The City is also utilizing other methods to determine the existence of lead service lines, including through curb cards and verification. A curb card is an index card which shows the information on the privately-owned side of the service line. These cards date back to the 1910’s, and have information including service line size, date of installation and material. The City is also utilizing excavation to corroborate information on a curb card.

The City also conducts inspections, such as when there is a need to replace a water meter, and further relies on information provided by customers. The City developed a Geographic Information System (GIS) application to assist in the identification of LSLs. Customers will be asked to identify their water line and take a picture of it so that City staff can verify the material of the incoming water line. The information will be entered into an online database.

(2) An initial schedule for planned repair and replacement of eligible property.

The City will analyze the information in its possession concerning old age mains within the oldest parts of the distribution system to determine which water mains in the distribution system should be replaced. Prior to choosing a target area, the City will review records and/or physically inspect a portion of the service lines within a proposed area to gauge the likelihood of lead within that area. Coordination with municipalities will take place to minimize costs and minimize impacts on roads and neighborhoods.

With respect to replacing LSLs discovered during mechanical excavation, areas with a higher likelihood of having lead service lines will be prioritized for these projects. The City will physically excavate the service lines to determine material types. If a service line is determined to be lead, coordination will occur with the customer(s) and the property owner to have the service line replaced.

With respect to replacing customer-owned LSLs discovered inside the building, the City will reach out to the customers with lead, galvanized requiring replacement, or unknown service lines. Customers who discover a lead service line may call and schedule to have their service line replaced. The City will schedule to replace customer-owned lead service lines. If the City side is lead, it will be replaced at the same time with the customer side. These replacements will occur as discovered. If a lead service line is leaking or otherwise defective at the time it is discovered, the City will replace the lead service line in accordance with its tariff. If a lead service line is discovered during an emergency but is not leaking, the replacement of the line will be scheduled for replacement at a later date. Determination of LSLR projects under these three procedures will be prioritized based on targeted sensitive populations as defined by the EPA and PADEP, which includes areas with elevated levels of lead in tap water, areas with high concentrations of lead service lines, and/or areas of the distribution system which have elevated corrosion rates.

A list of sensitive populations has also been developed to determine the service line materials. The list includes schools, daycare facilities, hospitals, and large apartment buildings. These service lines have been or will be detailed as sensitive populations in the Service Line Inventory.

The City intends to replace LSLs using an open cut approach. The old lead service line will be removed and properly disposed of. A new copper line will be installed in the same trench. The City does not intend to use directional drilling since this method would not address the environmental impact of leaving lead in the ground by leaving the old lead service line in place. The City intends to remove the old lead service line from the ground. The appropriate replacement technique for any single lead service line replacement will depend on a combination of many site-specific characteristics, including, but not limited to, time constraints, soil characteristics, depth to ground water or rock, depth of road foundation, condition of the service line, proximity of other utility services (e.g., electric, gas, cable, sewer, storm water), site conditions (e.g., access, parking, paving, landscaping, overhead obstructions), pipe conditions (e.g., length of pipe, pipe diameter and wall thickness, bury depth, configuration, and repair history, and conditions inside the home like a finished basement with limited access to the water meter and plumbing. All new pipe installation will be copper.

(3) A general description of the location of eligible property.

The areas with lead service lines are found in residential areas built before 1950 or with water mains older than 1950. From curb card records, the data shown has the city stopping the use of lead lines in the 1930's, although no formal code or standard operating procedures have been found. A vast majority of these lead lines serve residential properties and are 3/4-inch and 1-inch services.

(4) A reasonable estimate of quantity of eligible property to be improved or repaired.

The City is currently aware of eighty-five (81) lead lines in the City's PUC jurisdictional territory. The City will replace a minimum of nine (9) lead service lines per year, and a maximum of fifty (50). These figures are subject to revision following the completion of the City's lead service line inventory as specified in 52 Pa. Code §65.56(a). The City will review these projections and make related necessary adjustments following the completion of the lead service line inventory.

(5) Projected annual expenditures and means to finance the expenditures.

The projected annual investment for the City’s replacements in the PUC jurisdictional area is a minimum of approximately \$75,000. This is based on the number of *known* lead service lines and may increase as new lead service lines are discovered and cataloged. The City has established a service line replacement cap of fifty (50) per year and a corresponding financial cap of \$750,000 per year.

The cost incurred by the City for LSLRs will be funded by a combination of bond proceeds and/or PENNVEST loans or grants.

(6) A description of the manner in which infrastructure replacement will be accelerated and how repair, improvement, or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service to customers.

The City’s LSLR plan establishes the framework to replace lead services lines in a timely, efficient, and cost-effective manner in accordance with the deadlines established in 52 Pa. Code § 65.53(a). The City’s LSLR plan will be administered and run concurrently with the City’s other planned infrastructure investments.

(7) A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner.

Like any other infrastructure improvement projects completed by the City, LSLRs will be conducted by qualified City personnel or qualified independent contractors. The City will comply with all applicable legal requirements, including bidding, for obtaining the materials and/or labor necessary to complete LSLRs. The City will maintain oversight over any contractors tasked with LSLRs and conduct regular inspections of all work performed by contractors to ensure that all LSLRs are satisfactorily completed and in conformance with industry standards.

(8) A description of the utility’s outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIP.

The City remains in frequent contact with the municipalities to which it provides service and will make all reasonable efforts to coordinate all infrastructure projects—including LSLRs—with other ongoing projects such as preplanned main replacements and road reconstruction or repaving/resurfacing. The City will coordinate with the Department of Transportation (“PennDOT”) to attempt to plan LSLRs and other infrastructure projects in conjunction with PennDOT highway or other such projects to the extent possible. The City will maintain its open lines of communication with surrounding municipalities and PennDOT to continue to ensure that infrastructure projects are completed as efficiently as possible. Finally, the City utilizes Pennsylvania’s “One Call” system to assist in preventing utility conflicts and minimizing potential service disruptions.

Table 5-1 LTIP Expenditures by Year

| Table 5-1 LTIP Expenditures by Year | | | | | | | | | | | | | |
|---|--|------------|-----------|--------------|------------|---------------|------------|------------------------------|---------------------|-----------------------|------------------------|------------------------|---------------------|
| Project Designation & Description* | | | | | | | Total Cost | Estimated Annual Expenditure | | | | | |
| Improvement | Description | S | H | M | V | P | | 2023 | 2024 | 2025 | 2026 | 2027 | |
| 16" Main on Pleasure Road (Replaced for Age and Reliability of Service) | Replacement of some portion of the water mains over 100 years old outside of the city. | 3 | 2 | | | 6 | 2650 | \$850,000.00 | \$54,474.55 | | \$795,525.45 | | |
| Replace Distribution main older than 100 years old | Balance of 2022 Bond Funding for mains older than 100 years old | 20 | 1 | | | 4 | 500 | \$146,365.00 | | | | \$146,365.00 | |
| 2024 Transite Pipe Replacement | \$2,000,000 allowance for replacement of AC Mains | 133 | 8 | | | 37 | 8656 | \$2,017,000.00 | \$1,345,087.00 | \$671,913.00 | | | |
| Replace 8/10" Main N. George Street 0 Frederick Street to Landis Avenue | Based on discussions with City staff, this main has had several repairs and ranks as #3 in desired replacement. | 80 | 4 | | | 32 | 3,600 | \$800,000.00 | | \$800,000.00 | | | |
| Large Diameter Transmission Main Phase 2 | Existing 25,100 l.f. of 42-inch steel pipe installed in 1955-1956; no redundancy in main (sole-source); City staff indicate breaks are occurring at water tap-ins and near/at elbows and other fittings. | 0 | 10 | | | 20 | 10,040 | \$37,558,230.00 | | \$12,519,410.00 | \$25,038,820.00 | | |
| Herr Avenue Main Replacement | | 28 | 1 | | | 13 | 1,850 | \$555,000.00 | | | \$555,000.00 | | |
| Meter Replacement Program | replace meters during Radio Read Project | | | 5,211 | | | | \$1,220,450.00 | \$226,674.09 | \$121,468.98 | \$244,090.00 | \$244,090.00 | \$244,090.00 |
| City owned Lead Service Replacement | Replacing City Owned led service lines | 31 | | | | | | \$465,000.00 | \$60,000.00 | \$135,000.00 | \$135,000.00 | \$135,000.00 | |
| Customer owned Lead Service replacement | Replacing Customer Owned led service lines | 31 | | | | | | \$372,000.00 | \$0.00 | \$124,000.00 | \$124,000.00 | \$124,000.00 | |
| Total | | 326 | 26 | 5,211 | 112 | 27,296 | | \$43,984,045.00 | \$226,674.09 | \$1,581,030.53 | \$14,494,413.00 | \$26,892,435.45 | \$649,455.00 |

*Note S=Services H=Hydrants M=Meters V=Valves P=Pipe Length

STATEMENT A

**The City of Lancaster's
Statement in Support**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster – Water Bureau for Approval of A Lead Service Line Replacement Program and Related Tariff Changes, Pursuant to 66 Pa. C.S.A. § 1311(b) and 52 Pa. Code §§ 65.51, et seq. :
: **Docket No. P-2023-3041043**
:

**CITY OF LANCASTER’S AMENDED STATEMENT IN SUPPORT
OF THE JOINT PETITION FOR COMPLETE SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE JEFFREY WATSON:

I. INTRODUCTION

1. The City of Lancaster – Water Bureau (the “City” or “Water Bureau”) submits this Amended Statement in Support with respect to the unopposed Amended Joint Petition for Complete Settlement (“Joint Petition” or “Settlement”) in the above-captioned proceeding. For the reasons stated herein and in the Joint Petition, the City believes that the settlement embodied in the Joint Petition is fair and reasonable and in the public interest. As explained herein, the Settlement is in the public interest because it is intended to identify and replace lead service lines (“LSL”) in the PUC-jurisdictional territory and ameliorate, to the extent possible, the harmful effects of lead in drinking water.

2. The City also believes that the settlement terms comply with and implement the goals of the applicable statute, 66 Pa.C.S.A. § 1311(b) and the Commission’s corresponding regulations in a just and reasonable manner. Additionally, by resolving all issues raised in this proceeding, this Settlement will avoid the time, expense and uncertainty of litigation. Therefore, the City requests that Administrative Law Judge Jeffrey Watson and the Commission approve the Joint Petition, without modification.

3. The Commission must find that the proposed terms and condition of a settlement are in the public interest before a settlement can be approved. *See, e.g., Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order Date Oct. 4, 2004).

4. This Settlement is supported by all Parties and resolves all issues raised by the City's Petition. That fact, coupled with the differing interests of the Joint Petitioners, provides strong indicia that the Settlement is reasonable and in the public interest.

II. TERMS AND CONDITIONS OF SETTLEMENT

5. The Settlement consists of the following terms and conditions:

A. Nature of Lead Service Line Replacement Program and Tariff Revisions

6. Notwithstanding Sections 4.15, 4.16, 4.17, and 4.18 of the City's Tariff, the City will replace customer-owned LSLs: (1) encountered as part of the City's ongoing main replacement work; and (2) at a customer's request, subject to certain conditions, including verification of the existence of a LSL and the City's determination of when the replacement will occur based on several factors such as the number of pending customer requests for replacement of LSLs, and contractor availability and proximity.

7. The City's residential, commercial, and industrial customers will be eligible to participate in the Lead Service Line Replacement ("LSLR") Program ("Program" or "Plan").

8. The customer will own and retain responsibility for the maintenance, repair, and replacement of its portion of the service line after it is replaced by the City.

9. The City will not replace a customer-owned LSL unless the customer enters into an agreement substantially in the form of City Exhibit 2 in which the customer consents to replacement of their portion of the service line and grants permission for the City (and the City's employees and contractors) to enter onto their property for the purpose of completing the LSL replacement.

10. A customer's refusal to allow the City to replace their portion of an LSL or the customer's refusal to arrange for the replacement of their portion of an LSL themselves will result in the water service temporarily being shut off and the customer not having any water service until the privately-owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied.

11. Generally, the City will not replace a customer-owned LSL to avoid termination of water service when the property owner who is not the customer cannot be identified, cannot be located, or is non-responsive. The City reserves the right to review requests from non-property owner customers to complete the replacement of the customer-owned LSL on a case by case basis in extenuating circumstances, including where the non-property owner customer is seriously ill or has a medical condition that will be aggravated by the cessation of service, or where the non-property owner customer is a victim of abuse and has an order issued by the courts.

12. The City may request the non-property owner customer to provide verification of the medical condition by a licensed physician, nurse practitioner, or physician assistant. The decision to replace the customer-owned LSL in such circumstances is within the sole discretion of the City.

13. The City will track and report the following information in its LSLR Program reports: the number of terminations where the property owner could not be identified, could not be located, or was non-responsive.

B. Implementation of the LSLR Program.

14. The City filed an LSL inventory on or about October 16, 2024, in accordance with the Revised Lead and Copper Rule.

15. Based on the City's preliminary inventory and currently available resources, the City will replace LSLs within the PUC Jurisdictional Territory as follows:

| YEAR | # Replacements |
|--------------------------------------|------------------|
| 2024 (YR 1) (Completed) ¹ | 4 |
| 2025 (YR 2) | 9 |
| 2026 (YR 3) | 9 |
| 2027 (YR 4) | 9 |
| 2028 (YR 5) | 9 |
| 2029 (YR 6) | 9 |
| 2030 (YR 7) | 9 |
| 2031 (YR 8) | 9 |
| 2032 (YR 9) | 9 |
| 2033 (YR 10) | 9 |
| | TOTAL: 85 |

16. The City’s cap on LSL replacements in the PUC Jurisdictional Territory is 50 per year.

17. Within City Limits, the City will replace 25 LSLS per year.

18. The foregoing replacement schedule is extremely preliminary as the City has no information on the privately-owned portion of its system. After the inventory is completed and submitted, pursuant to the 52 Pa. Code § 65.55, the City is currently obligated to remove and replace all LSLs, whether City owned or customer owned within 30 years.

19. However, the City understands that this time period is likely to be reduced to 10 years, which is reflected in the foregoing schedule. The City will propose the foregoing schedule, if necessary, in accordance with its obligations under 52 Pa. Code § 65.53(b) and/or other applicable statutes or regulations. The City will address the pace of replacement, including the cost of those replacements, based on the results from the City’s survey in its periodic filings.

20. It is anticipated that LSLRs will occur April 1st through October 31st. The replacement process for LSLs will comply with the requirements set forth by the PADEP, USEPA,

¹ The City replaced four (4) LSLS in the PUC Jurisdictional Territory in 2024.

and the PUC.

21. PUC regulations, 52 Pa. Code § 65.58(d), require a reimbursement to an eligible customer or property owner who replaced their LSL, within 1 year before or from LSLR project commencement. The City will use due diligence to identify property owners to obtain the appropriate consent, assisted by deeds and other historical property information maintained by the Lancaster County Property Assessment Office.

22. The following practices and principles will apply to all LSL replacements:

- a. The City will use an open cut approach and remove the old lead line and properly dispose of it. A new copper line will be installed in the same trench.
- b. The City does not plan to use directional drilling as that method would not address the environmental impact of leaving lead in the ground by abandoning the old lead line in place. The City plans to remove the lead pipe from the ground.
- c. The City does not anticipate that pipe splitting will reduce costs. In the City's case, the curb stop will still be disturbed, regardless of the method used, and a significant portion of the cost is replacing concrete.
- d. The City estimates that most of the replacement lead line cost is in the rehabilitation of the concrete curb and sidewalk. The known lead lines are primarily in urban areas which create challenges for removal and replacement.
- e. In the event the City acquires another water distribution system, all new customers will be treated in the same manner as current City customers.

C. Warranty.

23. The City agrees to provide a two (2) year warranty on workmanship and materials for customer owned LSLs that the City or its contractor replaces.

24. The warranty will start on the date construction is completed and will be provided by the contractor. Maximum coverage will be for the cost of the installation.

D. Reimbursement to Customers Who Recently Paid for Their Own LSL Replacements.

25. The City will reimburse customers who paid for their own LSL replacement within one year of the date the City commences a main replacement project that would have affected the customer under the following criteria.

26. If the customer chooses to use a contractor that is not preapproved by the City, the City will reimburse the customer provided:

f. The City is provided an opportunity to inspect the customer's installation, which includes inspection of the newly installed line inside of the home at the lateral connection with the meter. If possible, the property owner or customer must provide the City with notice of the installation at least 72 hours before it occurs. The required opportunity for inspection will be waived if the City receives both of the following:

i. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and

ii. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices.

27. If the City inspects the customers' installation, the property owner or customer reimburses the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase annually. The time for inspection is anticipated to be less than four (4) hours. The

City reserves the right to charge the customer the inspection fee, along with all other remedies available at law, if it is subsequently discovered that the materials submitted to the City by or on behalf of the customer as part of the LSLR replacement verification process were fraudulent.

28. The property owner or customer presents the City with the bill for reimbursement within 60 days of the installation's completion.

29. The property owner or customer will be reimbursed using a City issued check for up to 125% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City's sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost.

30. The City will issue the reimbursement via check.

31. The City will issue the reimbursement check for eligible applications no later than one hundred twenty (120) days from receipt of the eligible application.

32. Customers can submit a reimbursement request by mail using the following address:

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601

33. Customers may also submit a reimbursement request online by submitting the required materials and documents through the following link: <https://form.jotform.com/233463704101041>. The ability for customers to submit requests for reimbursement online is offered as a matter of convenience only, and the City reserves the right to discontinue the ability for customers to submit reimbursement requests online in its discretion and without notice.

34. Customers may also present reimbursement requests in-person at the following

locations:

150 Pitney Road
Lancaster, PA 17601

39 West Chestnut Street
Lancaster, PA 17603

1220 New Danville Pike
Lancaster, PA 17603

E. Customer Outreach and Communication Plan.

35. The PADEP and USEPA require the City to publish information on both the City-owned portion and the privately-owned portion of the service line. To accomplish this, the City requires assistance from its customers.

36. The City will send out notifications and request that customers check their portion of the service line as it comes into their building or residence. This will require the customer to take a photograph for verification by City personnel. Please refer to Appendix A to Exhibit A for additional information.

37. When the City is attempting to contact a property owner in a situation where the property owner is not the customer in connection with the termination of service, the City will comply with all applicable requirements concerning termination of service. The City will also provide the property owner with information and resources relating to health risks associated with lead in water and LSLs in the form set forth in Appendix A to the City's LSLR Plan.

38. The City will add a service line inventory to its website within twelve (12) months of PUC approval of this LSLR Plan that will include the following:

- An online tool describing the LSL replacement schedule by geographic location, at least six (6) months into the future;
- Information regarding the reimbursement requirements and a secure online tool that provides customers or property owners, if the customer is not the

property owner, the ability to determine whether the customer or property owner may be eligible for reimbursement;

- Information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types or the City-owned and privately-owned portions of the service line and a method to request assistance to determine if the service line is a LSL;
- Information and resources relating to health risks associated with lead in water and LSLs, the status of efforts to replace the lines, and any community meetings.

F. Cost Recovery.

1. Annual Cap and Budgetary Allotment.

39. The City will perform a maximum of 50 LSL replacements per year within the PUC Jurisdictional Territory within a maximum budget of \$750,000. If, in any year, the entire budgetary allotment is not expended, the remainder of the allotment will be carried forward and added to the budgetary allotment for the next subsequent year, subject to the cap of 50 LSL replacements per year.

2. Accounting and Ratemaking Treatment of LSL Replacements.

40. The City will capitalize LSL replacement costs and record those costs.

41. The City will create a separate sub-account, 829100, to record LSL replacement costs. Only customer-owned LSL replacement costs will be included in this sub-account.

42. Consistent with applicable law, the City will include the actual costs of customer-side LSL replacements in its rate base in a subsequent base rate case and will recover the fixed costs of such investments in property placed in service between base rates through the City's existing DSIC.

3. Cost Allocation.

43. Customer-owned LSL replacement costs will be allocated to all water customers.

G. Reporting.

44. The City will track and report the following information in its LSLR Program reports: the number of terminations where the property owner could not be identified, could not be located, or was non-responsive.

45. The City will also track and report the following information: the number of eligible/ineligible applications for reimbursement, and for eligible applications: (a) the amount charged/deducted (if any) for inspection fees, (b) the date the application was received, (c) the date the reimbursement check was sent, and (c) the amount of the reimbursement check.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. OVERVIEW

The Settlement, as modified by the Parties, is consistent with the public interest for several reasons, including, but not limited to: (1) the Settlement and the City's LSLR Program complies with applicable statutory and regulatory requirements, (2) the Settlement promotes transparency in reporting as the City continues with its LSLR program, and (3) the Settlement is in the public interest because it ensures that known lead services lines will be replaced which will combat the deleterious effects of lead in drinking water.

B. THE CITY'S LSLR PROGRAM, AS MODIFIED BY THE PARTIES' SETTLEMENT, IS IN THE PUBLIC INTEREST

1. The LSLR Plan Meets Statutory and Regulatory Requirements

The Commission has established various requirements for LSLR plans in the Public Utility Code. *See* 66 Pa. C.S. § 1311(b); 52 Pa. Code §§ 65.51 *et seq.* The Settlement, as modified through discussions with the Parties, is in the public interest and should be approved because it ensures that the City's Plan incorporates all required elements established by the Public Utility Code and the Commission's corresponding regulations.

The Commission requires that any LSLR program must include an actual LSLR plan and a pro forma tariff or tariff supplement evidencing the proposed changes required to institute the proposed LSLR plan. *See, e.g.*, 52 Pa. Code § 65.55(b) (detailing required elements of LSLR plan); 52 Pa. Code § 65.58 (tariff requirements). In compliance with 52 Pa. Code § 65.56(b), the City's Plan provides specific details concerning the City's plan to replace lead service lines, the financial considerations associated with those plans, how replacements will be handled, and reimbursements. *See* Appendix A to the Joint Petition. The City's proposed tariff supplement is included in Appendix B to the Joint Petition.

For example, the Commission's regulations also require that an LSLR plan contain a service line inventory consistent with the regulations promulgated by the United States Environmental Protection Agency found at 40 C.F.R. 141.1-143.20. 52 Pa. Code § 65.56(a). To comply with these requirements, the City completed its lead service line inventory using various sources of information and filed that inventory on or about October 16, 2024. *See* Plan at ¶ 2. To complete its inventory, the City utilized curb cards and verification, excavation, inspections, and information provided by customers. *See id.* at ¶ 5.

The City's plan explains the how the replacement process will proceed for both customer- and non-customer-side LSLs, Plan at ¶ 7, post-replacement processes and procedures, *id.* at ¶ 8, and financial considerations – including the process for reimbursing customers who choose to complete the replacement with contractors who may be preapproved by the City or of the customer's choice, subject to certain parameters. *Id.* at ¶ 9. Further, as a result of negotiations with the OCA, the City agreed to reduce the time it takes to reimburse customers who pay for their own LSLR from 180 to 120 days. *See* Plan at ¶ 9, Joint Petition at ¶ 43.

Specifically, in compliance with the Commission’s regulations concerning partial LSL replacements, 52 Pa. Code. § 65.52, the Plan also addresses the risks posed by partial LSLR replacements by providing that water service will be shut off if a customer who choose to replace their portion of the LSL fails to do so within four weeks. *See* City LSLR Plan at ¶ 8(iii). *See* 52 Pa. Code §§ 65.51, et. seq. *Rulemaking to Implement Act 120 of 2018 at 52 Pa. Code Chapters 65 and 66*, Docket No. L-2020-3019521 (Final Rulemaking Order entered March 14, 2022) (“Final Order”). In the Final Order, “the Commission determined that partial LSLRs are not in the public interest and are not consistent with the statutory requirements of 66 Pa. C.S. § 1501.” Final Order at 93-94.

The City’s Plan, as modified by the Settlement, also addresses customer communication and outreach. Working with the OCA, I&E, and OSBA, the City has committed to issuing its consent and authorization forms in multiple languages, *see* Exhibit 2, and also establishing a service line inventory on the City website within 12 months of approval by the Commission which contains detailed information concerning LSLR schedule, reimbursement, and the health risks posed by lead in drinking water. *See* Plan at ¶ 10; Joint Petition, ¶¶ 47-50.

Accordingly, the City submits that its LSLR Plan, as modified by the Settlement, is in the public interest because it complies with the applicable statutory and regulatory requirements and all relevant aspects of Commission precedent.

2. *The Settlement Ensures Transparency in the City’s Future LSLR Reporting*

Part of the Settlement includes obligation for the City to track and report certain categories of information as part of the Program, including. First, the City will track and report information concerning service terminations when a LSLR could not be completed because the property owner could not be identified, located, or was non-responsive. *See* Joint Petition, ¶ 25. Second, with

respect to the reimbursement process customers who seek reimbursement for facilitating their own LSLR, the City will track and report the number of eligible and ineligible applications and for all eligible applications: the amount of money the city charges or is deducted for inspection fees related to LSLRs, the date the application was received, the date the reimbursement check was sent, and the amount of the reimbursement check. *See* Joint Petition, ¶ 57. These reporting obligations will ensure transparency with key aspects of the City's Plan and allow the OCA, I&E, and the OSBA to better understand how the Plan is progressing. This transparency further demonstrates why the Settlement is in the public interest and should be approved.

3. *The Settlement Provides Public Benefits through Working to Reduce the Public's Exposure to the Harmful Effects of Lead in Drinking Water*

There can be little doubt that replacing lead service lines provides a tangible benefit to the City's PUC-jurisdictional customers. The endeavors of the City, as described in the Plan, are intended to assist in minimizing the risks posed by lead in drinking water. Thus, the City's efforts in identifying and replacing lead service lines provide public benefits by striving to reduce customer exposure to lead in drinking water.

Part of the City's Plan includes post-replacement measures such as posting an information door hanger explaining the replacement process and post-replacement procedures. *See* Plan at ¶ 8(a)(iii). The City will also provide post-replacement customers with water sample kit and NSF-certified pitchers following replacements, as well as bottled water under certain circumstances. *Id.* ¶ 8(a)(ii)-(v); ¶ 8(b). These commitments, as well as the other commitments set forth in the City's Plan, comply with all applicable statutory and regulatory requirements in a focused effort to benefit the welfare of the City's customers and the general public.

IV. CONCLUSION

This Settlement achieves significant positive results, as summarized above. Specifically, the City's replacement lead service line replacement plan is intended to identify and replace lead service lines in the PUC-jurisdictional area in an effort to ameliorate the harmful effects of lead in drinking water as recognized by the Legislature. Each of the terms of the Settlement are consistent with the City's obligation to provide safe, adequate and reliable water service to its PUC-jurisdictional customers. All of the positive results of this Settlement are achieved without requiring hearings, briefing and time consuming and expensive litigation. For all of the foregoing reasons, the City supports the Joint Petition and respectfully requests that the Administrative Law Judge and the Commission approve it in its entirety and without modification.

Respectfully submitted,

/s/ Shane P. Simon

Courtney L. Schultz, Esq. (PA. ID. 306479)

Shane P. Simon, Esq. (PA. ID. 319643)

Saul Ewing LLP

1500 Market Street

Centre Square West, 38th Floor

Philadelphia, PA 19102

Tel. 215-972-7717

courtney.schultz@saul.com

shane.simon@saul.com

Attorneys for City of Lancaster – Water Bureau

Dated: July 31, 2025

STATEMENT B

**Office of Consumer Advocate's
Statement in Support**

Docket No. P-2022-3035391, Settlement at ¶¶ 16(g)-(h) (*DSIC Settlement*). The *DSIC Settlement* provided that the filing was to be made as of May 31, 2023, and would include a plan for the replacement of PUC-jurisdictional Lead Service Lines (LSL) and for recovery of costs associated with the replacement of the customer-owned LSLs. Petition ¶1; *DSIC Settlement* at ¶¶ 16(g)-(h).

On June 20, 2023, the Office of Consumer Advocate (OCA) filed its Answer to the Petition.

On June 7, 2023, the Bureau of Investigation and Enforcement (BI&E) filed its Notice of Appearance in the case.

On July 3, 2023, the OCA also filed Comments on the Petition.

The Office of Small Business Advocate filed its Notice of Intervention and Public Statement and Notice of Appearance on July 26, 2023.

The matter was referred to the Office of Administrative Law Judge and Administrative Law Judge (ALJ) Conrad A. Johnson for the establishment of an evidentiary record. ALJ Johnson issued a Prehearing Conference Order on July 13, 2023, and scheduled a Prehearing Conference for August 15, 2023. The Prehearing Conference was subsequently cancelled upon the request of the City and the OCA in order to allow for the opportunity to continue settlement discussions. *See First Interim Order Directing Petitioner to Submit Settlement Status Report* at 2. In his First Interim Order Directing Petitioner to Submit Settlement Status Report, ALJ Johnson directed the parties to file their first status report on November 30, 2023. *First Interim Order Directing Petitioner to Submit Settlement Status Report* at ¶ 3.

On November 30, 2023, the parties filed an Interim Status Report and requested that an additional sixty (60) days be provided to allow for the continuation of Settlement discussions. A further Interim Status Report was filed on February 1, 2024.

On April 12, 2024, the parties filed a letter indicating that the OCA and the City had reached a settlement in principle. I&E stated that it did not object to the Settlement, and OSBA identified that, at the time, they had not determined whether they would join the Settlement or not object. The letter also indicated that the parties were working to prepare the Joint Petition for Complete Settlement and accompanying documents.

On March 4, 2025, a Judge Change Notice was issued changing the ALJ from ALJ Conrad A. Johnson to ALJ Jeffrey A. Watson.

On March 18, 2025, the parties filed a letter identifying that a Joint Petition for Complete Settlement would be filed by April 4, 2025.

On May 15, 2025, ALJ Watson issued an Interim Order in response to the filing of the Joint Petition for Settlement. In the Interim Order, ALJ Watson identified concerns that the Statements in Support did not substantively address any of the Settlement issues and that the City's Statement in Support "simply repeated the Settlement terms." Interim Order at 4. The ALJ did include in a footnote that:

[t]he Statement in Support of Settlement filed by OCA properly addressed each Settlement issue, addressed specific terms requested by the City in the Petition, and how the Settlement differed from the relief requested in the Petition, and otherwise properly addressed why the OCA represented that the Settlement is appropriate and in the public interest.

Interim Order at 4, fn. 1. The ALJ provided in the Interim Order that amended Statements in Support may be filed by July 31, 2025. The ALJ also identified that Exhibit 3² was missing from the Joint Petition for Settlement and that an amended Joint Petition containing the Exhibit may be filed and an amended Motion for Admission of Testimony and Exhibits to include the Exhibit. In the alternative, the ALJ provided that the parties could file a joint status report identifying dates in

² In the Amended Joint Petition for Settlement, the Exhibit has been attached, and the numbering has been changed to Exhibit 2 instead of Exhibit 3. Exhibit 3 will be referred to as Exhibit 2 in this Amended Statement in Support.

August 2025 in which the parties could be available for a prehearing conference to set a litigation schedule for the proceeding.

As the OCA identified in its original Statement in Support, the OCA, one of the signatory parties to the Joint Petition for Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest. The OCA does not believe that a further litigation schedule needs to be set in this matter as the Settlement addresses each of the concerns identified in the OCA's Answer and Comments to this proceeding without the need for litigation. The OCA did not present testimony in this proceeding because its concerns identified in the Answer and Comments were otherwise able to be resolved without the need for litigation. The reason for the approval of the Settlement is more than saving the time and expense for litigation. The OCA believes that any testimony and recommendations provided by the OCA in a fully litigated proceeding would likely be consistent with the terms of this Settlement. Moreover, the Settlement will provide for more expeditious action to provide impacted customers with necessary relief regarding the impact of customer-owned lead service lines. Further delay of this proceeding by litigation will only further delay the necessary relief to customers regarding the important replacement of customer-owned lead service lines. The OCA would like to take this opportunity to provide further support for the Settlement and submits this Amended Statement in Support in response to the ALJ's Interim Order.

II. AMENDED STATEMENT IN SUPPORT

In its Answer and Comments to the City's Petition, the OCA raised concerns regarding, among other issues, the number of replacements that the City proposed to undertake; about when a customer-owned lead service line would be eligible for replacement under the Lead Service Line Replacement (LSLR) plan when a lead service line is detected outside of the City limits; the proposed reimbursement for customers who replace their customer-owned LSLR prior to adoption

of the City’s program; the notice provided to customers; and several of the tariff provisions related to conditions of the existing service line and the two year-warranty. The OCA also raised in its Answer and Comments concerns regarding the customer outreach that would be undertaken and the customer notice provided. The Settlement addresses the issues and concerns raised in the OCA’s Answer and Comments in this proceeding. The Petition and LSLR Plan should be approved as in the public interest.

There are two parts to the service line: (1) the City-owned portion of the service line from curb stop to the main and (2) the customer-owned portion of the service line from the curb stop to the meter. Petition at ¶ 12.³ Under the City’s current policy for replacement of LSLs, “[w]hen the City discovers a LSL on both the customer and the City portion of the service line, the City will replace the City-owned LSL, advise the customer, and encourage the customer, to replace the customer owner [sic] LSL.” Petition at ¶ 24. Further, the City will install a temporary garden hose to maintain service until the customer arranges and pays for replacement of the customer-owned LSL. *DSIC Settlement* at ¶ 14.c. The customer bears the full cost for replacement. The Commission has previously approved LSLR programs for utilities including for York Water Company, Pennsylvania-American Water Company, Aqua Pennsylvania, Inc., and Pittsburgh Water & Sewer Authority. Petition at ¶ 15.

Act 120 of 2018 was signed into law by Governor Wolf on October 24, 2018. Act 120 became effective on December 23, 2018, and amended Section 1311(b) of the Public Utility Code. 66 Pa. C.S. § 1311(b). Section 1311(b), as amended, states in relevant part:

§ 1311. Valuation of and return on the property of a public utility.

³ Ownership of the customer-side portion of a service line and responsibility to maintain the service line will not change as a part of the City’s LSLR Plan. Petition ¶ 13.

* * *

(b) Method of Valuation.

(2) (i) The value of the property of a public utility providing water or wastewater service shall include the original cost incurred by the public utility for the replacement of a customer-owned lead water service line or a customer-owned damaged wastewater lateral, performed concurrent with a scheduled utility main replacement project or under a commission-approved program, notwithstanding that the customer shall hold legal title to the replacement water service line or wastewater lateral.

(ii) The original cost of the replacement water service line or wastewater lateral shall be deemed other related capitalized costs that are part of the public utility's distribution system.

* * *

(vi) A new tariff or supplement to an existing tariff approved by the commission under subparagraph (v) shall include a cap on the maximum number of customer-owned lead water service lines or customer-owned damaged wastewater laterals that can be replaced annually.

(vii) The commission shall, by regulation or order, establish standards, processes and procedures to:

(A) Ensure that work performed by a public utility or the public utility's contractor to replace a customer-owned lead water service line or a customer-owned damaged wastewater lateral is accompanied by a warranty of a term that the commission determines appropriate and the public utility and the public utility's contractor has access to the affected customer's property during the term of the warranty.

(B) Provide for a reimbursement to a customer who has replaced the customer's lead water service line or customer-owned damaged wastewater lateral within one year of commencement of a project in accordance with a commission-approved tariff.

66 Pa. C.S. § 1311(b).

Act 120 authorizes public utilities providing water and/or wastewater service to, *inter alia*, replace customer-owned lead service lines, include the costs incurred between base rate

proceedings in the DSIC, and, upon the filing of a base rate case, include the costs in rate base thereby earning a return of and on the costs to replace COLSLs.

The proposed Settlement, LSLR program and plan will allow the City to recover the costs for LSL replacements, both Company-owned and customer-owned, through its base rates and DSIC. 66 Pa. C.S. § 1311(b)(2). For customers, the LSLR plan has the potential to provide both financial and public health benefits. As discussed below, the OCA submits that the Settlement comports with Section 1311(b) and is in the public interest.

Section 1311(b)(2) of the Public Utility Code provides a process to eliminate the individual financial burden for replacing customer-owned LSLs by recovering those costs over the Company's entire customer base. If a customer could not have otherwise afforded the replacement of the line, the customer will be able to maintain essential water service. The lead service line also poses a direct health risk to customers. An LSLR program can protect public health by helping to ensure the timely removal of the customer-owned LSL.

A. Nature of LSLR Program and Tariff Revisions

For the reasons set forth below, the Settlement is in the public interest and consistent with the law. Section 1311(b)(2)(1) contemplates a Commission-approved program to address the situation where a customer requests the replacement of their COLSL. 66 Pa. C.S. § 1311(b)(2)(i). In its Answer, the OCA identified a concern that it was “not clear from the filing how the City proposes to address COLSL replacements that are made at a customer's request (outside of the City's planned main replacement projects).”⁴ OCA Answer at 6. The OCA also raised the following questions:

⁴ Paragraph 6.c of the LSLR plan (under the heading “Routine Maintenance”) discusses “if a LSL is found on the privately-owned side of the service line, the line will need to be scheduled for replacement.” If this is intended to apply to situations where a customer contacts the City to request replacement that should be clarified.

more information should be provided about when a COSLR will be eligible for replacement under the LSLR plan when a lead service line is detected by the City outside of the LSLR program, for example, if the City identifies a COLSL while doing a meter inspection unrelated to its LSLR replacement projects. Also, what customers would be eligible if the City is not doing replacements in the area? In any of these situations, how will customers be notified about the LSLR program?

OCA Answer at 7.

The Settlement provides responses to the concerns raised in the OCA's Answer and Comments that are also consistent with the examples previously approved by the Commission and cited by the OCA in its Answer to this proceeding. OCA Answer at 7, citing *Petition of York Water Co. for an Expedited Order Authorizing Limited Waivers of Certain Tariff Provisions and Granting Accounting Approval to Record Costs of Certain Customer-Owned Service Line Replacements to the Company's Service Account*, Docket No. P-2016-2577404, Order (Mar. 8, 2017); *Petition of Pennsylvania-American Water Co. for Approval of Tariff Changes and Accounting and Rate Treatment Related to Replacement of Lead Customer-Owned Service Pipes*, Docket No. P-2017-2606100, Order (Oct. 3, 2019); *Petition of Aqua Pennsylvania, Inc. for Approval of Tariff Changes Authorizing Replacement of Customer-Owned Lead Service Lines*, Docket No. P-2020-3021766, Order (July 15, 2021).

The Settlement provides that the City will replace customer-owned LSLs under the following circumstances:

(1) encountered as a part of the City's ongoing main replacement work; and (2) at a customer's request, subject to certain conditions, including verification of the existence of a LSL and the City's determination of when the replacement will occur based on several factors such as the number of pending customer requests for replacement of LSLs, and contractor availability and proximity.

Settlement at ¶ 15. Under the Settlement, all residential, commercial and industrial customers will be eligible to participate in the LSLR program. While the City will replace the lead service lines,

the customers will still retain ownership and responsibility for the maintenance, repair and replacement of its portion of the service line after it is replaced by the City. Settlement at ¶ 17.

In order for the replacement to take place, the customer must enter into an agreement substantially similar to the form of Exhibit 2 in which the customer consents to the replacement of their portion of the service line and grants permission for the City to enter onto their property for the purpose of completing the LSL replacement. Settlement at ¶18, Exh. 3. A refusal to allow for the replacement of the LSL will result in the water service temporarily being shut off and the customer not having water service until the privately owned portion of the LSL is replaced and any other relevant requirements under the City's tariff for reconnection are satisfied. Settlement at ¶19.

The Settlement also provides a process for how the City will handle the replacement of lead service lines when the property owner who is not the customer cannot be identified, located or is otherwise non-responsive. The Settlement provides that:

[g]enerally, the City will not replace a customer-owned LSL to avoid termination of water service when the property owner who is not the customer cannot be identified, cannot be located, or is non-responsive. The City reserves the right to review requests from non-property owner customers to complete the replacement of the customer-owned LSL on a case by case basis in extenuating circumstances, including where the non-property owner is seriously ill or has a medical condition that will be aggravated by the cessation of service, or where the non-property owner is a victim of abuse and has an order issued by the courts.

Settlement at ¶ 20. A verification of the medical condition may be requested by the City in order to replace the customer-owned LSL under these extenuating circumstances. Settlement at ¶ 21.

Under the Settlement, the City will also track and report the following information in its LSLR program reports: (1) the number of terminations where the property owner could not be identified; (2) could not be located; or (3) was non-responsive. Settlement at ¶ 22. Tracking the

data will allow the parties and the Commission to understand the scope of the issue and is in the public interest.

As the OCA has recognized throughout this proceeding, lead in water service lines creates major safety and reliability concerns for customers. For example, lead exposure can cause a range of deleterious health effects. Joint Proposed Findings of Fact, ¶4. While replacing the entire portion of the entire lead service line, including both the Company portion and the customer portion, is best practice within the water utility industry, a growing body of research indicates that “partial” replacements of lead services, where only the utility-owned segment is replaced and the customer-owned segment remains, potentially elevates the risk of lead exposure through drinking water. Joint Stipulation of Facts, ¶ 9. By providing the necessary waivers of the Company’s tariff to permit the Company to replace customer-owned lead service lines, along with other provisions of the Settlement, the goal is to limit partial lead service line replacements thereby protecting customers from significant lead exposure. For these reasons, the OCA supports the City’s proposed replacement plan, and the proposed replacement plan addresses the concerns raised by the OCA in its Answer in this proceeding.

B. Implementation of the LSLR Program

The Settlement sets forth a timeline for replacements and a reimbursement process for customers who have already replaced their lead service line within one year before or from the LSLR replacement. The Settlement improves upon the implementation of the LSLR program proposed in the City’s Petition and addresses the OCA’s concerns expressed in its Petition.

As the OCA discussed in its Answer and Comments, under the Petition, the City estimated that the replacement rate of “customer-owned LSL replacements in the PUC Jurisdictional Area would be five (5) per year” with a cap of 50 and a total cap of \$600,000 (assuming \$12,000 average

per COLSL replacement).⁵ Petition ¶¶ 14, 36-37, Exh. C; OCA Answer at 6. The Petition provided that the City would replace only 25 LSLs inside the City and that the rate of 5/25 or a total of 30 per year would allow the City to meet its system-wide target of 85/550 before the 30-year deadline. Petition ¶ 35, Exh. C at 2-3; OCA Answer at 6. The OCA expressed concerns in its Petition that an annual cap of 5 service line replacements may be too low, especially in light of the requirement to reimburse eligible customers who have made replacements within one year preceding the LSLR project. 52 Pa. Code § 65.58(d)(2); OCA Answer at 6. As expressed in the OCA's Answer, when the City initially proposed to include replacements of City-owned LSLs in its LTIP, it planned to do 85 replacements in two years. *DSIC Settlement* at ¶ 16.h. If, based on the City's estimates, 40% of the related COLSLs are also lead, that would have been 34 replacements. *See* OCA Answer at 6. While the City has 30 years to complete replacements, the OCA recommended that the proposed number of PUC-jurisdictional LSLs should be reviewed.

The Settlement addresses the OCA's concerns raised in its Answer and Comments in this proceeding. The Settlement proposes to accelerate the plan for LSLR replacements as originally identified in the Petition and is consistent with the *DSIC Settlement* as well as the City's LSL inventory. On October 16, 2024, the City filed an LSL inventory in accordance with the Revised Lead and Copper Rule. Settlement at ¶ 23. Under the Settlement and based upon the City's preliminary inventory and currently available resources, the City will replace within its PUC Jurisdictional Territory as follows:

⁵ The City noted that the average would exclude any projects for which major excavation work would be required to complete the replacement and is based upon replacements to date. Petition ¶¶ 14, 37. The City identifies that the replacements to date "have largely been in dense urban areas where the residence can be very close to the sidewalk." Petition ¶ 14.

| YEAR | # Replacements |
|--------------------------------------|----------------|
| 2024 (YR 1) (Completed) ⁶ | 4 |
| 2025 (YR 2) | 9 |
| 2026 (YR 3) | 9 |
| 2027 (YR 4) | 9 |
| 2028 (YR 5) | 9 |
| 2029 (YR 6) | 9 |
| 2030 (YR 7) | 9 |
| 2031 (YR 8) | 9 |
| 2032 (YR 9) | 9 |
| 2033 (YR 10) | 9 |
| | TOTAL: 85 |

Settlement at ¶ 25. The City will cap the number of replacements per year at 50, and the replacement pace for those within the City Limits is 25 LSLs per year. Settlement at ¶¶ 25, 26.

The Settlement timelines are premised upon the requirements set forth by the Commission’s regulations. 52 Pa. Code § 65.58(d)(2). The Settlement notes that the proposed replacement schedule is preliminary as the City has no information on the privately-owned portion of its system. After the inventory is completed pursuant to 52 Pa. Code Section 65.55, the City is obligated to remove and replace all LSLs (customer owned and City owned) within 30 years. The timeline for this replacement is likely to be reduced to ten years, which is reflected in the proposed schedule. Settlement at ¶¶ 27-28. In accordance with the City’s obligations under 52 Pa. Code Section 65.53(b) and/or other applicable statute or regulations, the City will address the replacement and the cost of the replacements based on the results of the City’s survey in its periodic filings. Settlement at ¶ 28.

The Settlement provides for the timing of replacements, reimbursements for those that replaced within the last year, and the principles to be applied to all LSL replacements. Settlement

⁶ The City replaced four (4) LSLs in the PUC Jurisdictional Territory in 2024.

¶¶ 29-31. Under the Commission’s regulations at 52 Pa. Code Section 65.58(d), the City is required to provide for a reimbursement process for an eligible customer who replaced their LSL within 1 year before or from the LSLR project commencement. Settlement at ¶ 30.

As such, the OCA submits that the proposed Settlement is consistent with the Commission’s regulations, addresses the OCA’s concerns raised in its Answer and Comments, and should be approved as in the public interest.

C. Warranty

Under the Settlement, the City will provide a two-year warranty on the workmanship and materials for the customer-owned LSLs that the City or its contractor replaces, will begin on the date that construction is completed, and will be provided by the contractor. Settlement at ¶¶ 32-33. The maximum coverage will be the cost for the installation. Settlement at ¶ 33. This warranty period addresses the concerns raised in the OCA’s Answer and Comments and should be sufficient to expose the replacements to extreme weather conditions and/or substantial usage, which would allow the customer to assess whether the work was performed properly.

D. Reimbursement to Customers Who Recently Paid for Their Own LSL Replacements

As discussed below, the Settlement also responds to the concerns raised by the OCA in its Answer and Comments regarding the reimbursement process for customers who recently paid for their own LSL replacements. OCA Answer at 7. Under the Settlement, the City will establish a process for the reimbursement of customers who paid their own LSL replacement within one-year of the date that the City commences a main replacement project that would have impacted the customer. Settlement 34. The Settlement sets forth the criteria requirement for reimbursement as follows:

a. The City is provided an opportunity to inspect the customer's installation, which includes inspection of the newly installed line inside of the home at the lateral connection with the meter. If possible, the property owner or customer must provide the City with notice of the installation at least 72 hours before it occurs. The required opportunity for inspection will be waived if the City receives both of the following:

i. A clear photograph of the newly installed copper service line attaching to the meter, with the unique meter number visible, and

ii. A verified statement from the contractor that performed the installation, attesting that the installation was performed in accordance with industry-standard practices.

Settlement at ¶ 35. The customer must also present the City with the bill for reimbursement within 60 days of the installation's completion. Settlement at ¶ 37.

The Settlement provides for a clearer and more convenient process for the submission of reimbursement requests. A customer can request reimbursement via mail and in-person, but it also establishes an on-line process to submit requests and for the submission of materials. Settlement at ¶ 42.

The Settlement sets forth the requirements if the City inspects the customers' installation. Settlement at ¶ 36. The property owner or customer would reimburse the City for the cost of the inspector with current inspection costs at \$89 per hour with an annual increase. The timeframe for inspection would be anticipated to be less than four hours. The City would reserve the right to charge the customer the inspection fee, along with all other remedies available at law, if it is discovered that the materials submitted to the City were fraudulent. Settlement at ¶ 36.

In its Answer and Comments, the OCA identified concerns with the City's proposed reimbursement for customers who replace their customer-owned LSLs prior to the adoption of the City's LSLR program. Petition at ¶ 55; OCA Answer at 7. Act 120 requires the City's LSLR Plan to provide reimbursement to any customer who replaced that customer-owned LSL at their own expense within one year of commencement of a project in accordance with a Commission-

approved tariff. 66 Pa. C.S. § 1311(b)(2)(vii)(B). The Settlement amends the proposed conditions set forth in the Petition.

The original Petition provided for reimbursement only under the following conditions:

- The customer or property owner must provide the City with an opportunity to inspect the customer's installation. The property owner or customer must provide the City notice a minimum of 72 hours' notice of the installation time.
- The property owner or customer reimburses the City for the cost of the inspector. Current inspection costs are \$89 per hour and will increase annually. The time for inspection is anticipated to be less than four (4) hours.
- The property owner or customer presents the City with the bill for reimbursement within 30 days of the installation's completion.
- The property owner or customer will be reimbursed using a City issued check for up to 100% of the cost of a similarly sized service line, with similar attributes of replacement at the property in the City's sole discretion. The City will determine the average cost of the installation using one of its pre-approved contractors to estimate the replacement cost.
- The City will issue the reimbursement via check.
- The City will issue the reimbursement check for eligible applications no later than one hundred eighty (180) days from receipt of the eligible application.

Petition at ¶ 56.

The Settlement's proposed reimbursement provisions are important because failure to provide reimbursements would lead to equity concerns, considering that these customers had replaced their own LSP at their expense, but would now be expected to pay the costs to replace other customer-owned LSPs. These provisions also meet the requirement contained in Act 120:

Provide [] a reimbursement to a customer who has replaced the customer's lead water service line or customer-owned damaged wastewater lateral within one year of commencement of a project in accordance with a commission-approved tariff.

66 Pa. C.S. § 1311(b)(vii)(B). These reimbursements address the OCA's equity concerns and provides a meaningful approach to ensure that more customers who had COLSLs can benefit from this program.

E. Customer Outreach and Communications Plan

In its Answer and Comments, the OCA raised concerns regarding how the Company customer outreach would be completed and the customer notice provided. OCA Comments at 7. The Settlement and the proposed LSLR Plan attached to the Settlement address the OCA's concerns that it raised in its Answer and Comments in this proceeding regarding customer notice and customer outreach.

In the OCA's Comments, the OCA recommended that the draft notice and draft line replacement agreement attached to the LSLR Plan should be reviewed to see where they could be improved. Comments at 7. The Outreach Plan improved the customer notice to address the OCA's concerns and provide greater clarity regarding the risks of lead service lines. *See* Settlement, Exh. A (LSLR Plan) at App. A. For example, the revised Lead Service Line Plan provides the following information, as discussed in the Settlement:

When the City is attempting to contact a property owner in a situation where the property owner is not the customer in connection with the termination of service, the City will comply with all applicable requirements concerning termination of service. The City will also provide the property owner with information and resources relating to health risks associated with lead in water and LSLs in the form set forth in **Appendix A** to this LSLR Plan.

Settlement at Exh. A at 13.

In its Comments, the OCA also raised a concern that it was also not clear whether any outreach will be provided to customers where the City has not identified that the City-owned portion of the service line is lead. Comments at 7. In particular, the concern related to the limited time period included in the original Petition for customers to meet the requirements for reimbursement. The proposed Settlement provides for a clearer reimbursement process as discussed above and provides for improved communication and outreach to customers. Comments at 7. The OCA also identified a concern that although the City proposes to include a Spanish

language version of the notices, given the importance of the information, the City should include in its communication plan how it will address a situation where a customer has Limited English Proficiency in a language other than Spanish. Comments at 7.

The Settlement provides that the Pennsylvania Department of Environmental Protection (PA DEP) and the United States Environmental Protection Agency (USEPA) require the City to publish information on both the City-owned and privately-owned portion of the service line. Settlement at 44. The Settlement provides that assistance from customers is required to accomplish this objective. *Id.* In order to achieve this objective, the City will send out notifications and request that customers check their portion of the service line as it comes into their building. Settlement at 45. The customer will need to take a photo for verification by City personnel which is detailed at Appendix A of Exhibit A to the instant Settlement. Settlement, Exh. A at App. A.

The Settlement also affirms that when the City is attempting to contact a property owner in situation where the property owner is not the customer in connection with the termination of the service, the City will comply with all applicable requirements regarding termination of service. Settlement at ¶ 46. The City will also provide educational information to the property owner about the health risks associated with lead in water and lead service lines as set forth in Appendix A of the City's LSLR Plan. See Settlement, Exhibit A at App. A.

The Settlement also provides for additional information to the public about the service line inventory. Settlement at ¶ 47. The Settlement will include the following additional information to customers on a website within 12 months of PUC approval of the Settlement:

- An online tool describing the LSL replacement schedule by geographic location, at least six (6) months into the future;
- Information regarding the reimbursement requirements and a secure online tool that provides customers or property owners, if the customer is not the

property owner, the ability to determine whether the customer or property owner may be eligible for reimbursement;

- Information that provides the ability to determine whether a property may have a LSL, delineating the known or reasonably anticipated material types or the City-owned and privately-owned portions of the service line and a method to request assistance to determine if the service line is a LSL;
- Information and resources relating to health risks associated with lead in water and LSLs, the status of efforts to replace the lines, and any community meetings.

Settlement at ¶ 47.

Overall, the proposed LSLR Plan and the Settlement address the OCA's concerns discussed in its Answer and Comments. The LSLR Plan and the Settlement will provide improved communications, notice and outreach to impacted customers and property owners about the ability to have the lead service line. The OCA submits that the Settlement and LSLR Plan for communications and outreach should be approved as in the public interest.

F. Cost Recovery

1. Annual Cap and Budgetary Allotment

The Settlement also increases the annual cap and budgetary amount proposed in the City's filing. The Settlement provides that the City will perform a maximum of 50 LSL replacements per year within the PUC Jurisdictional Territory within a maximum budget of \$750,000. Settlement at ¶ 48. If in any given year the maximum allotment is not expended, the remainder of the allotment will be carried forward and added to the budgetary allotment for the next year, subject to the same cap of 50 LSL replacements per year. Settlement at 48.

The OCA submits that the Settlement should be approved as in the public interest.

2. Accounting and Ratemaking Treatment of LSL Replacements

The Settlement also provides for the cost recovery for accounting and ratemaking treatment of LSL replacements including that the City will capitalize LSL replacement costs; will record those costs in a separate sub-account to record customer-owned LSL replacement costs; and will include the actual costs of customer-side LSL replacements in its rate base in a subsequent base rate proceeding; and will recover the fixed costs of such investment in property placed in service between base rates through the City's existing DSIC. Settlement at 49-51.

The recovery of the costs of LSL replacements is consistent with the law and the Commission's prior approved lead service line replacement programs. The proposed LSLR program and plan will allow the City to recover the costs for LSL replacements, both Company-owned and customer-owned, through its base rates and DSIC. 66 Pa. C.S. § 1311(b)(2). The OCA submits that replacement of the customer-owned lead service lines by the City is in the public interest and the OCA agrees with the proposed accounting treatment for the recovery of the actual costs of the LSL replacements. The proposed accounting and ratemaking treatment of the LSL replacements should be approved as in the public interest.

3. Cost Allocation

The Settlement provides that the customer-owned LSL replacement costs will be allocated to all water customers. Settlement at ¶ 52. The proposed Settlement provision is consistent with Section 1311(b)(2) of the Public Utility Code. 66 Pa. C.S. § 1311(b)(2). Section 1311(b)(2) of the Public Utility Code provides a process to eliminate the individual financial burden for replacing customer-owned LSLs by recovering those costs over the Company's entire customer base. If a customer could not have otherwise afforded the replacement of the line, the customer will be able to maintain essential water service. The lead service line also poses a direct health risk to customers. An LSLR program can protect public health by helping to ensure the timely removal

of the customer-owned LSL. Allocation to all water customers is consistent with both the law and the public interest by supporting removal of customer-owned LSLs.

G. Reporting

Finally, the Settlement provides that the City will track and report the following information in its LSLR reports: (1) the number of terminations where're the property owner could not be identified, could not be located or was non-responsive; (2) the number of eligible/ineligible applications for reimbursement, and (3) for eligible applications, the (i) amount charged/deducted (if any) for inspection fees, (ii) the date the application was received, (iii) the date the reimbursement check was sent, and (iv) the amount of the reimbursement check. The proposed reporting requirements are helpful for the parties to continue to monitor the program and ensure that it is operating effectively and efficiently.

III. CONCLUSION

The adoption of the Settlement improves upon the City's initially proposed LSLR Plan with an improved plan for the replacement schedule and process; warranties for work provided, improvements to the reimbursement process; enhanced communications; greater transparency; and a clearer delineation of responsibilities compared to what was originally proposed by the Company. In consideration of the various elements of the Settlement, the OCA finds the Settlement to be in the public interest and in the interest of the City of Lancaster's customers. For these reasons and the reasons discussed above, the terms and conditions of the Settlement should be approved by the Commission.

Respectfully submitted,

/s/ Christy M. Appleby

Christy M. Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
CAAppleby@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Counsel for:
Darryl A. Lawrence
Consumer Advocate

Date: July 31, 2025

STATEMENT C

**Commission's Bureau of Investigation and Enforcement's
Statement in Support**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster – :
Water Bureau for Approval of A Lead :
Service Line Replacement Program and : **Docket No. P-2023-3041043**
Related Tariff Changes, Pursuant to 66 :
Pa. C.S.A. § 1311(b) and 52 Pa. Code §§ :
65.51, et seq. :

**THE BUREAU OF INVESTIGATION AND ENFORCEMENT’S AMENDED
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE JEFFREY A. WATSON:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutor, Carrie B. Wright, hereby respectfully submit that the terms and conditions of the foregoing *Joint Petition For Settlement* (“Joint Petition” or “Settlement Agreement”) are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of the City of Lancaster – Water Bureau (“Lancaster,” “City” or “Company”) and its customers. The parties to this Settlement Agreement have conducted discovery and extensive negotiations which have resulted in the submission of the attached Joint Petition. The request for

acceptance of the *Joint Petition for Settlement* is based on I&E’s conclusion that the Settlement Agreement is in the public interest, which is the “prime determinant in the consideration of a proposed Settlement.”¹

I. BACKGROUND AND HISTORY OF THE PROCEEDING

A. Legal Landscape Regarding Public Utilities

A business may acquire “public utility status” when that business is the sole organization that maintains the infrastructure utilized in providing an essential service to the public for compensation.² In order to protect consumers, the public utility’s rates and services are regulated.³ Price regulation strives to replicate the results of effective competition.⁴ A public utility is entitled to a rate that allows it to recover those expenses that are reasonably necessary to provide service to its customers and allows the utility an opportunity to obtain a reasonable rate of return on its investment.⁵ A public utility shall also provide safe and reliable service by furnishing and maintaining adequate facilities and reasonable services and by making the necessary improvements thereto.⁶

B. I&E’s Role

Through its bureaus and offices, the Commission has the authority to take appropriate enforcement actions that are necessary to ensure compliance with the Public

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

² James C. Bonbright, *Principles of Public Utility Rates*, Columbia University Press: New York (1961) at 3-14; 66 Pa.C.S. § 102.

³ *Principles of Public Utility Rates*, at 3-14; 66 Pa.C.S §§ 1301, 1501.

⁴ *See Cantor v. Detroit Edison*, 428 U.S. 579, 595-6, fn. 33 (1976).

⁵ *City of Lancaster v. Pennsylvania Public Utility Commission*, 793 A.2d 978, 982 (Pa. Cmwlth. 2002); *see also Hope*, 320 U.S. at 602-603.

⁶ 66 Pa.C.S. § 1501.

Utility Code and Commission regulations and orders.⁷ The Commission established I&E to serve as the prosecutory bureau to represent the public interest in ratemaking and utility service matters and to enforce compliance with the Public Utility Code.⁸ By representing the public interest in rate related proceedings before the Commission, I&E works to balance the interest of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.⁹

C. Procedural History

I&E adopts, for purposes of this Statement in Support, the procedural history as set forth in paragraphs 1-16 of the *Joint Petition for Settlement*.

II. TERMS AND CONDITIONS OF SETTLEMENT

The adverse health effects of ingesting lead are well known and significant. Further, it is well known that partial replacement of lead service lines can lead to elevated levels of lead in drinking water. While there still may be lead present in the customer's plumbing or fixtures, replacement of the service line serves to eliminate a major source of lead contamination. Therefore, I&E believes that it is important to have these lines replaced before a significant problem occurs.

Per the settlement, the City will replace LSLs within the PUC Jurisdictional Territory as follows:

⁷ Act 129 of 2008, 66 Pa.C.S. § 308.2(a)(11); 66 Pa.C.S. § 101 *et seq.*; 52 Pa.Code § 1.1 *et seq.*

⁸ *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

⁹ *See* 66 Pa.C.S. §§ 1301, 1304.

| YEAR | # Replacements |
|-------------------------|----------------|
| 2024 (YR 1) (Completed) | 4 |
| 2025 (YR 2) | 9 |
| 2026 (YR 3) | 9 |
| 2027 (YR 4) | 9 |
| 2028 (YR 5) | 9 |
| 2029 (YR 6) | 9 |
| 2030 (YR 7) | 9 |
| 2031 (YR 8) | 9 |
| 2032 (YR 9) | 9 |
| 2033 (YR 10) | 9 |
| | TOTAL: 85 |

The City will perform a maximum of 50 LSL replacements per year within the PUC Jurisdictional Territory within a maximum budget of \$750,000. If, in any year, the entire budgetary allotment is not expended, the remainder of the allotment will be carried forward and added to the budgetary allotment for the next subsequent year, subject to the cap of 50 LSL replacements per year.

Lancaster will capitalize lead service line replacement costs and record those costs. Lancaster will create a separate sub-account, 829100, to record LSL replacement costs. Only customer-owned LSL replacement costs will be included in this sub-account. This is in the public interest as it allows for interested parties to quickly and easily determine which amounts are related to lead service line replacement and review those amounts. It also aids in the ease of determining whether the costs associated with lead service line replacement were accurate and proper.

There are various other provisions of the settlement that likely would not have resulted if the case had been fully litigated. Overall, I&E agrees that the terms of the

settlement are consistent with the requirements of the applicable law and will result in customer-owned lead service lines being replaced in an acceptable manner. When all terms are considered as a whole, the settlement is in the public interest. In addition, the settlement furthers the Commission's goal of promoting negotiated settlements. It lessens the time and expense of continued litigation of these issues.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

Based on I&E's analysis, acceptance of this proposed Joint Petition is in the public interest. Resolution of these provisions by settlement rather than continued litigation will avoid the additional time and expense involved in formally pursuing all issues in this proceeding and will help Lancaster in its swift removal of lead service lines. I&E further submits that acceptance of this agreement will protect ratepayers interests by allowing regulatory oversight while still ensuring that Lancaster appropriately recovers the associated costs.

Under the Settlement, all residential, commercial and industrial customers will be eligible to participate in this program. Even though Lancaster will, in most instances, be replacing the lead service lines, the customers themselves will still maintain ownership and responsibility for the maintenance, repair and replacement of the customer portion of the service line.¹⁰ Doing lead service line replacement in this way serves to protect customers. The replacement plan aims to reduce the number of partial service line replacements. Partial replacements can potentially elevate the risk of lead exposure

¹⁰ Settlement ¶¶ 18-22.

through drinking water. Customers who refuse to allow Lancaster to replace their lead service line, will have their water temporarily shut off until the privately owned portion is replaced.¹¹ As replacement of the entire service line, both customer and company owned, is the preferable approach and Lancaster's plan is in line with this goal of reducing lead exposure to customers, I&E supports this plan as being in the public interest.

Further, regarding the customer owned portion of a service line, another important aspect of the Settlement is that Lancaster will establish a process for the reimbursement of customers who paid for their own lead service line replacement within one-year of the date that the City begins a main replacement project that would have impacted this customer.¹² Whether the customer chooses a contractor that is preapproved by Lancaster, or a contractor that has not been preapproved by Lancaster, the opportunity for reimbursement still exists provided the customer is willing to allow Lancaster an opportunity to inspect the installation.¹³ In this way, customers who may have been proactive, or simply unaware of the City's lead service line replacement plan, will not be unduly penalized for replacing the line on their own service line and will still have the opportunity to choose the contractor they wish to have the work done.

Regarding the annual cap and budget allotment, the Settlement provides that Lancaster will perform a maximum of 50 replacements per year within its jurisdictional service territory with a maximum budget of \$750,000. If in any given year the maximum

¹¹ Settlement ¶ 22.

¹² Settlement ¶¶ 37-46.

¹³ Settlement ¶¶ 38-39.

allotment is not expended, the remainder of the allotment will be carried forward and added to the budgetary allotment for the next year, subject to the same cap of 50 replacements per year.¹⁴ This ensures there is an appropriate budget going forward to complete this lead service line replacement plan in the time-frame allotted in the settlement.

Additionally, per the Settlement the City will capitalize lead service line replacement costs, will record those costs in a separate sub-account (829100) to record customer-owned lead service line replacement costs, and will include the actual costs of customer-side lead service line replacements in its rate base in a subsequent base rate proceeding. Further Lancaster will recover the fixed costs of such investment in property placed in service between base rates through the City's existing DSIC.¹⁵ Additionally, the settlement provides that customer-owned lead service line replacement costs will be allocated to all water customers.¹⁶ This is consistent with the applicable law and will provide the parties an opportunity to review this information in Lancaster's next base rate case filing. Therefore, this is in the public interest.

Approving this settlement is in the public interest as lead service lines impact the health and safety of all customers. This settlement provides for the appropriate and expeditious replacement of lead service lines and should be approved.

¹⁴ Settlement ¶ 51.

¹⁵ Settlement ¶¶ 52-54.

¹⁶ Settlement ¶ 55.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the *Joint Petition for Settlement* as being in the public interest and respectfully requests that Administrative Law Judge Jeffrey Watson recommend, and the Commission subsequently approve, the foregoing Settlement Agreement, including all terms and conditions contained therein.

Respectfully submitted,



Carrie B. Wright
Prosecutor
Attorney ID #208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
Harrisburg, Pennsylvania 17120
(717) 783-6156

Dated: July 31, 2025

STATEMENT D

**Office of Small Business Advocate's
Statement in Support**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster – :
Water Bureau for Approval of a Lead : **Docket No. P-2023-3041043**
Service Line Replacement Program and :
Related Tariff Changes, Pursuant to 66 :
Pa. C.S.A. § 1311(b) and 52 Pa. Code §§ :
65.51, et seq. :

**AMENDED
STATEMENT IN SUPPORT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE
AMENDED JOINT PETITION FOR SETTLEMENT**

I. Introduction

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a notice of intervention in response to the Petition of the City of Lancaster-Water Bureau (the “City”) for Approval of a Lead Service Line Replacement (“LSLR”) Program and Related Tariff Changes that was filed with the Pennsylvania Public Utility Commission (“Commission”) on May 31, 2023.

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

II. The Commission’s Policy on Settlements

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

It is the policy of the Commission to encourage settlements.

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

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

III. The Amended Joint Petition is in the Public Interest of the City’s Small Business Customers

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

The *Amended Joint Petition* proposes that the City will replace existing City-owned and customer-owned lead service lines by 2033, or such other date as modified by State or Federal Governments. *Amended Joint Petition*, at Paragraphs 27, 31. The OSBA respectfully submits that this pace of LSLR is just, reasonable, and will minimize the rate impact upon the City’s small business customers.

IV. Conclusion

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

Respectfully submitted,

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: July 31, 2025