

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of The City of Lancaster –	:	
Water Bureau for Approval of a	:	
Lead Service Line Replacement	:	P-2023-3041043
and Related Tariff Changes	:	

RECOMMENDED DECISION

Before
Jeffrey A. Watson
Administrative Law Judge

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I. INTRODUCTION

This decision recommends that the Commission approve an Amended Joint Petition For Settlement between the City of Lancaster, OCA, I&E, and OSBA, without modification. The Amended Settlement addresses the City of Lancaster’s Lead Service Line Replacement Program and proposed tariff changes. Additionally, the Amened Settlement allows the City to record the costs of the customer-owned Lead Service Line replacements in a separate, segregated subaccount, consistent with applicable law to enable the City to recover a return on its investment pursuant to 66 Pa.C.S. § 1311 (b)(2)(iii). The Amended Settlement also calls for the Commission’s Bureau of Technical Utility Services to complete its review of the City’s Long-Term Infrastructure Improvement Plan and submit an Order for Commission consideration. I find that the Settlement is in the public interest and therefore recommend that the Commission approve it.

II. HISTORY OF THE PROCEEDINGS

On May 31, 2023, City of Lancaster – Water Bureau (Petitioner, Lancaster or City) filed a Petition with the Pennsylvania Public Utility Commission (Commission) seeking approval of a Lead Service Line (LSL) Replacement Program and related tariff changes which would allow Lancaster to replace customer owned lead service lines (COLSL). The Petition was filed after the Settlement in Lancaster’s Distribution System Improvement Charge (DSIC) and Long-Term Infrastructure Improvement Plan (LTIIIP) proceeding filed at Docket No. P-2022-3035591.

On June 7, 2023, the Commission’s Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance in this proceeding. On June 20, 2023, the Office of Consumer Advocate (OCA) filed an Answer to the Petition. On June 30, 2023, OCA filed Comments in this proceeding.

Lancaster's Petition was referred to the Office of Administrative Law Judge (OALJ) for establishment of an evidentiary record culminating in a Recommended Decision for the Commission's consideration. Subsequently, the proceeding was assigned to Administrative Law Judge Conrad A. Johnson (ALJ Johnson).

By Initial Call-In Telephonic Prehearing Conference Notice dated July 13, 2023, the Parties were informed that a prehearing conference was scheduled in this proceeding before ALJ Johnson for August 15, 2023, at 10:00 a.m. On July 13, 2023, a Prehearing Conference Order was entered which directed the parties to file Prehearing Memoranda by August 11, 2023.

On July 26, 2023, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance and Notice of Intervention in this proceeding.

By email dated August 7, 2023, Petitioner and OCA submitted a request to adjourn the prehearing conference to permit the parties to continue to negotiate in good faith to obtain a settlement. By email dated August 10, 2023, Petitioner represented that OSBA did not object to the adjournment.

In response to the adjournment request, on August 10, 2023, ALJ Johnson sent an email stating an order would issue shortly canceling the prehearing conference and the rescheduling of the Prehearing Hearing Conference would be held in abeyance pending settlement negotiations.

On August 11, 2023, I&E filed its Prehearing Conference Memorandum. Also on August 11, 2023, a Notice was issued to the parties cancelling the prehearing conference.

On November 13, 2023, an Interim Order was entered requiring that Petitioner submit a status report.

Status Reports were filed by Petitioner on November 30, 2023, February 1, 2024, and April 12, 2024.

On March 4, 2025, the undersigned presiding officer was assigned to preside over this proceeding.

On March 17, 2025, Petitioner filed a letter advising that the Parties reached a settlement.

On March 26, 2025, the undersigned presiding officer provided an email to the Parties, advising the Parties to make certain that the information and documentation typically required in settlements regarding lead line replacement projects was filed in this proceeding.

On April 9, 2025, the City of Lancaster – Water Bureau, OCA, I&E, and OSBA (collectively, the Joint Petitioners, Settling Parties or Parties), by and through their respective counsel, filed a Joint Petition for Settlement (Original Settlement or Joint Petition) and requested that the Original Settlement be approved without modification. Attached to the Original Settlement was a Joint Stipulation of Facts, the Lead Service Line Replacement Plan (Appendix A), draft Revised Tariff Pages (Appendix B), Long Term Infrastructure Improvement Plan (Appendix C), Statements in Support of Settlement, and Joint Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs.

The Parties also filed a Motion for Admission of Testimony and Exhibits.

On May 15, 2025, an interim order was entered which, *inter alia*, provided the Parties with additional time to file amended settlement documents on or before July 31, 2025.¹

The Interim Order entered on May 15, 2025, explained that, to meet the burden of proof and allow for a proper determination of whether a settlement is appropriate and should be approved as being in the public interest, more than general boiler plate language is required in statements in support of settlement. The Parties were advised that parties to a settlement should include in the statement in support of settlement, a substantive discussion of the original petition, how the settlement differs from the original filing, how the settlement terms impact or affect the customers and ratepayers and a substantive explanation regarding how and why the settlement is in the public interest. The Order also provided that, absent a full evidentiary record established by a hearing or adequate statements that support the various issues settled by the Parties, the presiding officer is without sufficient information to determine whether approval of a settlement is in the public interest.

Accordingly, the Interim Order provided a deadline of July 31, 2025, for the Parties to file amended Statements in Support of Settlement, consistent with the provisions set forth in the Order and Commission precedent. In addition, the Parties, *inter alia*, were permitted to file an amended Joint Petition for Settlement to include the document identified in the Joint Petition and Statements in Support as “Exhibit 3,” which was referenced but not attached to the Joint Petition or Statements in Support of Settlement.

¹ Although the Parties utilized a common outline of issues addressed in the Settlement Petition and Statements in Support of Settlement, the Statements in Support of Settlement filed in this proceeding, with the exception of that filed by OCA, did not substantively address those Settlement issues. The Statement in Support of Settlement filed by the City simply repeated the Settlement terms organized with common headings for each settlement issue addressed in the Settlement Petition.

On July 31, 2025, the Joint Petitioners filed an Amended Joint Petition for Settlement (Joint Petition, Settlement or Amended Joint Petition or Amended Settlement). Attached to the Settlement was the document referred to as “Exhibit 3” in the Joint Petition filed on April 9, now identified as “Exhibit 2”, Amended Statements in Support of Settlement from the City, OCA, and I&E, and an Amended Motion for Admission of Testimony and Exhibits.

On July 31, 2025, the Joint Petitioners also filed an Amended Motion for Admission of Testimony and Exhibits, requesting that the stipulation of the Parties to this proceeding, as set forth in the Stipulation marked as Appendix A, and attached to the Amended Motion, be approved.

On August 20, 2025, an Interim Order was entered approving the Amended Motion for Admission of Testimony and Exhibits and admitting the following statements and exhibits into the evidentiary record, as follows:

- a. The City’s Petition, filed on May 31, 2023, with accompanying exhibits;
- b. The Direct Testimony of Christine Volkay-Hilditch, P.E., BCEE, Deputy Director of Public Works of the City of Lancaster; and
- c. The approval and consent form the City will utilize with customers prior to performing customer-side LSLR replacements, designated as Exhibit 2 and attached to the Amended Joint Petition for Settlement filed on July 31, 2025.

In addition, the Order directed the City, within 20 days from the entry of the Order, to file copies of the statements and exhibits with the Commission Secretary and to provide a copy of said filing to all Parties and the undersigned presiding officer.

On October 8, 2025, an Interim Order was entered granting the second Motion for Admission of Testimony and Exhibits and permitting the Parties to file the exhibits with the Commission Secretary on or before October 28, 2025. On October 23, 2025, the City filed OCA's Answer to the Petition and OCA's Comments to the City's Petition, to be included into the evidentiary record, pursuant to the Interim Order entered on October 8, 2025. The record closed on October 28, 2025, pursuant to the Interim Order entered on October 8, 2025.

This Recommended Decision recommends the Amended Joint Petition for Settlement be adopted, without modification.

III. FINDINGS OF FACT

The Settling Parties have agreed to findings of fact numbers 5 through 45 set forth on pages 2 through 9 of the Amended Joint Stipulation of Facts filed by the Parties on July 31, 2025. These stipulated findings by the Settling Parties provide the information necessary to support the findings of fact set forth below and are adopted without modification, with regard to the Amended Settlement of this matter. The stipulated facts are set forth verbatim below.²

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.

² The verbatim stipulated facts only change the numbering of the footnotes contained therein, to accommodate this Decision. Also, the Amended Joint Stipulation of Facts also sets forth terms and conditions of the stipulation at pages 9-10.

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."³ 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."⁴

³ 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).

⁴ *Id.*

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 (“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.⁵

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.

⁵ 66 Pa.C.S. § 1311(b).

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.

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.

IV. TERMS AND CONDITIONS OF THE SETTLEMENT

In accordance with Rule 5.231 of the Commission's Rules of Practice and Procedure, 52 Pa. Code § 5.231, the parties explored the possibility of settlement. As a result of settlement discussions, the Parties achieved a settlement of all issues in this proceeding. The Joint Petition, which is fully executed by the City, OSBA, I&E and OCA, includes the Amended Joint Stipulation of Facts (Exhibit 1), Customer-side LSLR Consent Form (Exhibit 2), the City's Lead Service Line Replacement Plan (Appendix A), the City's Draft Revised Tariff Changes (Appendix B), the Long Term Infrastructure Improvement Plan (Exhibit C), and amended Statements Support of Settlement of the City, OCA and I&E (Statement A, B, C and D).

The Amended Joint Petition For Settlement provides the following terms and conditions, verbatim, as provided in the Settlement Petition at paragraphs 17 -57, as follows:

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

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. Settlement ¶ 18.

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

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. Settlement ¶ 20.

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. Settlement ¶ 21.

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. Settlement ¶ 22.

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. Settlement ¶ 23.

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. Settlement ¶ 24.

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. Settlement ¶ 25.

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. Settlement ¶ 26.

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) 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 ¶ 27.

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

29. Within City Limits, the City will replace 25 LSLS per year. Settlement ¶ 29.

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

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

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. Settlement ¶ 30.

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. Settlement ¶ 31.

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. Settlement ¶ 32.

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. Settlement ¶ 33.

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. Settlement 34.

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. Settlement ¶ 35.

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. Settlement ¶ 36.

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. Settlement ¶ 37.

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. Settlement ¶ 38.

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. Settlement ¶ 39.

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

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. Settlement ¶ 41.

42. The City will issue the reimbursement via check. Settlement ¶ 42.

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. Settlement ¶ 43.

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

Lead Line Replacement
150 Pitney Road
Lancaster, PA 17601

Settlement ¶ 44.

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. Settlement ¶ 45.

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

Settlement ¶ 46.

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. Settlement ¶ 47.

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. Settlement ¶ 48.

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. Settlement ¶ 49.

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.

Settlement ¶ 50.

Cost Recovery.

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. Settlement ¶ 51.

Accounting and Ratemaking Treatment of LSL Replacements.

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

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. Settlement ¶ 53.

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. Settlement ¶ 54.

Cost Allocation.

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

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. Settlement ¶ 56.

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. Settlement ¶ 57.

Additional Terms and Conditions

The Amended Joint Petition For Settlement provides the following additional terms and conditions, verbatim, as provided in the Settlement Petition at paragraphs 63 - 68, as follows:

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. Settlement ¶ 63.

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. Settlement ¶ 64.

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. Settlement ¶ 65.

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. Settlement ¶ 66.

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. Settlement ¶ 67.

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. Settlement ¶ 68.

The Settlement Is In the Public Interest

The Amended Joint Petition For Settlement provides that the Settlement is in the public interest, as set forth in the Settlement Petition at paragraphs 58-62, as follows:

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

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

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

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

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.

Settlement ¶ 62.

V. DISCUSSION

A. Applicable Legal Principles

The Commission encourages parties in contested on-the-record proceedings to settle cases.⁷ Settlements eliminate the time, effort and expense of litigating a matter to its ultimate conclusion, which may entail review of the Commission's decision by the appellate courts of Pennsylvania. Such savings benefit not only the individual parties, but also the Commission and all ratepayers of a utility, who otherwise may have to bear the financial burden such litigation necessarily imposes.

By definition, a "settlement" reflects a compromise of the parties' positions and arguably fosters and promotes the public interest. When parties in a proceeding reach a settlement, the principal issue for Commission consideration is whether the agreement reached suits the public interest.⁸ In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest.⁹

⁷ See 52 Pa. Code § 5.231.

⁸ *Pa. Pub. Util. Comm'n v. CS Water and Sewer Assocs.*, 74 Pa.P.U.C. 767, 771 (1991) (*CS Water*).

⁹ *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *CS Water*.

As mandated by Act 120 of 2018, the Commission promulgated regulations at 52 Pa. Code §§ 65.51 – 65.62, which became effective on July 23, 2022. These LSLR regulations require certain water utilities to remove and replace all lead service lines, regardless of whether those lines are customer-owned or utility-owned within 25 years¹⁰ and to file a plan for lead service line removal no later than July 23, 2023.¹¹

B. Amended Statements of the Settling Parties in Support of the Settlement

The Settlement addresses the following issues: Nature of LSLR Program and Tariff Revision, Implementation of the LSLR Programs, warranty, reimbursement to customers who recently paid for their own LSL replacements, customer outreach and communication plan, cost recovery, and reporting. On July 31, 2025, the Joint Petitioners filed Amended Statements in Support of Settlement, pursuant to the Interim Order entered on May 15, 2025.

Given the importance of conducting appropriate lead line replacements to the public, and because the undersigned presiding officer believes that the record, as supplemented by the filings by OCA, appears to support a finding that the Settlement is in the public interest, the undersigned will recommend that the Settlement be approved by the Commission.¹²

¹⁰ 52 Pa. Code § 65.52(a).

¹¹ 52 Pa. Code § 65.53.

¹² The Parties are reminded that the Parties are required to follow appropriate orders of the presiding officers and the Commission and the need to preserve the limited resources available to ratepayers, parties and the Commission. In addition, although all parties are not required to address each issue in their statement in support of settlement, the Parties, at a minimum, must provide an appropriate explanation and analysis to establish why the Settlement should be approved in a common outline form as directed. The failure to comply with the appropriate requirements of the presiding officer or Commission may result in the failure to consider the filing of the non-compliant party.

For the Commission's consideration the Parties submitted separate Amended Statements in Support of the Settlement Petition. In their Statements, the City I&E, OCA, and OSBA conclude that the Settlement is in the public interest. Noting there is no objection to the Settlement, the positions of the Parties are summarized below.

C. Nature of LSLR Program and Tariff Revisions

1. *City's Position*

The City explained that its residential, commercial and industrial customers will be eligible to participate in the LSLR Program. 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. Customers will be required to enter into an agreement with the City, substantially similar to City Exhibit 2. The program also provides for termination of a customer's service if a customer refuses to consent to the replacement of their portion of the LSL.¹³

2. *I&E's Position*

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

3. *OSBA's Position*

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

¹³ City Amended St. in Support, p. 2.

4. *OCA's Position*

OCA explains in its Answer¹⁴ that it identified a concern that it was “not clear from the filing how the City proposes to address Customer Owned Lead Service Line replacements that are made at a customer’s request (outside of the City’s planned main replacement projects).”¹⁵ The OCA also raised the following questions:

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?^[16]

In response to the concerns raised in the OCA’s Answer and Comments, 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.^[17]

¹⁴ OCA Answer at 7.

¹⁵ Paragraph 6.c of the LSLR plan (under the heading “Routine Maintenance”) discusses “if an 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. *See* OCA Amended St. in Support, p. 7.

¹⁶ OCA Answer at 7; OCA St. in Support, pp. 7-8.

¹⁷ Settlement ¶ 15; OCA St. in Support, pp. 8-9.

OCA explains that all residential, commercial and industrial customers will be eligible to participate in the LSLR program with the City replacing the lead service lines, while customers will still retain ownership and responsibility for the maintenance, repair and replacement of its portion of the service line after replacement.¹⁸

With regard to the process for handling 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:

[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.^[19]

OCA explains, under these circumstances, a verification of the medical condition may be requested by the City in order to replace the customer-owned LSL.²⁰

OCA further explains, 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;

¹⁸ Settlement ¶ 17; OCA St. in Support, p. 9.

¹⁹ OCA St. in Support, p. 9 (citing Settlement ¶ 20).

²⁰ Settlement ¶ 21; OCA St. in Support, p. 9.

or (3) was non-responsive,²¹ which OCA submits will allow the parties and the Commission to understand the scope of the issue and is in the public interest.²²

OCA submits that lead in water service lines creates major safety and reliability concerns for customers, such as causing a range of deleterious health effects.²³ 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, OCA explains the goal is to limit partial lead service line replacements thereby protecting customers from significant lead exposure. Accordingly, OCA supports the City's proposed replacement plan and submits the proposed replacement plan addresses the concerns raised by the OCA in this proceeding.²⁴

5. *Discussion*

In October 2018, Governor Wolf signed into law Act 120 of 2018, which became effective on December 23, 2018.²⁵ Act 120 of 2018 amended Section 1311(b) of the Public Utility Code in order to authorize water utilities to pursue comprehensive replacement of lead service lines that remain in service across Pennsylvania subject to Commission approval.²⁶ Specifically, Act 120 of 2018 provides that replacing a customer-owned LSL does not make the utility the owner of the new service line on the customer's property.²⁷ Act 120 of 2018 also directs the Commission to establish

²¹ Settlement ¶ 22.

²² OCA Amended St. in Support, p. 10.

²³ Joint Proposed Findings of Fact, ¶ 4; OCA St. in Support, p. 10.

²⁴ OCA St. in Support, p.10.

²⁵ Act of October 24, 2018, P.L. 738, No. 120 (Act 120 of 2018).

²⁶ 66 Pa.C.S. § 1311(b).

²⁷ 66 Pa.C.S. § 1311(b)(2)(i).

standards to ensure a warranty on the utility’s replacement work and reimburse customers who replaced lead service lines at their own cost.²⁸

As mandated by Act 120 of 2018, the Commission promulgated regulations at 52 Pa. Code §§ 65.51 – 65.62, which became effective on July 23, 2022. These LSLR regulations require certain water utilities to remove and replace all lead service lines, regardless of whether those lines are customer-owned or utility-owned within 25 years²⁹ and to file a plan for lead service line removal no later than July 23, 2023.³⁰

Section 1311(b)(2)(1) contemplates a Commission-approved program to address the situation where a customer requests the replacement of their customer owned lead service line.³¹ 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).”³²

Based upon issues raised by OCA, 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

²⁸ 66 Pa.C.S. § 1311(b)(2)(vii).

²⁹ 52 Pa. Code § 65.52(a).

³⁰ 52 Pa. Code § 65.53.

³¹ 66 Pa.C.S. § 1311(b)(2)(i).

³² 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.

number of pending customer requests for replacement of LSLs, and contractor availability and proximity.^[33]

Under the Settlement, all residential, commercial and industrial customers will be eligible to participate in the LSLR program. Although 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.³⁴

In order for the replacement to take place, the customer must enter into an agreement substantially similar to the form of Exhibit 2 attached to the Settlement, whereby the customer will consent 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.³⁵ If a customer would refuse to allow for the replacement of the LSL, the water service may be temporarily being shut off resulting in a termination of the customers 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.³⁶

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 generally provides that 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 Settlement permits the City to review requests from non-property owner customers to complete the replacement of the

³³ Settlement ¶ 15.

³⁴ Settlement ¶ 17.

³⁵ Settlement ¶ 18; Ex. 2.

³⁶ Settlement ¶ 19.

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.³⁷ The City may request a verification of the medical condition in order to replace the customer-owned LSL under such circumstances.³⁸

The Settlement also provides the City will provide LSLR program reports to track and report the number of terminations where the property owner could not be identified, could not be located, and were non-responsive.³⁹

The Parties recognize that lead in water service lines creates major safety and reliability concerns for customers and that lead exposure can cause serious health effects.⁴⁰ Although replacing the entire portion of the lead service line, including both the Company portion and the customer portion, is the best practice within the water utility industry, the Parties note there is research that suggests 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.⁴¹ The Settlement provides for appropriate provisions, including necessary waivers of the Company’s tariff to permit the Company to replace customer-owned lead service lines, to limit partial lead service line replacements thereby protecting customers from significant lead exposure.

³⁷ Settlement ¶ 20.

³⁸ Settlement ¶ 21.

³⁹ Settlement ¶ 22.

⁴⁰ Joint Proposed Findings of Fact, ¶4.

⁴¹ Joint Stipulation of Facts, ¶ 9.

Given the serious health effects associated with lead in drinking water, the Settlement provisions identified above appear to be appropriate and in the public interest.

D. Implementation of the LSLR Program

1. *City's Position*

The City explains that it will replace LSL's within the PUC jurisdictional territory as follows: (1) Up to 50 per year within PUC jurisdictional territory, and (2) 25 LSLs per year within the City limits. In addition, the City submits that after its inventory is completed and submitted, the City is obligated to remove and replace all LSLs, whether City or customer owned, within 30 years.⁴²

2. *I&E's Position*

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

3. *OSBA's Position*

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

4. *OCA's Position*

OCA explains the City estimated that the replacement rate of "customer-owned LSL replacements in the PUC Jurisdictional Area would be five (5) per year" with

⁴² City Amended St. in Support, p. 4.

a cap of 50 and a total cap of \$600,000 (assuming \$12,000 average per COLSL replacement).⁴³ OCA submits the City proposed to 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.⁴⁴

OCA expressed concerns 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.⁴⁵ OCA explained when the City initially proposed to include replacements of City-owned LSLs in its LTIIP, it planned to do 85 replacements in two years.⁴⁶ OCA submits, if, based on the City's estimates, 40% of the related COLSLs are also lead, that would have been 34 replacements.⁴⁷ While the City has 30 years to complete replacements, the OCA recommended that the proposed number of PUC-jurisdictional LSLs should be reviewed.⁴⁸

According to OCA, its concerns were addressed as 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. OCA explains that on October 16, 2024, the City filed an LSL inventory in accordance with the Revised

⁴³ 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; *see also* Petition ¶¶ 14, 36-37, Ex. C; OCA Answer at 6; OCA Amended St. in Support, p. 11.

⁴⁴ Petition ¶ 35, Ex. C at 2-3; OCA Answer at 6; OCA St. in Support, pp. 10-11.

⁴⁵ 52 Pa. Code § 65.58(d)(2); OCA Answer at 6; OCA St. in Support, p. 11.

⁴⁶ *DSIC Settlement* at ¶ 16.h.

⁴⁷ *See* OCA Answer at 6; OCA St. in Support, p. 11.

⁴⁸ OCA St. in Support, p. 11.

Lead and Copper Rule,⁴⁹ providing for the City, subject to the Settlement terms, to complete replacements within its PUC Jurisdictional Territory as follows:⁵⁰

YEAR	# Replacements
2024 (YR 1) (Completed) ⁵¹	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

Under the Settlement, 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.⁵²

OCA further explains, 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.⁵³

⁴⁹ Settlement ¶ 23; OCA Amended St. in Support, p. 11.

⁵⁰ Settlement ¶ 25; OCA Amended St. in Support, p. 11.

⁵¹ The City replaced four (4) LSLs in the PUC Jurisdictional Territory in 2024; *See* OCA Amended St. in Support, pp. 11-12.

⁵² Settlement ¶¶ 25, 26; OCA St. in Support, pp. 11-12.

⁵³ Settlement ¶¶ 27-28; OCA St. in Support, p. 12.

5. *Discussion*

The Settlement provides 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. Additionally, the Settlement improves upon the implementation of the LSLR program proposed by the City, in accelerating the plan for LSLR replacements as originally identified in the Petition.⁵⁴

Under the Settlement, the City will cap the total number of replacements per year at 50, and the replacement pace for those within the City Limits is 25 LSLs per year.⁵⁵

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).⁵⁶ 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.⁵⁷

The Settlement also 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.⁵⁸

⁵⁴ Settlement ¶ 23.

⁵⁵ Settlement ¶¶ 25, 26.

⁵⁶ Petition ¶¶ 14, 36-37; Petition Ex. C; OCA Answer at 6.

⁵⁷ Petition ¶ 35, Ex. C at 2-3; OCA Answer at 6.

⁵⁸ Settlement ¶ 23.

The Settlement further provides the implementation process is premised upon the requirements set forth by the Commission’s regulations.⁵⁹ The Settlement provides 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 § 65.55, the City is obligated to remove and replace all LSLs (customer owned and City owned) within 30 years. As noted by OCA, the Settlement anticipates that the timeline for this replacement is likely to be reduced to ten years, which is reflected in the proposed schedule.⁶⁰ The Settlement requires that 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.⁶¹

Under the circumstances, the Settlement appears to be consistent with the Commission’s regulations and appears to be in the public interest.

E. Warranty

1. *City’s Position*

The City essentially restated the Settlement terms in its Amended Statement in Support of Settlement.

2. *I&E’s Position*

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

⁵⁹ 52 Pa. Code § 65.58(d)(2).

⁶⁰ Settlement ¶¶ 27-28.

⁶¹ Settlement ¶ 28.

3. *OSBA's Position*

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

4. *OCA's Position*

OCA explains that the Settlement provides for a two-year warranty on the workmanship and materials for the customer-owned LSLs that the City or its contractor replaces, which will begin on the date that construction is completed, and will be provided by the contractor,⁶² with the maximum coverage being the cost of installation.⁶³ OCA submits the 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.⁶⁴

5. *Discussion*

The Settlement provides for a two-year warranty on the workmanship and materials for the customer-owned LSLs that the City or its contractor replaces, beginning on the date that construction is completed, provided by the contractor, and limited to the cost for the installation.⁶⁵ The warranty provisions appear to provide appropriate protection to customers whose LSLs are replaced by the City and the terms appear to be sufficient to serve the public interest.

⁶² Settlement ¶¶ 32-33; OCA St. in Support, p. 13.

⁶³ Settlement ¶ 33.

⁶⁴ OCA St. in Support, p. 13.

⁶⁵ Settlement ¶ 33.

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

1. *City's Position*

The City essentially restated the Settlement terms in its Amended Statement in Support of Settlement, without any statement providing support for this settlement provision.

2. *I&E's Position*

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

3. *OSBA's Position*

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

4. *OCA's Position*

OCA explains the Settlement responds to concerns raised by OCA in its Answer and Comments.⁶⁶ OCA explains that it 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.⁶⁷

⁶⁶ OCA Answer at 7; OCA St. in Support, p. 13.

⁶⁷ Petition at ¶ 55; OCA Answer at 7; OCA St. in Support, p. 14.

OCA submits that 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.⁶⁸ The Settlement amends the proposed conditions set forth in the Petition. As OCA explains, 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.⁶⁹

OCA explains, under the Settlement, the City will establish a process for the reimbursement of customers who paid their own LSL replacement within one-year of

⁶⁸ 66 Pa.C.S. § 1311(b)(2)(vii)(B); OCA St. in Support, pp. 14-15.

⁶⁹ Petition ¶ 56; OCA St. in Support, p. 15.

the date that the City commences a main replacement project that would have impacted the customer.⁷⁰ 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.⁷¹

OCA submits the proposed reimbursement provisions in the Settlement 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.⁷²

5. *Discussion*

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

⁷⁰ Settlement ¶ 34; OCA St. in Support, p. 15.

⁷¹ Settlement ¶ 35.

⁷² OCA St. in Support, p. 15.

customer, consistent with applicable law, as identified above.⁷³ The customer will be required to present the City with the bill for reimbursement within 60 days of the installation's completion,⁷⁴ and the reimbursement request can be made by mail, in-person, or on-line.⁷⁵ The Settlement further provides that if the City inspects the customers' installation, 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, with an anticipated timeframe for inspection of less than four hours, and reserving to the City the right to collect such costs along with other remedies available at law, if it is discovered that the materials submitted to the City were fraudulent.⁷⁶

These provisions and the proposals advanced by OCA provide for a revised reimbursement process as well as procedures designed to benefit customers who recently paid for their own LSL replacements, and the process agreed upon appears to be in the public interest. The Settlement provides a more clear and convenient reimbursement process for the customers than that proposed by the City.⁷⁷

G. Customer Outreach and Communications Plan

1. *City's Position*

The City provided support for its conclusion that the Settlement is in the public interest, at pages 8-9 of its Amended Statement in Support of Settlement, which addressed this portion of the Settlement.

⁷³ Settlement ¶ 34.

⁷⁴ Settlement ¶ 37.

⁷⁵ Settlement ¶ 42.

⁷⁶ Settlement ¶¶ 35-36.

⁷⁷ See Petition ¶ 56.

In addition to restating the Settlement terms regarding this issue, the City explains that its Plan, as modified by the Settlement, also addresses customer communication and outreach issues.⁷⁸ 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.⁷⁹

2. *I&E's Position*

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

3. *OSBA's Position*

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

4. *OCA's Position*

OCA explains that, in its Answer and Comments, 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.⁸⁰ OCA submits that the Outreach Plan improved the customer notice to address the OCA's concerns and provide greater clarity regarding the risks of lead service lines.⁸¹

⁷⁸ See Ex. 2.

⁷⁹ City St. in Support, p. 8.

⁸⁰ OCA Comments at 7; OCA Comments at 7; OCA St. in Support, p. 16.

⁸¹ See Settlement, Ex. A (LSLR Plan) at App. A; OCA St. in Support, p. 16.

OCA explains it 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.⁸² OCA's concern related to the limited time period included in the original Petition for customers to meet the requirements for reimbursement. OCA submits the proposed Settlement provides for a clearer reimbursement process and provides for improved communication and outreach to customers.⁸³ OCA noted it 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.⁸⁴

OCA explains 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.⁸⁵ The Settlement provides that assistance from customers is required to accomplish this objective.⁸⁶ To accomplish this, OCA explains the City will send out notifications and request that customers check their portion of the service line as it comes into their building.⁸⁷ The customer will be required to photograph the line for verification by City personnel which is detailed at Appendix A of Exhibit A to the instant Settlement.⁸⁸

⁸² OCA Comments at 7; OCA St. in Support, p. 16.

⁸³ OCA Comments at 7.

⁸⁴ Comments at 7; OCA St. in Support, pp. 16-17.

⁸⁵ Settlement at 44; OCA St. in Support, p. 17.

⁸⁶ *Id.*

⁸⁷ Settlement ¶ 45.

⁸⁸ Settlement, Ex. A at App. A; OCA St. in Support, p. 17.

OCA explains the Settlement also affirms that 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 the service, the City will comply with all applicable requirements regarding termination of service,⁸⁹ and the City will 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.⁹⁰

Overall, OCA concludes, the proposed LSLR Plan and the Settlement address its concerns discussed in its Answer and Comments, and has determined that the LSLR Plan for communications and outreach should be approved in the public interest.⁹¹

5. *Discussion*

Based upon the issues raised by OCA in this proceeding, as identified in its Statement in Support and Amended Statement in Support of Settlement, the LSLR Plan and the Settlement, as it relates to customer outreach and communications, appear to provide improved communications, notice and outreach to impacted customers and property owners about the ability to participate in the lead service line replacement program and appears to be in the public interest. An example of a modification from the City's Petition is the Settlement term providing 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 the service, the City will comply with all applicable requirements regarding termination of service and the City's commitment to provide educational

⁸⁹ Settlement ¶ 46.

⁹⁰ See Settlement, Ex. A at App. A; OCA St. in Support, p. 17.

⁹¹ OCA St. in Support, pp. 17-18.

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.⁹²

H. Cost Recovery

a. City's Position

The City essentially restated the Settlement terms in its Amended Statement in Support of Settlement, without any statement providing support for this settlement provision.

b. I&E's Position

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

c. OSBA's Position

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

⁹² Settlement at ¶ 46; See Settlement, Ex. A at App. A; OCA St. in Support, pp. 17-18.

d. OCA's Position

(1) Annual Cap and Budgetary Allotment

OCA explains the Settlement increases the annual cap and budgetary amount proposed in the City's filing and provides the City will perform a maximum of 50 LSL replacements per year within the PUC Jurisdictional Territory within a maximum budget of \$750,000.⁹³ 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.⁹⁴

The OCA submits that this Settlement provision should be approved as in the public interest.⁹⁵

(2) Accounting and Ratemaking Treatment of LSL Replacements

OCA further explains that the Settlement 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; 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.⁹⁶

⁹³ Settlement ¶ 48.

⁹⁴ Settlement ¶ 48; OCA St. in Support, p. 18.

⁹⁵ OCA St. in Support, p. 18.

⁹⁶ Settlement ¶¶ 49-51; OCA Amended St. in Support, pp. 18-19.

OCA submits the recovery of the costs of LSL replacements is consistent with the law and the Commission’s prior approved lead service line replacement programs and will allow the City to recover the costs for LSL replacements, both Company-owned and customer-owned, through its base rates and DSIC.⁹⁷ OCA suggests 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. OCA concludes the proposed accounting and ratemaking treatment of the LSL replacements should be approved as in the public interest.⁹⁸

(3) Cost Allocation

OCA explains the Settlement provides that the customer-owned LSL replacement costs will be allocated to all water customers⁹⁹ consistent with Section 1311(b)(2) of the Public Utility Code.¹⁰⁰ OCA notes Section 1311(b)(2) of the 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. OCA concludes that allocation to all water customers is consistent with both the law and the public interest by supporting removal of customer-owned LSLs.¹⁰¹

⁹⁷ 66 Pa.C.S. § 1311(b)(2).

⁹⁸ OCA Amended St. in Support, pp. 19-20.

⁹⁹ Settlement ¶ 52.

¹⁰⁰ 66 Pa.C.S. § 1311(b)(2).

¹⁰¹ OCA St. in Support, pp. 19-20.

e. Discussion

(1) Annual Cap and Budgetary Allotment

The Parties have agreed that the City will perform a maximum of 50 LSL replacements per year within the PUC Jurisdictional Territory, with a maximum budget of \$750,000, with any unexpended amount carried forward and added to the budgetary allotment for the next year, subject to the same cap of 50 LSL replacements per year.¹⁰² The proposal appears reasonable and consistent with the public interest.

(2) Accounting and Ratemaking Treatment of LSL Replacements

The Settlement addresses 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; 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.¹⁰³ This proposal also appears to serve the public interest.

(3) Cost Allocation

The Settlement provides that the customer-owned LSL replacement costs will be allocated to all water customers,¹⁰⁴ which promotes the public interest by supporting removal of customer-owned LSLs.

¹⁰² Settlement ¶ 48.

¹⁰³ Settlement ¶ 49-51.

¹⁰⁴ Settlement ¶ 52.

The Settlement terms regarding these cost recovery provisions are in the public interest.

I. Reporting

1. *City's Position*

The City restated the Settlement terms regarding this issue, and explained 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.¹⁰⁵ Additionally, with respect to the reimbursement process customers 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.¹⁰⁶

2. *I&E's Position*

I&E did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

3. *OSBA's Position*

OSBA did not specifically address this settlement provision in its Amended Statement in Support of Settlement.

¹⁰⁵ See Joint Petition, ¶ 25; City Amended St. in Support, p. 10.

¹⁰⁶ See Joint Petition, ¶ 57; City St. in Support, p. 13.

4. *OCA's Position*

OCA explains the Settlement provides that the City will track and report the following information in its LSLR reports: (1) the number of terminations where 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.¹⁰⁷ OCA concludes these proposed reporting requirements are helpful for the parties to continue to monitor the program and ensure that it is operating effectively and efficiently.¹⁰⁸

5. *Discussion*

As the Parties explained, the Parties have agreed to various tracking and reporting requirements regarding the City's LSLR reports in order to assist the parties to continue to monitor the program to ensure that it is operating effectively and efficiently.

a. *City's Position That the Settlement is in the Public Interest*

The City provided support for its conclusion that the Settlement is in the public interest, in its Amended Statement in Support of Settlement, which is summarized below.

¹⁰⁷ OCA Amended St. in Support, pp. 19-20.

¹⁰⁸ *Id.*

The City submits the Settlement is consistent with the public interest, citing: (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.¹⁰⁹

The City further submits that the LSLR Plan Meets Statutory and Regulatory Requirements and provides specific details concerning the proposal to replace lead service lines, the financial considerations associated with those plans, and how replacements and reimbursements will be handled.¹¹⁰

The City explains it’s plan provides how the replacement process will proceed for both customer- and non-customer-side LSLs,¹¹¹ post-replacement processes and procedures,¹¹² 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.¹¹³

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 and is intended to minimize the risks posed by lead in drinking water.¹¹⁴

¹⁰⁹ City Amended St. in Support, pp. 10-11.

¹¹⁰ See Appendix A to the Amended Joint Petition; City St. in Support, p. 11.

¹¹¹ See Settlement, Appendix A at ¶ 7.

¹¹² See Settlement, Appendix A at ¶ 8.

¹¹³ See Settlement, Appendix A at ¶ 9; City St. in Support, pp. 11-12.

¹¹⁴ City St. in Support, p. 12.

b. Recommendation

The threat to human health posed by lead exposure is well-known. LSLR Programs are a relatively new Commission mandate which recognizes the need to remove exposure to lead in lead service lines for drinking water. After review and consideration of the City's proposed LSLR and associated filing modifications, the Joint Petitioners assert that the revised plan as modified by the Settlement represents a sensible approach to the replacement of the City's lead service lines. The plan as modified by the Settlement will allow the City to replace lead lines, recover costs for lead service line replacement, and provide useful information as well as financial and health benefits to the public. The Settlement appears to be in the public interest and accordingly, I recommend that the Commission approve the Settlement without modification.

VI. CONCLUSIONS OF LAW

1. The Pennsylvania Public Utility Commission has jurisdiction over the subject matter of, and the parties to, this proceeding. 66 Pa.C.S. § 1311(b)(2); 52 Pa. Code § 65.54.

2. City of Lancaster – Water Bureau has the burden of proof in this proceeding. 66 Pa.C.S. § 332(a).

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

4. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. Publ. Util. Comm'n v. City of Bethlehem - Water Dep't*, Docket No. R-2020-3020256 (Opinion and Order entered Apr. 15, 2021).

5. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n, v. UGI Utils., Inc. – Gas Div.*, Docket No. R-2015-2518438 (Order entered Oct. 14, 2016); *Pa. Pub. Util. Comm'n v. C S Water & Sewer Assoc.*, 74 Pa.P.U.C. 767 (1991).

6. Pennsylvania Act 120 authorizes a public water utility to replace customer-owned Lead Service Lines (LSL) 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), (iii).

7. 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. 66 Pa.C.S. § 1311(b)(2)(v).

VII. ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Amended Joint Petition For Settlement filed by the City of Lancaster – Water Bureau, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate, and all terms and conditions stated therein, be approved without modification, subject to the provisions set forth in this Recommended Decision and the ordering paragraphs below.

2. That the Parties shall comply with the terms of the Amended Joint Petition for Settlement submitted in this proceeding as though each term therein were the subject of an individual ordering paragraph.

3. That within thirty (30) days of the entry date of the Commission's Final Order in this matter, the City of Lancaster shall file an amended Lead Service Line Replacement Program, modified Long-Term Infrastructure Improvement Plan, and tariff supplement at Docket No. P-2023-3041043, that incorporates any modifications thereto consistent with these proceedings and findings herein with the Secretary's Bureau, and serve a copy upon the Bureau of Technical Utility Services and all active parties in this proceeding.

4. That Bureau of Technical Utility Services shall complete its review of the amended Lead Service Line Replacement Program, modified Long-Term Infrastructure Improvement Plan, and tariff supplement subject to the schedule in place at the time the proceeding as assigned to the Office of Administrative Law Judge for hearings in this matter and submit an order for Commission consideration.

5. That, the proceeding at Docket P-2023-3041043 shall remain open pending completion of the Bureau of Technical Utility Services review as ordered in Ordering Paragraph No. 4 above.

Date: November 14, 2025

/s/
Jeffrey A. Watson
Administrative Law Judge