

SAXTON & STUMP

LAWYERS AND CONSULTANTS

4250 Crums Mill Road, Suite 201 • Harrisburg, PA 17112
P: (717) 216-5505 • F: (717) 547-1900

Direct Dial: 717.941.1202
Email: smendelsohn@saxtonstump.com

September 23, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

In re: PaPUC Docket No. R-2026-3064271
Reynolds Water Company
Supplement No. 15 Tariff Water Pa PUC No. 4

Dear Secretary Homsher:

Enclosed for filing in the above-captioned proceeding, is a revised version of Reynolds Water Company's Suspension Supplement No. 15 Tariff Water PaPUC No. 4 updating the docket number referenced in the footer on Page One.

As indicated in the Certificate of Service, copies have been served upon all parties of record.

Please do not hesitate to contact me if you have any questions.
Sincerely,

SAXTON & STUMP



Seth A. Mendelsohn
Senior Counsel

cc: Administrative Law Judge Emily I. DeVoe (Via Email Only)
Certificate of Service (w/ encl.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Reynolds Water Company
Supplement No. 15 to Tariff Water— Pa. P.U.C. No. 4
R-2026-3064271**

CERTIFICATE OF SERVICE

I hereby certify that I have this 23rd day of September, 2026 served a true and correct copy of a revised version of Reynolds Water Company's Suspension Supplement No. 15 Tariff Water Pa PUC No. 4 upon the persons and in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA E-MAIL ONLY

Janna E. Williams, Esq.
Olivia M. Spergel, Esq.
Office of Consumer Advocate
555 Walnut Street, 5th Floor Forum Place
Harrisburg, PA 17101-1923
jwilliams@paoca.org
ospergel@paoca.org

Joanna Toft-Funk, Esquire
Utility Commission Bureau of Investigation and
Enforcement Commonwealth Keystone
Building 400 North Street
Harrisburg, PA 17120
jtoftfunk@pa.gov

Carrie B. Wright, Esquire
Public Utility Commission Bureau of
Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
carwright@pa.gov

Rebecca Lyttle, Esq.
Assistant Small Business Advocate
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
relyttle@pa.gov

SAXTON & STUMP



DATE: September 23, 2026

Seth A. Mendelsohn
Attorney I.D. No. 77063
4250 Crums Mill Road, Suite 201
Harrisburg, PA 17112
(717) 941.1201
smendelsohn@saxtonstump.com

Reynolds Water Company

Suspension Supplement

GREENVILLE, MERCER COUNTY, PENNSYLVANIA.

RATES, RULES, AND REGULATIONS

IN

PYMATUNING, DELAWARE, AND HEMPFIELD TOWNSHIPS,

MERCER COUNTY, PENNSYLVANIA

The application of rates proposed in Supplement No. 14 to Tariff Water Pa. P.U.C. No. 4 filed to become effective September 29, 2026, is hereby suspended until April 29, 2027, at Docket No. R-2026-3064271. Presently effective rates contained in Tariff Water Pa. P.U.C. No.4 and supplements thereto, will continue in effect until otherwise amended. Issued in compliance with Title 66 Pa. C.S. § 1308.

REYNOLDS WATER COMPANY

GREENVILLE, MERCER COUNTY, PENNSYLVANIA

RATES, RULES, AND REGULATIONS

PYMATUNING, DELAWARE, AND HEMPFIELD TOWNSHIPS,

MERCER COUNTY, PENNSYLVANIA

ISSUED: July 31, 2026,

EFFECTIVE:

BY: BRADLEY R. GOSSER
EXECUTIVE DIRECTOR/VICE PRESIDENT
301 ARLINGTON DRIVE
GREENVILLE, PA 16125

Entered July 31, 2026

LIST OF CHANGES MADE BY THIS TARIFF

- THIS TARIFF SUPPLEMENT NO. 15 TO TARIFF NO. 4, INCREASES RATES FOR ALL WATER SERVICE IN ALL RATE CLASSES BY APPROXIMATELY 54.7%.
- UNDER THE RULES AND REGULATIONS – THERE ARE CHANGES TO THE TARIFF LANGUAGE FOR SECTION 4. BILLS DUE AND PAYABLE AND SECTION 5. DEPOSITS AND CREDIT STANDARDS (C)
- THE COMPANY IS PROPOSING TO DECREASE THE MINIMUM DEPOSIT AMOUNT (D)

INDEX

Title Page	<u>Page</u>	Supplement No. 15	(C)
List of Changes Made by This Supplement	2	7th Revised	(C)
Index	3	7th Revised	(C)
Index continued	3A	Original	
<u>Schedule of Rates:</u>			
Meter Rates - All Classes of Service	4	7th Revised	(C)
Blank (Reserved)	4A	3rd Revised	
Blank (Reserved)	5	Original	
State Tax Adjustment Surcharge	6	Original	
Blank (Reserved)	6A	2nd Revised	
Flat Rates- Public Fire Protection Service	7	7th Revised	(C)
Blank (Reserved)	7A	3rd Revised	(C)
Flat Rates - Private Fire Protection Service	8	7th Revised	(C)
Blank (Reserved)	8A	Original	
<u>Rules and Regulations</u>			
1. Application for Service			
Lines & Water Service	9	Original	
2.1 Definition of Customer	9	Original	
2.1 Definition of Customer continued	9A	Original	
2.2 Definition - Miscellaneous	9A	Original	
2.2 Definition - Miscellaneous continued	9B	Original	
2.3 Classes of General Metered Service	9B	Original	
2.3 Classes of General Metered Service continued	9C	Original	
3. Service Connections	10	Original	
4. Service Through Meters	11	Original	
4. Service Through Meters continued	11A	Original	
5. Bills Due and Payable	12	1 st Revised	(C)
6. Deposits and Credit Standards	12	1 st Revised	(C)
6. Deposits and Credit Standards continued	13	1 st Revised	(C)
7. Permits Required for Building Purposes	13	Original	
8. Leaks, Defective Plumbing, & Waste	13	Original	
9. Penalties for Unlawful Use of Water	13	Original	
10. The Company Can Control the Supply	13	Original	
11. Regulation of Pumps	13	Original	
12. Vacating Premises	14	Original	
13. Use of Fire Hydrants	14	Original	

19.	Water Conservation Contingency Plan continued	16	Original
20.	Collection of Excess-Use Charges	16	Original
21.	Line Extensions	17	Original
21.	Line Extensions continued	18	Original
21.	Line Extensions continued	19	Original
22.	Unmetered Fire Service/Hydrants	20	Original
22.	Unmetered Fire Service/Hydrants continued	21	Original
22.	Unmetered Fire Service/Hydrants continued	22	Original
23.	Economic Development Main Extension Policy	23	Original
24.	Main Extensions with Governmental Bodies	23	Original
25.	Distribution System Improvement Charge	24	Original
25.	Distribution System Improvement Charge continued	25	Original
25.	Distribution System Improvement Charge continued	26	Original
25.	Distribution System Improvement Charge continued	27	Original
26.	Lead Service Line Replacement (LSLR) Program	28	Original
26.	Lead Service Line Replacement (LSLR) Program cont.	29	Original
26.	Lead Service Line Replacement (LSLR) Program cont.	30	Original
26.	Lead Service Line Replacement (LSLR) Program cont.	31	Original
26.	Lead Service Line Replacement (LSLR) Program cont.	32	Original
26.	Lead Service Line Replacement (LSLR) Program cont.	33	Original
26.	Lead Service Line Replacement (LSLR) Program cont.	34	Original

(I) Indicates Increase

(C) Indicates Change

SCHEDULE OF METER RATESApplication

This schedule is applicable to all classes of customers.

All metered customers shall be subject to a monthly meter charge based upon the required size of meter needed to render adequate service plus a monthly consumption charge determined by applying applicable volumetric rates to the sum of total gallons consumed, in gallons.

<u>Meter Size</u>	<u>Monthly Charge</u>	<u>Water Allowance</u>	
5/8"	\$27.53	667	
3/4"	41.29	1,000	(I)
1"	68.83	1,667	(I)
1 1/2"	137.67	3,333	(I)
2"	220.28	5,333	(I)
3"	413.02	10,000	(I)
4"	688.38	16,667	(I)
6"	1,376.77	33,333	(I)
8"	2,202.83	53,333	

VOLUMETRIC RATES

	<u>Per 1,000 Gallons</u>	
For the first 6,667 gallons per month	\$14.9233	(I)
For the next 160,000 gallons per month	13.6728	(I)
All over 166,667 gallons per month	7.9657	(I)

(I) Indicates Increase

(C) Indicates Change

REYNOLDS WATER COMPANY

Supplement No. 15
To
Tariff Water- Pa. P.U.C. No. 4
Third Revised Page No. 4A
Cancelling Second Revised Page No. 4A

INTENTIONALLY LEFT BLANK

Issued: July 31, 2026

Effective:

INTENTIONALLY LEFT BLANK

STATE TAX ADJUSTMENT SURCHARGE

A surcharge of 0.0% will apply to all services rendered on or after August 13, 2003.

The above surcharge will be recomputed, using the same elements prescribed by the Commission.

- (a) Whenever any of the tax rates used in calculation of surcharge are changed.
- (b) Whenever the utility make effective any increased or decreased rates.
- (c) And on March 31, 1986 and every year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or the date which occasions such recomputation, and that if the recomputed surcharge is less than the one in effect, the Utility will, and if the recomputed surcharge is more than the one in effect, the Utility may submit with such recomputation, a tariff or supplement to reflect such recomputed surcharge the effective date which shall be 10 days after filing.

INTENTIONALLY LEFT BLANK

(I) Indicates Increase

(C) Indicates Change

SCHEDULE OF FLAT RATES

(C)

PUBLIC FIRE PROTECTION SERVICEApplication

This schedule is applicable to all public fire protection services.

PUBLIC FIRE PROTECTION SERVICE RATE

	<u>Rate</u> <u>Per Month</u>	
Each Public Fire Hydrant	\$93.69	(I)

(I) Indicates Increase
(C) Indicates Change

REYNOLDS WATER COMPANY

Supplement No. 15
To

Tariff Water - Pa. P.U.C. No. 4

Third Revised Page No. 7A

Cancelling Second Revised Page No.7A

INTENTIONALLY LEFT BLANK

(I) Indicates Increase
(C) Indicates Change

SCHEDULE OF FLAT RATES

(C)

PRIVATE FIRE PROTECTION SERVICEApplication

This schedule is applicable to all private fire protection service.

PRIVATE FIRE PROTECTION SERVICE RATE

	<u>Rate Per</u> <u>Month</u>	
Each Private Fire Hydrant, installed by Company	\$107.10	(I)
Each Private Fire Hydrant, installed by Customer	93.69	(I)
Automatic Sprinklers or Standpipe Connections:		
For each 4-inch connection or less to main	133.35	(I)
This charge includes installation of 250 sprinkler heads of approved type.		
For next 100 heads or less, each	0.67	(I)
For next 100 heads or less, each	0.40	(I)
For all over 450 heads, each	0.26	(I)
For each 6-inch connection or less to main	170.76	(I)
This charge includes the installation of 450 sprinkler heads of approved type.		
For all over 450 heads, each	0.26	(I)
For each 8-inch connection or less to main	200.04	(I)
This charge includes the installation of 850 sprinkler heads of approved type.		
For next 850 heads, each	0.12	(I)

Private fire protection service will not be rendered for any period of less than three years and no deduction or allowances will be made during the initial three-year period.

(I) Indicates Increase

(C) Indicates Change

REYNOLDS WATER COMPANY

Supplement No. 15
To
Tariff Water- Pa P.U.C. No. 4
Third Revised Page No. 8A
Cancelling Second Revised Page No.8A

INTENTIONALLY LEFT BLANK

RULES AND REGULATIONS

These Rules and Regulations are a part of the contract with every Customer who takes water and every such Customer, by taking water, agrees to be bound thereby.

1. APPLICATION FOR SERVICE LINE AND WATER SERVICE

Any property owner desiring the introduction of a service line from the Company's main to the curb of his or her premises must first make written application on a form furnished by the Company.

Any person, whether owner or tenant of the premises occupied desiring a supply of water must first make written application on a form furnished by the Company, which must be approved by the Company before water is turned on. The party making the application will be considered the Customer under this contract and will be responsible for all water bills and proper observance of the Rules and Regulations.

No owner or tenant of any premises supplied with water by this Company will be allowed to supply other persons or families or other premises, not stipulated by his or her application or otherwise, except upon written permit from the Company.

Any violation of the Rules and Regulations of the Company shall render the contract between the Customer and the Company void, and the water will be shut off, remaining so until such time as the Company is satisfied that the Customer will observe the Rules and Regulations. Water will not be turned on again until after sixty dollars (\$60.00) is paid to cover the cost of shutting off and turning on the water.

2.1 DEFINITION OF CUSTOMER

"Customer" as used herein shall be the party contracting for a supply of water to a property as hereinafter classified, i.e.,

- (a) A building under one roof and occupied by one family or business, or
- (b) A combination of buildings in one common enclosure, occupied by one family or business, or
- (c) The one side of a double house occupied by one family or business, having a solid vertical partition wall, or
- (d) One side or part of a house occupied by one family or business, even though the closet and/or other fixtures can be used in common, or
- (e) Each apartment in a building having more than one apartment, or
- (f) Each apartment, office or business in a building having a number of apartments and/or offices and/or businesses.

2.1 DEFINITION OF CUSTOMER (continued)

- (g) Customer: A person or entity who is an owner or occupant, and who contracts with the Company for water service.

2.2 DEFINITIONS - MISCELLANEOUS

- (a) Annual Line Extensions Costs: The sum of a company's additional annual operating and maintenance costs, debt costs, and depreciation charges associated with the construction, operation, and maintenance of the line extension.
- (b) 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.
- (c) Bona Fide Service Applicant (For Line Extension Purposes): A person or entity applying for water service to an existing or proposed structure within the utility'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 a bona fide service applicant if:
1. applicant is requesting water service to a building lot, subdivision, or a secondary residence;
 2. the request for service is part of a plan for the development of a residential dwelling or subdivision; or
 3. the applicant is requesting special utility service.
- (d) Company: Reynolds Water Company
- (e) 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.
- (f) Customer Service Line: The water line extending from the curb, property line, or utility connection to a point of consumption.
- (g) 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 for that utility or that of comparable jurisdictional water utility.
- (h) Depreciation Charges: The utility's additional annual depreciation charges associated with the specific line extension investment to be made based on the current depreciation accrual rates for that Company or that of a comparable jurisdictional water company.

2.2 DEFINITIONS - MISCELLANEOUS (Continued)

- (i) Line Extension (For Line Extension Purposes): An addition to the Company's main line, which is necessary to serve the premises of a customer.
- (j) Operating and Maintenance Costs (For Line Extension Purposes): The utility'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.
- (k) Private Fire Hydrant: A fire hydrant furnished, installed, owned, and maintained by the Company that has been requested by an Applicant, but where the municipality has refused to accept responsibility for payment of the applicable rate as set forth in the company's rate schedule.
- (l) Public Fire Hydrant: A fire hydrant furnished, installed, owned and maintained by the Company, that has been requested by an Applicant where the municipality has accepted responsibility for payment of the applicable rate as set forth in the Company's rate schedule.
- (m) 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.
- (n) Short-term Supply Shortage: An emergency, which causes the total water supply of a Company to be inadequate to meet maximum system demand.
- (o) 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

2.3 CLASSES OF GENERAL METERED SERVICE

- Residential Class: An individually metered dwelling unit intended for human habitation (including a detached house, townhouse and mobile home) or an individually metered home or building consisting of not more than two dwelling units.
- Apartment Class: A multiple metered dwelling unit where more than two dwelling units are served by only one meter. The owner(s) of the complex is responsible for the bill based on metered rates set forth by this tariff.
- Mobile Home Class: A park designed for multiple mobile homes where one meter serves more than one mobile home. The owner(s) of the park is responsible for the bill based on metered rates set forth by this tariff.

2.3 CLASSES OF GENERAL METERED SERVICE (Continued)

- Commercial Class: A building, store, restaurant, or office which is primarily a site for buying or selling of goods or the provision of professional or consumer services. In addition, warehouses, laundromats, and car washes are included in this class.
- Industrial Class: A building or factory that is primarily a site for the manufacture or production of goods.
- Public Class: A public building, library, park, or playground, which is owned by a governmental unit that has the power of taxation.

3. SERVICE CONNECTIONS

A. Company's Service Line:

The Company will make all connections to its mains and furnish, install and maintain the Company's service lines from the main to and including the curb stop, which under normal circumstances will be placed inside the curb line. The Company's service will be the property of the Company and under its control. The point of delivery and sale for any water service furnished to the Customer shall be at the curb stop. Only one service line will be supplied to a property owner under one contract.

The maximum Company investment per Company service line shall be as follows:

<u>Size of Service:</u>	<u>Maximum Investment</u>
1 1/2 inches in diameter or less	\$1,000
Greater than 1 1/2 inches but not to exceed 4 inches	2,000
Greater than 4 inches	4,000

The cost of any Company service line in excess of the applicable maximum Company investment shall be paid by the Customer, plus all applicable taxes including income taxes occasioned by the contract. Any amount paid by the Customer shall not be subject to refund. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment to the extent the actual cost is determined to be less than the estimate.

Whenever it is necessary to install a service line in advance of the date on which the premises are occupied and a meter is set, a deposit may be required in an amount not to exceed the estimated cost of installation, which deposit will be refunded to the depositor when the service becomes active (i.e., the meter has been set and the premises occupied), provided that event occurs within five years from date of deposit.

B. Customer's Service Line:

The Customer's service line shall extend from the property to the curb stop or curb line or such point as designated by the Company. 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 property of Customer shall be protected properly by the Customer.

All leaks in service pipes and fixtures in and upon the premises supplied beyond the curb line must be promptly repaired by the Owner or Occupant. On failure to make such repairs with reasonable dispatch, the Company, upon due notice may turn off the water from the premises and the water will not be turned on again until all necessary repairs are made and all bills, including labor, supplies and expenses incurred in shutting off and turning on the water, are paid in full. Under no circumstances shall any person not authorized by the Company turn the curb stop cock on or off.

4. SERVICE THROUGH METERS

Service shall be rendered to Customers by the use of meters, and the Company reserves the right to meter all domestic, commercial and industrial Consumers, who shall also have the option of electing service at meter rates.

If piping arrangement of a metered Customer is such that service must be rendered through more than one meter, billing for service through each meter will be calculated separately. Wherever conditions prevent separate meters for each metered tenement, apartment, store, office, shop, etc., a single meter will be installed and a minimum charge will be made for each tenement, apartment, store, office, shop, etc. for the size meter that would normally be required to serve each individual tenant, apartment, office, store, shop, etc.

The water registered by the meter installed will be divided by the number of Customers. The consumption rates will be applied to determine whether the bill exceeds the minimum, and if it does, the charge will be in accordance with the amount determined by the application of the consumption rates.

All Customers shall provide a readily accessible, safe, protected and suitable location for installation of meters so that they can be easily examined and read. In cases where it is not convenient to place a meter within a building, a concrete or brick pit with suitable cover shall be built or an approved meter box shall be installed, inside the property line, at the expense of the property owner. The Customer shall pay for all injury or damages to meters arising from the Customer's fault or neglect. No one shall remove or disconnect any meter without the consent of the Company.

A lever handle stop and waste must be properly placed, at the expense of the Customer, back of the meter so as to drain the meter and pipes when the water is shut off.

In cases where steam or hot water under pressure is used, a swing check valve must be placed, at the expense of the Customer, directly ahead of the meter and before any outlets are taken off the service pipes, to prevent injury to the meter. All damages done to meters by steam or hot water must be paid for by the Customer.

In case a meter stops registering, it will be promptly changed or repaired, and the bill will be estimated on the basis of the amount charged on previous corresponding periods.

All new meters will be furnished and installed at the expense of the Company. Meters purchased and owned by the Customer will be maintained, or replaced, when necessary, at the expense of the Company, the new meters becoming the property of the Company. The Customer, however, must bear the cost of all pipe changes on his or her premises, made necessary to receive the meter.

Should any Customer doubt the correctness of the meter measuring water delivered to his or her premises, he or she may, upon application to the Company and upon making a deposit as set forth in schedule below to defray the cost, have the meter tested. Should the test show the meter in question to be correct within four (4%) percent, the Customer shall forfeit the deposit made. On the other hand, should the test show the meter to be registering incorrectly beyond four (4%) percent of the accurate amount, said deposit shall be refunded and the account adjusted accordingly and the entire cost of the test shall be borne by the Company.

4. SERVICE THROUGH METERS (continued)

Deposits required with requests for meter tests are as follows:

For 5/8" to 1" meter	\$ 60.00
For 1 1/4" to 2" meter	120.00

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

5. BILLS DUE AND PAYABLE (C)

All bills will be rendered monthly by the 10th of each calendar month and are due and payable within twenty (20) days for the service rendered during the previous month. If bills are not paid within the first 20 days from date same are due, 1.50% interest per month on the full unpaid and overdue balance of the bill will be added. If bills are not paid within 30 days after same are due, a 10 day notice will be given, after which if the bill is not paid, the water will be shut off from the premises of the delinquent Customer in accordance with such rules and regulations that the Public Utility Commission shall establish. Such Customer will not again be supplied except upon the payment of all arrearages plus sixty (\$60.00) dollars for expenses incurred or upon certification by a physician that an occupant is seriously ill or affected with a medical condition which will be aggravated by failure to restore service. After water is once shut off for non-payment of bills, this Customer will be required to make a deposit as stipulated in these Rules.

In case of bills for service to the Commonwealth of Pennsylvania or any Department or Institution thereof, the delayed payment charge applicable to all schedules is extended so as to provide a thirty (30) day period during which payment may be made at net rates.

Failure to receive a bill shall not relieve Customer from payment obligation. The presentation of a bill to a Customer is only a matter of accommodation and not a waiver of this Rule.

If bills are paid by mail, the date of the postmark will be considered the date of payment.

Any bill regarding which the Customer, within thirty (30) days, had not served written protest to the Company shall be considered an undisputed bill. The payment of an undisputed bill shall be payment of the bill with or without delayed payment charge, within thirty (30) days following the period for which the bill was rendered or payment within thirty (30) days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned and the dispute is terminated substantially in favor of the Customer and payment made by the Customer within ten days thereafter.

6. DEPOSITS AND CREDIT STANDARDS (C)

A. DEPOSITS

The Company reserves the right to require a deposit equal to the estimated gross bill for any single billing period plus one month, the maximum period not to exceed four months, with a minimum of \$50.00 (D) to secure payment of water service rendered and damages to the Water Company property, where the credit of the Customer has not been established to the satisfaction of Title 52 Pa. Code Chapter 56. Upon this deposit, the Company will pay simple interest at the rate of the average of one year Treasury Bills for September, October, and November of the previous year, payable annually, without deductions for taxes thereon unless otherwise required by law. Upon deposits held for more than a year, at the option of either the Company or the Customer, interest earned may be applied to service bills.

6. DEPOSITS AND CREDIT STANDARDS (Continued) (C)

The Company will refund said deposit on notice to discontinue service and after payment in full has been made for all service rendered, or when the Customer shall have paid undisputed bills for service over a period of twelve consecutive months, beginning at any time subsequent to June 1, 1936; and any Customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued and the Customer's credit standing impaired through failure to comply with tariff provisions, or whenever a Customer has been delinquent, as defined in Title 52 Pa. Code Chapter 56, in the payment of any two consecutive bills or 3 or more bills within the preceding 12 months.

B. CREDIT STANDARDS

The Company will provide residential service to new customers without requiring a security deposit when the applicant meets one of the following requirements:

- OWNERSHIP OF REAL PROPERTY. The applicant owns or has entered into an agreement to purchase the property for which the customer is applying for service.
- PRIOR UTILITY PAYMENT HISTORY. The applicant has been a recipient of the Company's water service within a period of 48 consecutive months preceding the date of the application and was primarily responsible for payment for such service. So long as:
 1. The service of the applicant was not terminated for nonpayment during the last 12 consecutive months of that prior service.
 2. The applicant does not have an unpaid balance for that prior service.
- CREDIT INFORMATION. The applicant provides information demonstrating that the customer is not an unsatisfactory credit risk, The absence of prior credit history does not, of itself, indicate an unsatisfactory credit risk.
 1. A customer will be considered a credit risk when the customer has been delinquent in the payment of any two consecutive bills or three or more bills within the preceding twelve months.

7. PERMITS REQUIRED FOR BUILDING PURPOSES

Contractors, builders, or others will be required to obtain a written permit from the Company before using water for building or construction purposes. Water for such purposes shall be sold only at the Company's established meter rates. The Company shall install and disconnect the meter.

8. LEAKS, DEFECTIVE PLUMBING WASTE

The Company shall not be liable for any damage resulting from leaks, broken pipes or from any other cause occurring

to or within any house or building, and it is expressly stipulated by and between the Company and the consumer that no claims shall be made against the Company on account of the bursting or breaking of any main or service pipe or any attachment to the Company's facilities.

Under no circumstances will water be allowed to run from any hydrant, charged for on flat rates, except when in actual use.

9. PENALTIES FOR UNLAWFUL USE OF WATER

It will be necessary to have a permit from the Company before making any connection to any main, service line, fire hydrant, or supply controlled by the Company. Any violation of this rule shall result in a fine \$500 penalty plus all costs incurred by the Company in connection with this violation.

10. THE COMPANY CAN CONTROL THE SUPPLY

The Company shall not be liable for a deficiency or failure in supply when occasioned by shutting off water to make repairs or connections or failure from any cause beyond control. The Company reserves the right to restrict the supply of water in case of scarcity or whenever the public welfare may require it.

11. REGULATION OF PUMPS

No pumps will be permitted to be connected with the water pipes to draw water directly from main or service pipes, if such pumping affects the service to adjacent Customers.

12. VACATING PREMISES

When the premises are vacated, the Customer must give at least a seven (7) day notice to the office of the Company that the water may be shut off and he will specify the date on which it is desired that service be discontinued. In absence of such notice, the Customer shall be responsible for all services rendered.

A new application must be made on any change of Customers on a property as heretofore described, and the Company shall be at liberty to discontinue the water supply until such new application has been made and approved.

13. USE OF FIRE HYDRANTS

No fire hydrant or other standby service shall be used for any other purpose than that for which it was installed, without the Company's permission in writing, and then at the regular rates established for such other service.

14. WATER HAMMER

Any use of water, which may cause a water hammer in the main pipes, will not be permitted.

15. PRIVILEGE TO INVESTIGATE

The Superintendent or other proper Agent of the Company shall have free access, at all reasonable hours, to all parts of the premises to which water is supplied, in order to make all necessary examinations.

16. CHANGING RULES OR RATES

The Company reserves the right to change or amend from time to time these Rules, Regulations, and Rates for the use of water, in accordance with law.

17. RULES CANNOT BE VARIED NOR COMPANY BOUND

No officer or employee of the Company can vary these Rules without action of the Board of Directors, and no agent or employee of the Company can bind it by any agreements or representations except when authorized in writing by an Executive officer of the Company to do so.

18. CROSS CONNECTIONS

The Company prohibits the practice of cross connections from any other liquid source to its mains, and requires the use of cross-connection control devices, backflow preventors, commensurate with the degree of hazard according to the Practice Manual of the American Water Works Association, and of the type determined by the Company. Such devices shall be the property of the water customer who will also be responsible for all costs of installation, periodic testing, and perpetual maintenance of the device. Continued non-compliance with this regulation may result in the termination of water service.

19. WATER CONSERVATION CONTINGENCY PLAN

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.

- (a) A minimum list of all nonessential uses of water is listed below.
 - 1) 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.
 - 2) The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
 - 3) The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
 - 4) The operation of any ornamental fountain or other structures making a similar use of water.
 - 5) The use of water for filling swimming or wading pools.
 - 6) The operation of any water-cooled comfort air conditioning, which does not have water-conserving equipment.
 - 7) The use of water from fire hydrants for construction purposes or fire drills.
 - 8) The use of water to flush a sewer line or sewer manhole.
 - 9) The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.
- (b) Notice of the implementation of the conservation plan shall be sent to all customers or be provided by radio, television, or newspaper advertisements. The Company shall at first request voluntary Customer Cooperation.
- (c) 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 1/2 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 restrictions 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.

19. WATER CONSERVATION CONTINGENCY PLAN (continued)

- d) These conservation measures shall be terminated at such time as the supply shortage is eliminated.
- e) 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.

"In addition to the provisions as set forth above, the Pennsylvania Emergency Management Council is authorized to promulgate, adopt, and force 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."

20. COLLECTION OF EXCESS-USE CHARGES

In the event of a drought emergency, as declared by a Basin Commission and by a proclamation or executive order issued by the Governor, the Reynolds Water Company is authorized to collect fines set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency .

21. LINE EXTENSIONS

Whenever a developer, owner, or occupant of a property within the service territory of the Company requests the Company to extend service to such property, the Company will extend service under the following conditions:

1. Requests by Bona Fide Service Applicant: Upon request by a bona fide service applicant Developer or builder, the Company shall construct line extensions within its franchised territory consistent with the following directives:

- a. Line extensions to bona fide service applicants shall be funded without customer advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs.
- b. If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a bona fide service applicant may be required to provide a customer advance to the utility's costs 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 advance amount shall be determined by subtracting the utility's investment for the line extensions from the total construction costs.
- c. The Company's investment for the line extensions shall be based on the following formula, where X equals the utility's investment attributed to each bona fide 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

2. Customer Advance Financing, Refunds, and Facilities on Private Property:

- a. When a customer advance is required of a service applicant and an additional customer or customers attach service lines to the line extensions within ten (10) years, the utility shall refund a portion of the advance to the customer. Deposits made for additional facilities other than the line extension, such as booster pumps, storage tanks, and the like, are Contributions in Aid of Construction and need not be refunded.
- b. The company will refund to the applicant, during a period often (10) years from the date of the extension deposit, a per-customer amount for each bona fide service applicant for 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 provided that all or any part of the deposit not

2. Customer Advance Financing, Refunds, and Facilities on Private Property (continued):

refunded within said 10-year period shall become the property of the Company and shall be treated as Contributions in Aid of Construction for rate-making purposes.

The per-customer refund amount shall equal the Company's investment attributed to each bona fide applicant as calculated in the formula contained in this tariff

- c. 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.
- d. "Special Utility Service" shall mean residential or business service which exceeds that required for ordinary residential purposes. 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. An otherwise bona-fide applicant requesting service which includes a "Special Utility Service" component is entitled to Bona Fide applicant status, including the corresponding Company contribution toward the costs to the line extension which do not meet the special utility service criteria.

3. Requirement for Extension Deposit Agreement:

Where extension of facilities is not fully funded by the Company pursuant to Rule 1 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.

4. Main Extensions and Services by Builders:

In the event any main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-residential structures except as provided below, the Company shall install or shall arrange for the installation of the water main and service lines and the Builder shall pay all costs related thereto. The Company shall undertake or arrange for the construction of the facilities, in which event, the "extension Deposit Agreement," referred to in the provisions of Rule 57 and Rule 58 pertaining to construction of facilities to serve existing residential structures, shall be applicable except that the Builder will retain financial responsibility for the installation of service lines and appurtenances as specified herein.

Under the provisions of this Rule, prior to construction, the Builder must enter into an Agreement, in a form acceptable to the Company, detailing the terms and conditions under which the Company will accept, and provide service through facilities constructed by the Builder. All construction costs, whether initially incurred by the Company or the Builder, related to main extension shall be the responsibility of the Builder. The agreement shall contain, at a minimum, the following conditions:

4. Main Extensions and Services by Builder (continued):

- (a) Main and service line installation work shall be performed by the Company.
- (b) All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder.
- (c) Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
- (d) Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of mains or services with existing facilities, shall be performed only by the Company.
- (e) Builders shall obtain all necessary permits from federal, state, and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits and the Builder will bear the cost of these permits.

5. Size 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. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Extensions Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate. The minimum pipe size for main extensions will be six inches (6") pursuant to Commission regulations at 52 Pa. Code §65.1 7(b).

6. Length of Extension:

In determining the necessary length of an extension, the terminal point of such extensions shall be at that point in the curb line, which is equidistant from the side property lines of the last 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 serviced.

7. Cost True-up:

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. If the deposit exceeds the actual cost, the Company shall refund the difference.

22. UNMETERED FIRE SERVICE/HYDRANTS**1) Private Fire Hydrant**

A fire hydrant furnished, installed, owned, and maintained by the Company that has been requested by an Applicant and approved by the municipality, but where the municipality has refused to accept payment of the applicable rate as set forth in the Company's rate schedule.

2) Public Fire Hydrant

A fire hydrant furnished, installed, owned, and maintained by the Company that has been requested by the municipality, or requested by an Applicant and approved by the municipality, where the municipality has accepted responsibility for payment of the applicable rate as set forth in the Company's rate schedule.

3) Payment of Applicable Rate

All fire hydrants installed by the Company are subject to payment of the applicable rate. A hydrant will not be installed without the request or the approval of the appropriate municipality. If the municipality agrees to pay the applicable rate, the hydrant will be a public fire hydrant; otherwise, a private entity must agree to pay the applicable rate in which case the hydrant shall be a private hydrant. In the event the applicable rate is not paid, the Company, at its option, may remove the hydrant.

4) Payment Installation Costs**A) Hydrants installed on new or proposed water mains:**

All fire hydrants, whether public or private, to be installed in connection with a main extension shall be paid for by the Applicant or Depositor pursuant to the Company's Extension Deposit Agreement.

B) Hydrants installed on existing water mains:

The installation costs of all private fire hydrants to be installed on existing water mains shall be paid for by the Applicant. The installation costs of a public fire hydrant to be installed on an existing water main shall be paid for by the Company provided that no existing fire hydrant is located within a 600-foot radius of the requested fire hydrant, and provided that all other Rules and Regulations of the Company are complied with. Fire hydrants requested at closer intervals of spacing shall be reviewed by the Company and these installations shall be paid for by the municipality or Applicant. Payment for the installation of a fire hydrant shall include the entire cost for material and installation and all applicable taxes pursuant to an agreement prepared by the Company.

22. UNMETERED FIRE SERVICE/HYDRANTS (Continued)

5) Hydrant Location

Upon written request to the Company's Business Office from the duly authorized officials of any municipality supplied by the Company, the Company (subject to its Rules and Regulations on the payment of installation costs and the applicable rate), will install a standard fire hydrant at a location mutually agreed upon by the municipality and the Company, provided that the size of the existing main and surrounding distribution system and that available pressure and flow in said main is, in the judgement of the Company, sufficient to enable the provision of proper service at the fire hydrant under normal and ordinary conditions.

Where a requested fire hydrant would be connected to a water main located in the public right-of-way, the hydrant shall be located within close proximity to the nearest curb line. Where a requested fire hydrant would be connected to a water main located in an easement held by the Company, the hydrant shall be located within that easement area.

6) Maintenance and Obstructions

All fire hydrants owned by the Company will be maintained by the Company. Said maintenance shall include, but not limited to, painting as required. Painting of hydrants by parties other than the Company personnel or its authorized contractor is strictly forbidden. The Company shall not be responsible for the condition of the hydrant following intervening use by a fire department or any authorized or unauthorized person.

It is the responsibility of the Customer paying the fire hydrant rental to keep the area directly surrounding the hydrant free of all obstructions (including, but not limited to trees, bushes, snow, dirt, mailboxes or other obstructions) that would impact the safe operations or would not allow the hydrant to be easily seen from or accessed by an emergency vehicle.

7) Allowable Use

Only people authorized by the Company shall take water from any fire hydrant, except for the Fire Department in case of fire. No fire hydrant shall be used for any reason other than fire purposes without the consent of the Company.

8) Change of Location

Whenever a municipality desires a change in the location of any fire hydrant, the Company, upon written notice from the municipality to the Company's Business Office, will make such a change at the expense of the municipalities pursuant to an agreement prepared by the Company.

22. UNMETERED FIRE SERVICE HYDRANTS (Continued)

9) Inspection

In addition to its periodic program of inspection and testing, upon request of the duly authorized officials of any municipality, the Company will make inspection of specific hydrants at convenient times and at reasonable intervals to determine the condition of the fire hydrant in question. Inspections shall be made by a representative of the Company and a duly authorized representative of the municipality.

23. ECONOMIC DEVELOPMENT MAIN EXTENSION POLICY:

The Company may negotiate and enter into customized Extension Deposit Agreements for promoting economic development or enhancing efficiency and operation of the waterworks system. These agreements may include special provisions that differ from the standard terms of "Extension Deposit Agreement."

24. MAIN EXTENSIONS WITH GOVERNMENTAL BODIES:

The Company may negotiate and enter into customized Extension Deposit Agreements with Governmental Agencies where the main extensions are for a public purpose and are funded entirely with public funds. These Agreements may include a waiver of the tax requirements of the "Extension Deposit Agreement," and, in such event, the Company will not refund any portion of the cost of the main extension.

25. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued, excluding public fire hydrants, on or after August 13, 2003.

1) General Description:

Purpose:

To recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non expense reducing distribution system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of its aging water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. Company projects receiving PENNVEST funding are not DSIC - eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

Services (account 333.40), meters (account 334.40), and hydrants (account 335.40) installed as in-kind replacements for Customers;

Mains and valves (account 331.40) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;

Main extensions (account 331.40) installed to eliminate dead-ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for consumers currently receiving service from the Company or the acquired company;

Main cleaning and relining (account 331.40) projects: and

Un-reimbursed fund related to capital projects to relocate Company facilities (account 331.40) due to highway relocations.

Effective Date -The DSIC will become effective for service rendered after August 13, 2003.

2) Computation of the DSIC:

Calculation:

The initial charge, effective February 1, 2004, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service between October 1, 2003, and December 31, 2003. Thereafter the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

25. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (continued):

Effective Date
Of change

Date To Which DSIC Eligible
Plant Additions Reflected

MAY 1
AUGUST 1
NOVEMBER 1
FEBRUARY 1

MARCH 31
JUNE 30
SEPTEMBER 30
DECEMBER 31

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation:

The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-Tax Return:

The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission and labeled Distribution System Improvement Charge Return in its Value Line Water company Group analysis.

DSIC Surcharge Amount:

The charge will be expressed as a percentage carried to two decimal places and will be applied to the effective portion of the total amount billed to each consumer under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the company's projected applicable revenue for sales of water for the quarterly period during which the charge will be effective.

25. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)(continued):

Formula:

The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep} + e}{\text{PQR}}$$

Where:

DSI= The original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR= the pretax return rate applicable to eligible distribution system improvement projects.

Dep= depreciation expense related to eligible distribution system improvement projects.

e= the amount calculated under the annual reconciliation feature as described below.

PQR= projected quarterly revenue including revenue from existing consumers plus revenues from any consumers which will be acquired by the beginning of the applicable service period.

Quarterly Updates:

Supporting data for each quarterly update will be filed with the Commission and served upon the Office of Trial Staff, the Office of Consumer Advocate and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

3) Safeguards:

Cap:

The DSIC will be capped at 5% of the amount billed to consumers under otherwise applicable rates and charges.

Audits/Reconciliation:

The DSIC will be subject to audit at intervals determined by the Commission. It will also be subject to annual reconciliation based on a reconciliation period consisting of the twelve months ended December 31 of each year.

25. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (continued):

The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest in the over-collections will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. sec 101, et seq) and will be refunded in the same manner as the over-collections.

New Base Rates:

The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions, that have not previously been reflected in the Company's rate base, would be reflected in the quarterly updates of the DSIC.

Earnings Reports:

The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's most recent Annual or Quarterly Earnings Report (Schedule D-2, line 14) show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section (or, where two years have elapsed since a applicable ROE determination in a rate order, the top of the ROE range as specified in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities, labeled Market Indicated Common Equity Rate in its Value Line Water Company Group analysis).

Customer Notice:

Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

LEAD SERVICE LINE REPLACEMENT (LSLR) PROGRAM(1) Supersession

This section of the Company's tariff supersedes all other conflicting provisions of this tariff for purposes of implementing the Company's LSLR Program.

(2) Definitions

The following words and phrases, when used in Part V of this tariff, shall have the meanings assigned below unless the context clearly indicates otherwise:

Curb Stop: A water service shutoff valve located in a water service line near the curb or edge of the street and between the water main and the building.

Customer: A party contracting with an entity for service.

Customer-owned Lead Service Line (Customer-owned LSL): The portion of the lead service line extending from the curb, property line or entity connection to an entity's water meter or, if the entity's meter is located outside of the structure or water is not metered by the entity, at the first shutoff valve located within the interior of the structure.

Company: Reynolds Water Company

Company-owned Lead Service Line (Company-owned LSL): The portion of the lead service line extending from the Company's main to the Curb Stop.

Distribution system improvement charge (DSIC): The term as defined in 52 Pa. Code § 121.2.

Entity: A public utility as defined in 66 Pa.C.S. § 102 (relating to definitions) engaged in diverting, developing, pumping, impounding, distributing or furnishing water service to or for the public for compensation, a municipal corporation as defined in 52 Pa. Code § 65.52 (relating to definitions), and an authority as defined in 66 Pa.C.S. § 3201(1) (relating to definitions).

Galvanized service line: Iron or steel piping that has been dipped in zinc to prevent corrosion and rusting.

Independent Legal Restrictions: Commission regulations or Orders which otherwise prevent termination of water service at a property including but not limited to winter moratorium, medical certifications, or Commission directed moratoriums or suspensions.

Lead service line (LSL): A service line made of lead that connects the water main to a building inlet and a lead pigtail, gooseneck or other fitting that is connected to the lead line. A galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material.

Lead service line replacement (LSLR): A service line, whether entity-owned or customer-owned, installed to replace a lead service line.

Lead service line replacement plan (LSLR Plan): A plan and supporting documents submitted to and approved by the Commission that specify how an entity intends to implement its lead service line replacement program.

Lead service line replacement program (LSLR Program): A program submitted to and approved by the Commission for the replacement of lead service lines by an entity.

Lead service line replacement project (LSLR Project): An entity-scheduled lead service line replacement activity either in conjunction with main replacements or as part of a lead service line replacement program.

Lead service line replacement project area (LSLR Project Area): The area encompassing an entity's scheduled lead service line replacement activities, which includes the area within a 1-mile radius of a lead service line replacement project if served by the entity.

LSLR Project Commencement: Installation of the first lead service line replacement within a lead service line replacement project area.

Partial lead service line replacement (Partial LSLR): A lead service line replacement that does not replace both the entity-owned and customer-owned portions of a lead service line.

Property Owner Agreement: An agreement between the Company and a property owner for the replacement of a customer-owned LSL that allows the Company's employees and contractors to gain access to their private property in order to replace their customer-owned LSL prior to the initiation of any work by the Company to replace the customer-owned LSL.

Service line: The pipe and appurtenances which connect any main to an entity's water meter or, if the entity's water meter is located outside of the structure or the connection is not metered by the entity, at the first shutoff valve located within the interior of the structure.

(3) LSLR Plan

Notwithstanding the Rules in this tariff relating to customer responsibility for customer service lines, the Company will replace customer-owned LSLs pursuant to its LSLR Program and LSLR Plan as initially approved by the Commission at Docket No. P-2024-_____, together with future Commission-approved updates. The Company may modify its annual cap for LSLRs with Commission approval. The costs incurred by the Company to undertake remediation efforts pursuant to its LSLR Plan shall be recoverable in the Company's DSIC, PENNVEST Surcharge, and in base rates, as applicable.

The Company's LSLR Plan applies to any LSL serving any customer, the replacement of which is operationally feasible, and where the property owner authorizes the replacement or replaces the line in accordance with the Company's LSLR Program.

(4) LSLR Annual Cap

The Company will cap LSLR Projects up to 2 customer-owned LSLRs and a maximum budget of **\$20,000** on an annual basis. If a customer reimbursement provided pursuant to this tariff or an emergency LSLR causes the Company to exceed its annual cap, the Company will increase its current annual cap by the number of emergency repairs and/or reimbursements and decrease its annual cap by the same amount for the following year only.

(5) LSL Replacements

The Company will offer to replace customer-owned LSLs at no direct cost to the customer or property owner, if the customer is not the property owner: (i) at any residential or non-residential property where the Company replaces a Company-owned main connected to a customer-owned LSL; (ii) at any property where the Company replaces a company-owned LSL connected to a customer-owned LSL; and (iii) at any property with a private-side only LSL located within a LSLR Project Area where LSLRs are performed; (iv) when the Company's operations crew replaces a Company-owned facility regardless of material, in emergencies, including line breaks, leaks, or other unplanned emergency replacements, that is a LSL or that is connected to a LSL; (v) and any other circumstance as required to avoid the replacement of a partial LSL.

Except in the case of non-owner occupied properties at which the Company has received the customer's acceptance of the Company's offer to replace the customer-owned LSL as set forth in Section (7) below, the Company shall enter into a property owner Agreement with the property owner for replacement of a customer-owned LSL that allows the Company's employees and contractors to gain access to their private property in order to replace their customer-owned LSL prior to the initiation of any work by the Company to replace the customer-owned LSL. The Property Owner Agreement shall be in a form provided by the Company and shall include provisions that require property owners to release and hold harmless the Company from any and all claims, causes of action, damages or losses, of any nature, whatsoever with respect to the work performed by the Company or its contractors that are not covered by the Company's LSLR Program warranty.

(6) Customer Refusal

Except as set forth below, if after being notified of the Company's offer to replace at no cost a customer-owned LSL, the property owner has not provided an executed Property Owner Agreement authorizing the replacement of the customer service line or has refused replacement, the Company will (1) provide the customer and property owner, if the customer is not the property owner, with a complete disclosure of the known health hazards from the continued use of a LSL, (2) inform the customer or property owner, if the customer is not the property owner, that refusal or failure to accept will require replacement of the customer-owned LSL, at the customer or property owner's expense, within 1 year from LSLR Project Commencement for the customer or property owner, if the customer is not the property owner, to be eligible for reimbursement, and (3) communicate to the customer and property owner, if the customer is not the property owner, that failure to allow the Company to complete the LSLR or to replace the customer-owned LSL concurrent with the Company replacing the Company-owned LSL will lead to termination of water service under the provisions of this tariff prior to the Company replacing the Company-Owned LSL.

If the customer or property owner, if the customer is not the property owner, does not sign the Property Owner Agreement or refuses replacement of the customer-owned LSL within ten days after the Company undertakes the aforementioned steps, the Company will require the customer or property owner, if the customer is not the property owner, to sign a form documenting their refusal. If the customer or property owner refuses or fails to sign the refusal form, the Company will make a record of and document the customer's refusal or failure to sign the refusal form. The Company will then schedule to replace its portion of the Company-owned LSL and notify the customer in writing of this replacement no later than ten days prior to the scheduled replacement and terminate water service at that location the day prior to replacing the Company-owned LSL. The Company will proceed with termination of water service to a location irrespective of whether Independent Legal Restrictions would otherwise delay or prohibit termination. Such notice and termination shall be deemed consistent with Chapter 14 of the Public Utility Code. Moreover, in these instances, the Company is not required to comply with termination procedures described in other portions of its tariff or the Commission's regulations.

At any time prior to completing termination, or, within ten days after termination, the property owner executes the Property Owner Agreement, water service will be restored to the property, provided that service will not be restored until either both the Company-owned LSL and the customer-owned LSL have been replaced or, in the Company's sole discretion, an alternative, non-lead temporary bypass is installed until both the Company-owned LSL and the customer-owned LSL have been replaced.

The Company will not connect an Applicant to water service where a property owner previously refused or failed to accept the Company's offer of a LSLR until the Applicant verifies the replacement of the customer-owned LSL by providing a paid invoice from a licensed contractor or a notarized statement from a licensed contractor attesting to completion of the LSLR.

(7) Service Line Demarcation

If a shutoff valve is not located within 12 inches of the structure wall of the property, the Company may install a shutoff valve during the LSLR to serve as a point of demarcation between the property's service line and the property's interior water distribution piping.

The Company shall perfect its ownership of the portion of the service line located within the then-existing right-of-way in conformance with its tariff to ensure that the Company can obtain necessary permits during the planning phase of an LSLR Project.

(8) Prohibition on Partial LSLRs and Notice Requirements

Neither a customer nor a property owner may install a Partial LSLR. A Partial LSLR installed after July 23, 2022, must result in termination of service until both the Company-owned LSL and customer-owned LSL have been replaced. The Company will proceed with immediate termination of water service to a location being served by a partial LSLR installed after July 23, 2022, irrespective of whether Independent Legal Restrictions would otherwise delay or prohibit termination. Such termination shall be deemed consistent with Chapter 14 of the Public Utility Code. Moreover, in these instances, the Company is not required to comply with termination procedures described in other portions of its tariff or the Commission's regulations.

Where a customer or a property owner, if the customer is not the property owner, elects to replace the customer-owned LSL, the customer or property owner shall replace the customer-owned LSL concurrent with the Company replacing the Company-owned LSL, provided that the customer or property owner, if the customer is not the property owner, provides the Company at least 180 days' notice prior to replacing the customer-owned LSL.

The Company shall not connect an Applicant for water service to the Company-owned service line at a property where a customer or property owner, if the customer is not the property owner, previously refused or failed to accept the Company's offer of a LSLR until the Applicant verifies the replacement of the customer-owned LSL by providing a paid invoice from a licensed contractor or a verified statement from a licensed contractor attesting to completion of the LSLR.

(9) Reimbursement

Where a customer or property owner, if the customer is not the property owner, has replaced its own customer-owned LSL, the customer or property owner shall submit to the Company a reimbursement form, which may be provided by the Company to a customer or property owner by mail or email upon request or on the Company's website, and which must be completed by the customer or property owner and provided to the Company by mail, email, fax, or hand delivery as specified by the Company on its reimbursement form, which contains, at a minimum, a detailed estimate and paid invoice from a licensed contractor verifying the replacement of the customer-owned LSL. Instead of a detailed estimate, a verified statement from the contractor attesting to completion of a LSLR may be sufficient in the Company's discretion. A paid invoice must be submitted.

Upon submission of the reimbursement form, the Company will review the information that was provided within 90 days of receiving the reimbursement form to determine eligibility for a reimbursement. If sufficient information has not been provided at the time of submitting the reimbursement form, the Company will contact the customer or property owner to request the necessary information to determine eligibility. The Company will have an additional 45 days from the time it receives the additional information to determine a customer's eligibility for reimbursement.

A customer or property owner, if the customer is not the property owner, is eligible to receive a reimbursement if the customer or property owner's service address is located within a LSLR Project Area and the customer-owned LSL is replaced within one year before or from LSLR Project Commencement. A customer or property owner, if the customer is not the property owner, located within a LSLR Project Area is eligible for a reimbursement of LSLR expenses up to 125% of the average cost the Company would have incurred to perform the replacement of a similarly sized service line, not to exceed the actual cost to the customer or property owner.

Reimbursements will be paid directly to the customer or property owner, if the customer is not the property owner, through the issuance of a check. The Company will issue a check within 90 days after verifying that the customer or property owner is eligible for reimbursement.

(10) Warranty

For customer-owned LSLs replaced by the Company or its contractor, the Company will provide a two-year warranty for materials and workmanship of the Company's LSLR work, including the Company's restoration of surfaces consistent with this tariff, commencing from the date the LSLR is complete. This warranty shall cover repairs and replacements conducted by the Company or its contractor of the LSLR work up to a maximum warranty coverage amount of 125% of the Company's cost for the LSLR work, so long as the customer allows access to the property for repairs.

The warranty does not cover, among other things, damage caused by natural disasters, acts of God, fires, terrorism, excavation activities, acts of sabotage, or deliberate damage. The Company shall have no liability for any damage not covered by the warranty.

(11) Limitation of Liability

The Company's liability relating to LSLR efforts is limited as set forth in this tariff.

(12) Restoration

The Company will backfill to the previous grade any trenches excavated as part of the LSLR process and will fill and seal any wall or floor penetrations in the private home. The Company will restore roadways and sidewalks within the public right-of-way. No other restoration will be conducted for LSLRs. The Company will not replace any landscaping, interior finishes, paving, seeding, or walkways. All restoration costs shall be borne by the customer or property owner, if the customer is not the property owner, unless otherwise required by the Company's LSLR Program warranty.

(13) Ownership of Replacement Service Line

After a customer-owned LSL is replaced by the Company, the customer shall continue to own the customer portion of the Service Line and shall have full responsibility for the repair, replacement and maintenance of the new customer