



Aqua Pennsylvania, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

www.aquapennsylvania.com

June 7, 2012

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Two North Keystone
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**RE: Tariff Supplement No. 121
Docket No.: R-2011-2267958**

Dear Secretary Chiavetta:

Enclosed are an original and eight copies of Aqua Pennsylvania, Inc.'s Supplement No. 121 to Water-PA P.U.C. No. 1 which becomes effective June 8, 2012.

If you have any questions regarding this filing, please contact me at (610) 645-1136.

Sincerely,

William C. Packer, Jr.
Manager of Rates & Planning, NE Divisions

/f
Attachments

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AQUA PENNSYLVANIA, INC.
RATES AND RULES
GOVERNING THE DISTRIBUTION
OF
WATER
IN PORTIONS OF

ADAMS, BERKS, BRADFORD, BUCKS, CARBON, CHESTER, CLARION, COLUMBIA, CRAWFORD,
CUMBERLAND, DELAWARE, FOREST, JUNIATA, LACKAWANNA, LAWRENCE, LEHIGH,
LUZERNE, MERCER, MONTGOMERY, MONROE, NORTHHAMPTON, NORTHUMBERLAND, PIKE,
SCHUYLKILL, SUSQUEHANNA, SNYDER, VENANGO, WARREN, WAYNE AND WYOMING
COUNTIES

ISSUED: June 7, 2012
by
NICHOLAS DeBENEDICTIS, Chairman
762 Lancaster Avenue
Bryn Mawr, Pennsylvania

Effective: June 8, 2012

NOTICE

**THIS TARIFF MAKES CHANGES, DECREASES AND INCREASES IN EXISTING
RATES**

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LIST OF CHANGES MADE BY THIS TARIFF

Increase:

This tariff proposes to increase water charges for General Metered Service and Fire Service in all existing rate divisions, with the exceptions of Sand Springs and Mifflin Townships Divisions. The unmetered service rates in Main Division have been increased (Tenth Revised Page No. 4). All public fire hydrant rates that were less than 25% of the cost of service were increased. Most private fire hydrant rates that were less than \$54.60 per month were increased. All metered and unmetered Commercial fire service rates were increased. All Residential multiple meter set rates were increased.

Changes:

Decreases: This tariff resets the Distribution System Improvement Charge (DSIC) to 0.00 (Forty Sixth Revised Page 20).

Decreases: The 1 ½ inch monthly meter customer charge for the Oakland Beach/Lakeside Acres Division has been decreased to \$89.90 (Seventh Revised Page 13).

Decreases: The monthly meter charges from the 1 ½ inch meters through the 10 inch meters have been decreased to Main Division rates in the Kratzerville Division (Eleventh Revised Page 17A).

Decreases: The Honesdale monthly meter charge for the 5/8 inch meter has been decreased to \$16.00 (Eleventh Revised Page 17C)

The following divisions have been consolidated into Main Division: Hedgerow, White Haven, Applewood and Marienville, Emlenton, Cove Village, Washington Park and Paupacken Lake. (Tenth Revised Page 4 through Eleventh Revised Page 5)

The Pinecrest Division has been consolidated with Fawn Lake, Tanglewood, Woodledge, Western, Thornhurst and Eagle Rock Divisions (Eighth Revised Page 6 through First Revised Page 6B).

Rule 64: Replace the interest rate of short term debt with weighted cost of long term debt.

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Supplement No. 121
 To
 Water-PA.P.U.C. No. 1
 One Hundred Eleventh Revised Page No. 2
 Canceling One Hundred Eleventh Revised Page No. 2

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Aqua Pennsylvania, Inc.

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TERRITORY SERVED
MAIN DIVISION TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>	<u>TOWNSHIP</u>	<u>COUNTY</u>	<u>TOWNSHIP</u>	<u>COUNTY</u>
Abington	Montgomery	Kingston	Luzerne	West Brunswick	Schuylkill
Aston	Delaware	Lackawanna	Mercer	West Goshen	Chester
Athens	Bradford	Lackawaxen	Pike	West Pikeland	Chester
Barret	Monroe	Lake	Luzerne	South Abington	Lackawanna
Barry	Schuylkill	Lake Township (C)	Wayne	South Middleton	Cumberland
Bensalem	Bucks	Lehigh	Lackawanna	S Whitehall (C)	Lehigh
Bear Creek	Luzerne	Lehman	Luzerne	Springfield	Montgomery
Bern	Berks	Madison	Lackawanna	Springfield	Delaware
Blooming Grove	Pike	Lehigh	Wayne	Texas	Wayne
Birmingham	Chester	Lower Macungie (C)	Lehigh	Thornbury	Chester
Brooklyn	Susquehanna	Lower Merion	Montgomery	Tinicum	Delaware
Butler	Luzerne	Lower Moreland	Montgomery	Tredyffrin	Chester
Butler	Schuylkill	L. Southampton	Bucks	Tunkhannock	Wyoming
Caln	Chester	Madison	Lackawanna (C)	Upper Darby	Delaware
Centre	Berks	Mahoning	Lawrence	Upper Dublin	Montgomery
Charlestown	Chester	Marion	Berks	Upper Merion	Montgomery
Cheltenham	Montgomery	Marple	Delaware	Upper Moreland	Montgomery
Coal	Northumberland	Middletown	Chester	U Providence	Montgomery
Conyngham	Schuylkill	Monroe	Cumberland	U Southampton	Bucks
Conyngham (Portion)	Luzerne	Monroe	Snyder	Upper Uwchlan	Chester
Coolspring	Mercer	Mt. Carmel	Schuylkill	Union	Berks
Covington	Lackawanna	Mt. Carmel	Northumberland	Union	Luzerne
Cumberland	Adams	Nether Providence	Delaware	U. Providence	Delaware
Cumru (portion)	Berks	Newlin	Chester	Westtown	Chester
Darby	Delaware	Newtown	Delaware	West Vincent	Chester
Delaware	Juniata	North Abington	Lackawanna	W. Whiteland	Chester
Dallas (C)	Luzerne	North Union	Schuylkill	Whitemarsh	Montgomery
Dennison (C)	Luzerne	Palmyra	Pike	Willistown	Chester
Easttown	Chester	Palmyra	Wayne	Wilmington	Mercer
East Brandywine	Chester	Paupack	Wayne	Wilmington	Lawrence
East Bradford	Chester	Penn	Snyder	Moore	Northhampton
East Caln	Chester	Pennsbury	Chester	Mount Joy	Adams
East Goshen	Chester	Perkiomen	Montgomery	Zerbe	Northumberland
East Fallowfield	Chester	Plymouth	Montgomery		
East Lackawannok	Mercer	Pocopson	Chester		
East Marlborough	Chester	Pulaski	Lawrence		
East Nantmeal	Chester	Radnor	Delaware		
East Union	Schuylkill	Ralpho	Northumberland		
East Whiteland	Chester	Rice	Luzerne		
Edgemont	Delaware	Richland (C)	Venango		
Emlenton Borough (C)	Venango	Richland (C)	Clarion		
Exeter	Luzerne	Ridley	Delaware		
Findley	Mercer	Robeson	Berks		
Franklin	Chester	Roaring Brook	Lackawanna		
Glenburn	Lackawanna	Salisbury (C)	Lehigh		
Hamilton	Monroe	Shenango	Mercer		
Haverford	Delaware	Schuylkill	Chester		
Horsham	Montgomery	Shamokin	Northumberland		
Honey Brook	Chester	Solebury	Bucks		
Jackson	Luzerne	Uwchlan	Chester		
Jefferson	Mercer	Wallace	Chester		
Jefferson	Lackawanna	Washington	Wyoming		
Jenks	Forest	West Bradford	Chester		
Kidder (C)	Carbon	West Brandywine	Chester		

(C) Indicates Change

MAIN DIVISION BOROUGHES

<u>BOROUGH</u>	<u>COUNTY</u>	<u>BOROUGH</u>	<u>COUNTY</u>
Aldan	Delaware	Media	Delaware
Ashland	Schuylkill	Millbourne	Delaware
Athens	Bradford	Malvern	Chester
Bryn Athyn	Montgomery	Mercer	Mercer
Centralia	Columbia	Morton	Delaware
Chester Heights	Delaware	Moscow	Lackawanna
Clifton Heights	Delaware	Mount Carmel	Northumberland
Conshohocken	Montgomery	Narberth	Montgomery
Colwyn	Delaware	Norwood	Delaware
Collingdale	Delaware	Prospect Park	Delaware
Darby	Delaware	Ridley Park	Delaware
Deer Lake	Schuylkill	Rockledge	Montgomery
East Lansdowne	Delaware	Rose Valley	Delaware
Eddystone	Delaware	Rutledge	Delaware
Factoryville	Wyoming	Sayre	Bradford
Folcroft	Delaware	Sharon Hill	Delaware
Girardville	Schuylkill	South Waverly	Bradford
Glenolden	Delaware	Swarthmore	Delaware
Gordon	Schuylkill	West Chester	Chester
Hatboro	Montgomery	West Conshohocken	Montgomery
Hawley	Wayne	West Middlesex	Mercer
Honesdale	Wayne	Wheatland	Mercer
Hop Bottom	Susquehanna	White Haven (C)	Luzerne
Jenkintown	Montgomery	Yeadon	Delaware
Kulpmont	Northumberland		
Lansdowne	Delaware		
Marion Heights	Northumberland		

BRISTOL DIVISION BOROUGHES

<u>BOROUGH</u>	<u>COUNTY</u>
Bristol	Bucks

CHALFONT BOROUGHES

<u>BOROUGH</u>	<u>COUNTY</u>
Chalfont	Bucks
New Britain	Bucks

Aqua Pennsylvania, Inc.

MAIN DIVISION CITIES

<u>CITY</u>	<u>COUNTY</u>
Sharon	Mercer
Farrell	Mercer
Hermitage	Mercer
Shamokin	Northumberland

BRISTOL DIVISION TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
Bristol	Bucks
Bensalem	Bucks

CHALFONT DIVISION TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
New Brittain	Bucks

OAKLAND BEACH & LAKESIDE TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
Sadsbury	Crawford
Summitt	Crawford

C S WATER TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
Lackawaxen	Pike

CLARENDON DIVISION TOWNSHIPS

<u>TOWNSHIP/BORO</u>	<u>COUNTY</u>
<i>Borough of Clarendon</i>	Warren
Mead	Warren

SAND SPRINGS DIVISION

<u>TOWNSHIP</u>	<u>COUNTY</u>
Luzerne	Butler

KRATZERVILLE

<u>TOWNSHIPS</u>	<u>COUNTY</u>
Jackson	Snyder
Penn	Snyder

MIFFLIN TOWNSHIP DIVISION

<u>TOWNSHIP</u>	<u>COUNTY</u>
Mifflin	Columbia

EAGLE ROCK TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
East Union	Schuylkill
North Union	Schuylkill
Black Creek	Luzerne
Hazle	Luzerne

PINECREST DIVISION TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
Tobyhanna	Monroe

STANTON TOWNSHIPS

<u>TOWNSHIP</u>	<u>COUNTY</u>
South Abington	Lackawann

Aqua Pennsylvania, Inc.

Supplement No. 119
To
Water-PA.P.U.C. No. 1
Twenty Ninth Revised Page No. 3C
~~Canceling Twenty Eighth Revised Page No.3C~~

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SCHEDULE OF RATES

Meter Service

Customer Charge (I)	
Size of Meter	Monthly (\$)
5/8 inch	16.00
¾ Inch	27.50
1 Inch	46.70
1-1/2 Inch	89.90
2 Inch	127.90
3 Inch	257.00
4 Inch	418.00
6 Inch	862.00
8 Inch	1,508.00
10 Inch	2,229.00

<u>Consumption Charges -- Residential</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 2,000 gallons per month	\$9.071	per thousand gallons
For water consumed in excess of 2,000 gallons per month	\$10.352	per thousand gallons (I)
<u>Consumption Charges -- Commercial & Public</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month	\$10.000	per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month	\$6.668	per thousand gallons
(I) Indicates Increase		
(C) Indicates Change		
<u>Flat Rate Service - Unmetered</u>	\$54.85 (C)	per month

Aqua Pennsylvania, Inc.
Main Division

SCHEDULE OF RATESMeter Service

<u>Consumption Charges – Industrial</u>		
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month	\$10.000	per thousand gallons (I)
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month, up to 3,333,300 gallons per month	\$6.668	per thousand gallons (I)
For water consumed in excess of 3,333,300 gallons per month, up to 10,000,000 gallons per month	\$6.052	per thousand gallons (I)
For water used in excess of 10,000,000 gallons per month	\$4.842	per thousand gallons (I)
<u>Consumption Charges – Other Water Utilities</u>		
Water consumed will be charged for at the following rates:		
For all water consumed	\$8.833	per thousand gallons (I)
<u>Consumption Charges – Other Water Utilities (Shenango)</u>		
Water consumed will be charged at the following rates:		
For all water consumed	\$5.642	per thousand gallons (I)
<u>Consumption Charges – Tank Sales</u>		
All water shall be billed at the following rate	\$10.000	per thousand gallons (I)
<u>Consumption Charges – Masury</u>		
For all water consumed	\$1.7060	per thousand gallons (I)
Note: There will be an escalation factor equivalent to CPI-Urban Philadelphia on the Masury rate beginning July 1, 2007 and every year thereafter. In addition, there is a \$862.00 6" monthly customer charge to be added to the Masury bill.		
<u>SCI Forest County Prison</u>		
Per Month:		
Commercial/Public rates, based on the take-or-pay condition of:		
1) metered consumption; or		
2) 300,000 gallons per day, whichever is greater.		
<u>Consumption Charges – Other Utilities (Bristol)</u>		
Water consumed will be charged for at the following rates:		
For water consumed in excess of the minimum allowance	\$6.890	per thousand gallons (I)
(I) Indicates Increase		
(C) Indicates Change		

Aqua Pennsylvania, Inc.
Main Division

SCHEDULE OF RATES		
Fire Service		
	Rate Per Month (\$)	
Fire Hydrants		
For each public fire hydrant (Grandstaff Service Area)	22.00	(I)
For each public fire hydrant (Malvern Service Area)	22.00	
For each public fire hydrant (Schuylkill Service Area)	22.50	
For each public fire hydrant (LaReserve Service Area)	22.00	(I)
For each public fire hydrant (Hatboro & Tafton Service Area)	22.00	(I)
For each public fire hydrant (Susquehanna Service Area)	22.00	(I)
For each public fire hydrant (Flying Hills Service Area)	22.00	(I)
For each public fire hydrant (B&E, Locust Knoll, Bradford Glen, Little Washington Service Areas)	29.06	
For each public fire hydrant (Uwchlan, W. Whiteland Service Area)	22.00	(I)
For each public fire hydrant (Outside West Chester Borough-Existing Hydrant)	22.92	
For each public fire hydrant (Outside West Chester Borough-New or Replacement)	25.25	
For each public fire hydrant (Media Service Area => 6" connection)	42.25	
For each public fire hydrant (Media Service Area < 6" connection, or any new or replacement hydrants => 6" connection)	25.25	
For each public fire hydrant (Shenango Service Area => 6")	22.00	(I)
For each public fire hydrant (Shenango Service Area < 6")	22.00	(I)
For each public fire hydrant (Hawley, Monroe Manor, Rolling Green, Waymart Service Area)	22.00	(I)
For each public fire hydrant (Ariana, Shickshinny Lake & White Rock)	22.00	(I)
For each public fire hydrant (Outside Bristol Township)	19.00	(I)
For each public fire hydrant (Inside Bristol Township)	25.25	
For each public fire hydrant (Roaring Creek)	22.00	(I)
For each public fire hydrant (Midway Manor Service Area)	22.00	(I)
For each public fire hydrant (White Haven Service Area)	22.00	(I)
For each public fire hydrant	25.25	
For each public fire hydrant at the Cost of Service of 25%	22.00	(I)
For each private fire hydrant	54.60	
For each private fire hydrant (Hawley Service Area)	54.60	
For each private fire hydrant (Waymart Service Area)	46.20	
For each qualified private fire hydrant	25.25	
For each private fire hydrant (Ariana, Shickshinny Lake, White Rock & Woodloch Pines Service Area)	26.40	
For each private fire hydrant (Links at Gettysburg)	54.60	

Note: All new public fire hydrants from the date of this tariff onward will be billed at the monthly rate of \$22.00, which represents approximately 25% of the cost of providing service to the Township or Municipality, except those whose rates are currently lower than \$22.00 per month. (I)

(I) Indicates Increase

Aqua Pennsylvania, Inc.

Water-PA. P.U.C. No. 1

Eleventh Revised Page No. 5

Main Divisions

Canceling Tenth Revised Page No. 5

<u>Metered Fire Service</u>			<u>Monthly (\$)</u>		
For 1" connection			5.60		
For 1-1/2" connection			12.80		
For 2" connection			31.70		
For 3" connection			51.50		
For 4" connection			87.20		
For 6" connection			192.00		
For 8" connection			335.00		
For 10" connection			510.00		
For 10" connection (Hatboro Area Only)			510.00		
For 12" connection			1,413.00		
Water Allowance			0		
Rate per thousand gallons			\$10.000		(I)
<u>Residential Multiple Meter Service</u>					(I)
<u>Domestic Meter</u>	<u>Fire Meter</u>		<u>Minimum Charge Monthly (\$)</u>	<u>Allowance Monthly</u>	
5/8"	3/4"		18.21	0	(I)
5/8"	1"		18.56	0	(I)
5/8"	1-1/2"		21.89	0	(I)
5/8"	2"		24.00	0	(I)
3/4"	1"		30.06	0	(I)
3/4"	1-1/2"		33.39	0	(I)
3/4"	2"		35.50	0	(I)
1"	1"		49.26	0	(I)
1"	1-1/2"		52.59	0	(I)
1"	2"		54.70	0	(I)
1 1/2"	1"		91.96	0	(I)
1 1/2"	1 1/2"		95.29	0	(I)
1 1/2"	2"		97.40	0	(I)
2"	1-1/2"		130.79	0	(I)
2"	2"		132.90	0	(I)

Water usage will be the consumption registered on both meters and will be billed at the residential metered water rates

(I) Indicates Increase

Aqua Pennsylvania, Inc.

Supplement No. 121
to
Water-PA. P.U.C. No. 1
Tenth Revised Page No. 5A
~~Canceling Ninth Revised Page No. 5A~~

THIS PAGE IS BEING HELD FOR FUTURE USE

SCHEDULE OF RATES

Meter Service

<u>Customer Charge</u> (I)	
<u>Size of Meter</u>	<u>Monthly (\$)</u>
5/8 inch	26.00
¾ Inch	26.00
1 Inch	46.70
1-1/2 Inch	89.90
2 Inch	127.90
3 Inch	257.00
4 Inch	418.00
6 Inch	862.00
8 Inch	1,508.00
10 Inch	2,229.00

<u>Consumption Charges – Residential</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 4,000 gallons per month	\$7.212	per thousand gallons
For water consumed in excess of 4,000 gallons per month	\$10.352	(I) per thousand gallons
<u>Consumption Charges – Commercial & Public</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month	\$10.000	per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month	\$6.668	per thousand gallons (I)

(I) Indicates Increase

SCHEDULE OF RATES
Meter Service

<u>Consumption Charges – Industrial</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month	\$10.000	per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month, up to 3,333,300 gallons per month	\$6.668	per thousand gallons (I)
For water consumed in excess of 3,333,300 gallons per month, up to 10,000,000 gallons per month	\$6.052	per thousand gallons (I)
For water used in excess of 10,000,000 gallons per month	\$4.842	per thousand gallons (I)
<u>Consumption Charges – Other Water Utilities</u>		(I)
Water consumed will be charged for at the following rates:		
For all water consumed	\$8.833	per thousand gallons
<u>Woodloch Pines, Inc. Rates</u>		
In accordance with the terms of a contract between Fawn Lake Forest Water Company (predecessor to PSW) and Woodloch Pines, Inc. dated December 18, 2000, as amended on August 13, 2003 and a settlement reached at Docket No. R-00027986, Woodloch Pines, Inc. will pay the greater of: 1) the take or pay monthly minimum of \$4,800 for the first 1,200,000 gallons with any additional usage billed at the rate of \$4.00 per thousand gallons, or 2) the applicable tariff rate for Industrial customers in the Fawn Lake division.		
<u>Woodloch Pines, Inc. Sewer Rates</u>		
Immediately upon acquisition, AP will begin charging the Pines a rate of \$190,000 per year, payable in monthly installments. This rate will stay in effect for three years and then increase by 3.0% per year unless AP connects the Pines system with the Woodloch Springs sewer plant.		
(I) Indicates Increase		

Aqua Pennsylvania, Inc.
 Eagle Rock, Fawn Lake, Tanglewood, Thornhurst
 Woodledge Village Western & Pinecrest Divisions

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SCHEDULE OF RATES		
Fire Service		
	Rate Per Month (\$)	
Fire Hydrants		
For each public fire hydrant (Fawn Lake, Woodledge Village & Pinecrest Divisions)	22.00	(I)
For each public fire hydrant (Tanglewood & Western Divisions)	25.25	
For each private fire hydrant (Fawn Lake, Woodledge Village & Pinecrest Divisions)	26.40	(I)
For each private fire hydrant (Tanglewood & Western Divisions)	54.60	
For each private fire hydrant (Eagle Rock)	19.80	(I)
Note: All new public fire hydrants from the date of this tariff onward will be billed at the monthly rate of \$22.00, which represents approximately 25% of the cost of providing service to the Township or Municipality, except those whose rates are currently below \$22.00 per month.		(I)
Metered Fire Service	Monthly (\$)	
For 1" connection	5.60	
For 1-1/2" connection	12.80	
For 2" connection	31.70	
For 3" connection	51.50	
For 4" connection	87.20	
For 6" connection	192.00	
For 8" connection	335.00	
For 10" connection	510.00	
For 12" connection	1,413.00	
Water Allowance	0	
Rate per thousand gallons	\$10.000	(I)

(I) Indicates Increase

SCHEDULE OF RATES

Meter Service

<u>Customer Charge</u> (I)	
<u>Size of Meter</u>	<u>Monthly (\$)</u>
5/8 inch	16.00
¾ Inch	27.50
1 Inch	46.70
1-1/2 Inch	89.90
2 Inch	127.90
3 Inch	257.00
4 Inch	418.00
6 Inch	862.00
8 Inch	1,508.00
10 Inch	2,229.00

<u>Consumption Charges – All Residential Customers</u> Water consumed will be charged for at the following rates: For all water consumed.	\$8.800	per thousand gallons (I)
<u>Consumption Charges – All Commercial & Public Customers</u> Water consumed will be charged for at the following rates: For water consumed up to 10,000 gallons per month.	\$8.800	per thousand gallons (I)
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month.	\$8.800	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month,	\$6.668	per thousand gallons (I)
<u>Consumption Charges – All Industrial Customers</u> Water consumed will be charged for at the following rates: For water consumed up to 10,000 gallons per month.	\$8.800	per thousand gallons (I)
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month.	\$8.800	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month, up to 3,333,300 gallons per month	\$6.668	per thousand gallons (I)
For water consumed in excess of 3,333,300 gallons per month, up to 10,000,000 gallons per month	\$6.052	per thousand gallons (I)
For water used in excess of 10,000,000 gallons per month	\$4.842	
<u>Consumption Charges – Other Water Utilities</u> Water consumed will be charged for at the following rates: For all water consumed	\$8.833	per thousand gallons

(I) Indicates Increase

(C) Indicates Change

SCHEDULE OF RATES

Fire Service

		Rate Per Month (\$)	
Fire Hydrants		(I)	
For each public fire hydrant		\$14.73	
For each private fire hydrant		\$48.00	
Metered or Unmetered Fire Service		(I)	
1"		5.60	
1 1/2"		12.80	
2"		31.70	
3"		51.50	
4"		67.90	
6"		120.00	
8"		180.00	
10"		260.00	
12"		1,413.00	
Water Allowance		0	
Rate per thousand gallons (metered service only)		\$8.800 (I)	
Residential Multiple Meter Service		(I)	
Domestic Meter	Fire Meter	Minimum Charge Monthly (\$)	Allowance Monthly
5/8"	3/4"	18.21	0 (I)
5/8"	1"	18.56	0 (I)
5/8"	1-1/2"	21.89	0 (I)
5/8"	2"	24.00	0 (I)
3/4"	1"	30.06	0 (I)
3/4"	1-1/2"	33.39	0 (I)
3/4"	2"	35.50	0 (I)
1"	1"	49.26	0 (I)
1"	1-1/2"	52.59	0 (I)
1"	2"	54.70	0 (I)
1 1/2"	1"	91.96	0 (I)
1 1/2"	1 1/2"	95.29	0 (I)
1 1/2"	2"	97.40	0 (I)
2"	1-1/2"	130.79	0 (I)
2"	2"	132.90	0 (I)

Water usage will be the consumption registered on both meters and will be billed at the residential metered water consumption rates.

(I) Indicates Increase

Schedule of Rates

Meter Service

<u>Size of Meter</u>	<u>Customer Charge Monthly (\$) (I)</u>
5/8 inch	15.00
¾ inch	15.00
1 inch	21.40
1 ½ inch	35.50
2 inch	71.00
3 inch	213.10
4 inch	227.50
6 inch	356.50

<u>Consumption Charges – Residential</u> Water consumed will be charged for at the following rates: For all water consumed	\$7.100	(I) per thousand gallons
<u>Consumption Charges – Commercial & Public</u> Water consumed will be charged for at the following rates: For all water consumed	\$7.100	(I) per thousand gallons
<u>Consumption Charges – Industrial & Other Utilities</u> Water consumed will be charged for at the following rates: For all water consumed	\$7.100	(I) per thousand gallons

Fire Service

	<u>Rate Per Month (\$)</u>	
<u>Fire Hydrants</u>		
For each private fire hydrant	\$54.60	
For each existing public fire hydrant at closing	\$19.00	(I)
For each public fire hydrant	\$25.25	
Note: All new public fire hydrants from the date of this tariff onward will be billed at the monthly rate of \$22.00, which represents approximately 25% of the cost of providing service to the Township or Municipality, except those whose rates are currently below \$22.00 per month.		(I)

Note: There are no current fire protection customers. Main Division rates will apply to any new fire protection accounts.

(I) Indicates Increase

Aqua Pennsylvania, Inc.
Chalfont Division

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Aqua Pennsylvania, Inc.
Oakland Beach/Lakeside Acres Division

Schedule of Rates
Metered Rates

Customer Charge (I)	
Size of Meter	Monthly (\$)
5/8 inch	23.50
¾ Inch	23.50
1 Inch	46.70
1-1/2 Inch	89.90 (I)
2 Inch	127.90
3 Inch	257.00
4 Inch	418.00
6 Inch	862.00
8 Inch	1,508.00
10 Inch	2,229.00

<u>Consumption Charges – Residential</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 4,000 gallons per month	\$7.212	per thousand gallons
For water consumed in excess of 4,000 gallons per month	\$8.962	per thousand gallons (I)
<u>Consumption Charges – Commercial & Public</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month	\$10.000	per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month	\$6.668	per thousand gallons (I)
<u>Consumption Charges – All Industrial Customers</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month.	\$10.000	per thousand gallons (I)
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month.	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month, up to 3,333,300 gallons per month	\$6.668	per thousand gallons (I)
For water consumed in excess of 3,333,300 gallons per month, up to 10,000,000 gallons per month	\$6.052	per thousand gallons (I)
For water used in excess of 10,000,000 gallons per month	\$4.842	per thousand gallons (I)

Fire Service Rates

Each public fire hydrant	\$22.00 (I)	per month
Each qualified private fire hydrant	\$25.25	per month
Each private fire hydrant	\$30.80 (I)	per month

Metered Fire	
Meter Size	Monthly (\$)
1 Inch	5.60
1-1/2 Inch	12.80
2 Inch	31.70
3 Inch	51.50
4 Inch	87.20
6 Inch	192.00
8 Inch	335.00
10 Inch	510.00
12 Inch	1,413.00

Rate per thousand gallons - \$10.000 (I)

(I) Indicates Increase

Schedule of Rates

Customer Charge (I)	
<u>Size of Meter</u>	<u>Monthly (\$)</u>
5/8 inch	26.00
¾ Inch	26.00
1 Inch	46.70
1-1/2 Inch	89.90
2 Inch	127.90
3 Inch	257.00
4 Inch	418.00
6 Inch	862.00
8 Inch	1,508.00
10 Inch	2,229.00

<u>Consumption Charges – Residential</u>		(I)
Water consumed will be charged for at the following rates:		
From minimum allowance to 4,000 gallons	\$4.800	per thousand gallons
For water consumed in excess of 4,000 gallons per month	\$8.962	per thousand gallons (I)
<u>Consumption Charges – Commercial, Industrial and Public</u>		(I)
Water consumed will be charged for at the following rates:		
First 10,000 gallons per month	\$10.000	per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$8.785	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.288	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month	\$6.668	per thousand gallons (I)

Fire Service Rates

Each private fire hydrant	\$26.40	per month (I)
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Note: All new public fire hydrants from the date of this tariff onward will be billed at the monthly rate of \$22.00, which represents approximately 25% of the cost of providing service to the Township or Municipality, except those whose rates are currently below \$22.00 per month.

Currently there is no fire protection service in the CS Water Division. If fire protection service is provided in the future, the Fawn Lake fire rates will apply.

(I) Indicates Increase

Aqua Pennsylvania, Inc.
Country Club Gardens Division

Schedule of Rates

Metered Rates

Customer Charge		(I)
<u>Size of Meter</u>	<u>Monthly (\$)</u>	
5/8 inch	15.00	
¾ Inch	15.00	
1 Inch	30.00	
1-1/2 Inch	50.00	
2 Inch	70.00	
3 Inch	133.34	
4 Inch	211.66	
6 Inch	428.34	
8 Inch	741.66	
10 Inch	1,093.34	

<u>Consumption Charges – Residential</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 2,000 gallons per month	\$5.000	per thousand gallons
For water consumed in excess of 2,000 gallons per month	\$6.000	per thousand gallons (I)
<u>Consumption Charges – Commercial, Public and Industrial</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed	\$7.000	per thousand gallons

There are no fire protection customers presently in this division. New fire protection accounts should receive Main Division rates.

(I) Indicates Increase

Aqua Pennsylvania, Inc.

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SCHEDULE OF RATES

Metered Service

<u>Customer Charge</u> (I)	
<u>Size of Meter</u>	<u>Monthly (\$)</u>
5/8 inch	16.00
3/4 inch	27.50
1 Inch	40.00
1-1/2 Inch	40.00
2 Inch	40.00
3 Inch	70.00
4 Inch	418.00
6 Inch	862.00
8 Inch	1,508.00
10 Inch	2,229.00

<u>Consumption Charges – Residential</u>		
Water consumed will be charged for at the following rates:		
For water consumed up to 2,000 gallons per month	\$7.208	per thousand gallons (I)
For water consumed in excess of 2,000 gallons per month	\$8.208	per thousand gallons (I)
<u>Consumption Charges – Commercial & Public</u>		
Water consumed will be charged for at the following rates:		
For water consumed up to 10,000 gallons per month	\$7.208	per thousand gallons (I)
For water consumed in excess of 10,000 gallons per month, up to 33,300 gallons per month	\$7.208	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$7.208	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month up to 3,333,300 gallons per month	\$6.668	per thousand gallons (I)

Fire Service

There are no fire protection customers presently in this division. New fire protection accounts should receive Main Division rates.

(I) Indicates Increase

SCHEDULE OF RATES

<u>Customer Charge (I)</u>	
<u>Size of Meter</u>	<u>Monthly (\$)</u>
5/8 inch	16.00 (I)
3/4 inch	27.50
1 Inch	46.70
1-1/2 Inch	89.90 (D)
2 Inch	127.90 (D)
3 Inch	257.00 (D)
4 Inch	418.00 (D)
6 Inch	862.00 (D)
8 Inch	1,508.00 (D)
10 Inch	2,229.00 (D)

<u>Consumption Charges – Residential</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 2,000 gallons per month	\$8.000	per thousand gallons
For water consumed in excess of 2,000 gallons per month	\$8.000	per thousand gallons (I)
<u>Consumption Charges – Commercial & Public</u>		(I)
Water consumed will be charged for at the following rates:		
For water consumed up to 8,000 gallons per month	\$8.000	per thousand gallons
For water consumed in excess of 8,000 gallons per month, up to 33,300 gallons per month	\$8.000	per thousand gallons (I)
For water consumed in excess of 33,300 gallons per month, up to 333,300 gallons per month	\$8.000	per thousand gallons (I)
For water consumed in excess of 333,300 gallons per month up to 3,333,300 gallons per month	\$8.000	per thousand gallons (I)
For water consumed in excess of 3,333,300 gallons per month up to 10,000,000 gallons per month	\$8.000	per thousand gallons (I)
For water consumed in excess of 10,000,000 gallons per month	\$8.000	per thousand gallons (I)

(I) Indicates increase
(D) Indicates decrease

SCHEDULE OF RATES

Fire Service

	Rate Per Month	
<u>Fire Hydrants</u>		
For each public fire hydrant (Jackson Township)	\$19.00 (I)	

There are no fire protection customers presently in this division. New fire protection accounts should receive *Main Division* rates.

(I) Indicates increase

SCHEDULE OF RATES

<u>Size of Meter</u>	<u>Monthly (\$) (I)</u>
5/8 inch	16.00 (D)
3/4 inch	27.50
1 Inch	46.70
1-1/2 Inch	89.90
2 Inch	127.90
3 Inch	257.00
4 Inch	418.00
6 Inch	862.00

<u>Consumption Charges – Residential</u> Water consumed will be charged for at the following rates:		(I)
	\$7.980	per thousand gallons
For water consumed in excess of 2,000 gallons per month	\$7.980	(I) per thousand gallons
<u>Consumption Charges – Commercial & Public</u> Water consumed will be charged for at the following rates:		(I)
	\$8.833	per thousand gallons
For water consumed in excess of 10,000 gallons per month, up to 33,333 gallons per month	\$7.760	(I) per thousand gallons
For water consumed in excess of 33,333 gallons per month, up to 333,333 gallons per month	\$4.000	(I) per thousand gallons
For water consumed in excess of 333,333 gallons per month	\$3.000	(I) per thousand gallons
<u>Consumption Charges – Industrial & Public</u> Water consumed will be charged for at the following rates:		(I)
	\$8.833	per thousand gallons
For water consumed from 10,000 gallons per month to 33,333 gallons per month	\$7.760	(I) per thousand gallons
For water consumed in excess of 33,333 gallons per month, up to 333,333 gallons per month	\$4.000	(I) per thousand gallons
For water consumed in excess of 333,333 gallons per month	\$3.000	

(I) Indicates increase

(D) Indicates decrease

Aqua Pennsylvania, Inc.
Honesdale Division

Fire Protection Rates

Each public fire hydrant	\$22.00	per month (I)
Each private fire hydrant	\$30.60	per month (I)

<u>Metered Fire</u>	
<u>Size of Meter</u>	<u>Monthly (\$)</u>
1 Inch	5.60
1-1/2 Inch	12.80
2 Inch	31.70
3 Inch	51.50
4 Inch	67.90
6 Inch	120.00
8 Inch	180.00
10 Inch	510.00
12 Inch	1,413.00

Rate per thousand gallons \$8.833

(I) **Indicates Increases**

Aqua Pennsylvania, Inc.

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Ninth Revised Page No. 171

Sand Springs DivisionCanceling Eighth Revised Page No. 171SCHEDULE OF RATESSand Springs Division

	Rate Per Month / EDU
Residential Customer Charge:	\$16.25
Commercial Customer Charge:	\$65.00

Consumption Charges for all customers:

\$6.00 per 1,000 gallons

<u>SCHEDULE OF RATES</u> <u>SAND SPRINGS DIVISION</u> <u>Fire Service</u>		
	Rate Per Month	
<u>Fire Hydrants</u>		
For each public fire hydrant	\$16.20	
For each private fire hydrant	\$24.00	

Aqua Pennsylvania, Inc.

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SCHEDULE OF RATES

Quarterly Customer Rates – Residential, Commercial, Industrial, Public, Metered and Unmetered Fire Service Customers

0 – 6,000 gallons	\$84.00
6,001 - 9,000 gallons	\$99.00
9,001 – 20,000 gallons	\$100.00, plus \$3.50/thousand gallons for consumption between 9,001 – 20,000 gallons
Over 20,000 gallons	\$125.00, plus \$4.50/thousand gallons for consumption in excess of 20,000 gallons

Monthly Customer Rates – Residential, Commercial, Industrial, Public, Metered and Unmetered Fire Service Customers

0 – 2,000 gallons	\$28.00
2,001 -3,000 gallons	\$33.00
3,001 – 6,667 gallons	\$33.33, plus \$3.50/thousand gallons for consumption between 3,001 – 6,667 gallons
Over 6,667 gallons	\$41.67, plus \$4.50/thousand gallons for consumption in excess of 6,667 gallons

Monthly Public Fire Hydrant Rates

\$2.19 per fire hydrant	
\$4.37 per fire hydrant	Effective on and after April 2, 2013
\$6.55 per fire hydrant	Effective on and after April 2, 2014
\$8.73 per fire hydrant	Effective on and after April 2, 2015
\$10.91 per fire hydrant	Effective on and after April 2, 2016

INDUSTRIAL STANDBY RATE

APPLICABILITY

This rate applies throughout the territory served under this tariff.

AVAILABILITY

This rate is available to a new industrial customer that has an alternative supply source or an existing industrial customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must execute a Service Agreement with the Company for a period of not less than two years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of Supplement 21 to Tariff Water Pa. P.U.C. No. 16 (January 3, 2000).

NOMINATION OF STANDBY SERVICE

The Service agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis, an interruptible basis or combinations thereof.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The sum of the customer's nominated firm and interruptible Maximum Day alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to PSW Main Division for the Industrial rate classification.

INDUSTRIAL STANDBY RATE CONTINUED

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm and interruptible standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>	<u>Interruptible Standby Service</u>
Average Day Demand	10.8601	2.0658
Maximum Day Demand	1.3260	0.3320
Maximum Hour Demand	21.9230	2.3868

Consumption Charges

In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	PSW Main Division Industrial Rates
Next gallons - Firm Average Day Demand Nomination multiplied by the days during The standby event	0.0709 per hundred gallons
Next gallons - Interruptible Average Day Demand Nomination multiplied by the days during the standby event	0.5377 per hundred gallons
All amounts above sum of previously described amounts	PSW Main Division Industrial First Block

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within 10 (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm and interruptible standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

INDUSTRIAL STANDBY RATE CONTINUED

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

Use in Excess of Contractual Demands. If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

RESALE AND ELECTRIC GENERATION STANDBY RATE

APPLICABILITY

This rate applies throughout the territory served under this tariff.

AVAILABILITY

This rate is available to a new customer that has an alternative supply or an existing customer that develops or obtains a new source of supply. To obtain service under this rate, the customer must purchase water from the Company for resale or electric generation purposes and execute a Service Agreement with the Company for a period of not less than ten years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of Supplement 21 to Tariff Water Pa. P.U.C. No. 16 (January 3, 2000).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The customer's nominated firm Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the schedule of Rates Applicable to PSW Main Division for the customer's rate classification.

RESALE AND ELECTRIC GENERATION STANDBY RATE CONTINUED

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

Firm Standby Service

Average Day Demand	10.8601
Maximum Day Demand	1.3260
Maximum Hour Demand	21.9230

Consumption Charges

In addition to the Service Charge and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event

Applicable PSW Main Division Rates

Next gallons – Firm Average Day Demand nomination multiplied by the days during the standby event

0.0709 per hundred gallons

All amounts above sum of previously described amounts

Applicable PSW Main Division First Block

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nomination of firm standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

RESALE AND ELECTRIC GENERATION STANDBY RATE CONTINUED

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

Use in Excess of Contractual Demands. If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

RIDER DIS - DEMAND-BASED INDUSTRIAL SERVICE

Applicability.

Throughout the territory served under this tariff.

Availability.

This rider is available to a customer or prospective customer that:

- (1) purchases or intends to purchase water from the Company for industrial purposes;
- (2) enters into a Service Agreement for a term of not less than 2 years
- (3) during the original and any renewal terms of the Service Agreement, agrees to purchase a minimum of 10 million gallons of water per month at a daily load factor of not less than 0.60; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

Rate.

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The minimum rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and /or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

RIDER DRS - DEMAND-BASED RESALE SERVICE

Applicability.

Throughout the territory served under this tariff.

Availability.

This rider is available to a customer or prospective customer that:

- (1) Purchases or intends to purchase water from the Company for resale;
- (2) enters into a Service Agreement for a term of not less than 10 years
- (3) during the original and any renewal terms of the Service Agreement, agrees to maintain a daily load factor of not less than 0.6; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

Rate.

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing with the Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

RIDER EGS - ELECTRIC GENERATION SERVICE

Applicability.

Throughout the territory served under this tariff.

Availability.

This rider is available to the electric generating facilities of a customer or prospective customer that:

- (1) is engaged in the business of generating electric power for sale to the public or to public utilities;
- (2) enters into a Service Agreement for a term of not less than 10 years;
- (3) agrees to purchase at least 10 million gallons of water per month; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

Rate.

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's rate schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With the Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

RIDER OPI – OFF PEAK / INTERRUPTIBLE RATE SERVICE

Applicability.

Throughout the territory served under this tariff where the capacity exists to provide this service.

Availability.

This rider is available to a customer or prospective customer that:

- (1) purchases or intends to purchase water from the Company for any purpose;
- (2) purchases at least 80% of its water from the Company during the off-peak hours of 10:00 PM to 5:00 AM;
- (3) purchases a minimum of six million gallons per year during the contracted period;
- (4) enters into a Service Contract for a term of not less than one year.

Rate.

Charges

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) may include a Minimum Charge upon the discretion of the Company, if it is anticipated that there are other customer expenses to be incurred besides the Metering Equipment (4) shall be subject to an Escalation Clause, as hereafter defined. If, during the month, the customer purchases less than 80% of its water during the off-peak hours, the rate to be charged for consumption will be the Maximum Rate.

Maximum Rate: The Maximum Rate shall be the otherwise applicable volumetric charges specified in the Company's Rate Schedule for the Main Division.

Minimum Rate: The minimum rate shall be sufficient to recover: (1) the Production Cost of Water; and (2) some portion of the fixed costs of the Company's facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and /or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

RIDER OPI – OFF PEAK / INTERRUPTIBLE RATE SERVICE

Terms and Conditions

Interruption of Service: The Company may require the customer to interrupt its water usage to assist the Company in addressing a system emergency, including insufficiency, for any reason, of the Company's source of supply, treatment/purification, pumping, transmission, storage or distribution capacity to serve other customers' demands. The customer will be provided not less than one hour's notice before an interruption is expected to begin. Notice may be by telephone to the customer contact identified in the Service Agreement.

Failure to Interrupt: Failure to comply with the Company's request for interruption shall result in all usage by the customer, during the billing period in which such interruption was requested, being billed at the Company's otherwise applicable Schedule of Rates for the Main Division plus \$0.05 per hundred gallons. If the customer fails to comply with the Company's requests for interruption three times during any one year period, measured in twelve month intervals commencing on the effective date of the Service Agreement, the customer shall cease to be eligible for service under this rider and shall thereafter be billed under the otherwise applicable Schedule of Rates.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement the rate and to monitor the customer's compliance with the availability criteria and terms and conditions hereof.

Inspection: The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours notice and shall permit inspection thereof to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof.

Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code Section 1.74.

RIDER - STATE TAX SURCHARGE APPLICABLE TO ALL RATES

In addition to the net charges provided for in this Tariff, a surcharge of 0.0000% will apply to all bills issued on and after April 1, 2012.

The above surcharge will be recomputed using the elements prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the utility will, or 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 of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with section 1308(a) of the Public Utility Code, 66 C.S. section 1308(a)(regarding voluntary changes in rates) unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (D)

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 June 8, 2012.

I. 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 3330), meters (account 3340) and hydrants (account 3350) installed as in-kind replacements for customers;

mains and valves (account 3310) 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 3310) 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 customers currently receiving service from the Company or the acquired Company;

(C) Indicates Change

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

main cleaning and relining (account 3310) projects; and

un-reimbursed funds related to capital projects to relocate Company facilities due to highway relocations. (account 3310)

Effective Date: The DSIC will become effective for bills issued on and after January 1, 1997.

II. Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, 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 September 1, 1996 and November 30, 1996. 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:

<u>Effective Date Of Change</u>	<u>Date To Which DSIC Eligible Plant Additions Reflected</u>
April 1	February 28/29
July 1	May 31
October 1	August 31
January 1	November 30

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 the 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 customer 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.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

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 pre-tax 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 customers plus revenue from any customers 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.

III. Safeguards

Cap: The DSIC will be capped at 7.5% of the amount billed to customers 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 an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. 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 overcollections will be refunded with interest. Interest on the overcollections 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 an overcollection.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

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.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then 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. (C)

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.

(C) Indicates Change

RULES AND REGULATIONS

INTRODUCTION

Effect of Rules and Regulations:

1. These Rules and Regulations, filed as part of the Company's Tariff, shall govern the manner in which water service is provided to all Applicants and Customers. The Company may supplement these Rules and Regulations, and may revise and amend these Rules and Regulations from time to time subject to the approval of the Pennsylvania Public Utility Commission ("Commission"). The Company will follow Commission regulations not specifically addressed in these Rules and Regulations.

Types of Service Provided.

2. There are four general types of service that are provided by the Company, as follows:

"General Metered Service." Water service provided for general use by any of the following customer classes: residential, commercial, industrial, other water utility, or public. This type of service is also referred to as "domestic" service.

"Fire Service." Water service provided to an unmetered fire hydrant, whether public or private, or through a separately metered service line to be utilized exclusively for fire protection of a building and/or property.

"Qualified Private Fire Protection Service." Water service provided to an unmetered fire hydrant located in the public right-of-way which does not otherwise qualify for Public Fire Hydrant rates.

"Combined Fire & Domestic Service." Water service provided at the request of the Customer, subject to the Company's approval for all non-residential Customer classifications which utilize a single service line for both fire and domestic service. This service can be provided in accordance with the requirements of Rule 40 when the fire/domestic meter size is at least 4 inches.

In addition to the general application of these Rules and Regulation, special Rules for the provision of fire service are contained in Rules 40 through 49, and special Rules for the provision of Construction Service are contained in Rules 38 and 39.

Aqua Pennsylvania, Inc.

Classes of General Metered Service:

3. There are five classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:

“Residential Class.” An individually-metered dwelling unit intended for human habitation (including a detached house, rowhouse, townhouse, condominium and mobile home) or an individually-metered home or building consisting of not more than two dwelling units.

“Commercial Class.” A building, store, restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, motels, and tanks filled at the Company’s premise are included in this class.

“Industrial Class.” A building or factory which is primarily a site for the manufacture or production of goods.

“Other Water Utility.” A public water utility, municipal corporation or water authority which purchases water for resale to their customers.

“Public.” A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.

DEFINITIONS

4. The following words and phrases when used in these Rules and Regulations shall have the meanings given to them below:

“Applicant.” A person who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

“Auxiliary Water Supply.” A water supply, other than that provided by the Company, that is on or available to the Customer’s premises, including, but not limited to, a supply from another public water supply agency, from a natural source such as a well, lake or spring, or from a source containing used water or industrial fluids.

“Builder.” Any person(s) requesting an extension to provide service to an existing lot or group of lots, either existing or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

“Company.” Aqua Pennsylvania, Inc.

“Company service line.” The service line owned by the Company that extends from the water main to the curb stop or curb line or such point as designated by the Company.

“Construction Costs.” All direct and indirect costs attributable to the material and installation of the subject main extension, services and appurtenances, and/or removal of existing Company facilities (including the net book value of property replaced or retired) whether incurred by the Builder or the Company.

“Construction Service.” Water service provided for construction purposes.

“Curb Box.” A cylindrical device with a lid is normally placed by the curb which affords access to the curb stop. Normally, this device is initially installed by the Company, but may be subject to having its condition or position adjusted by natural forces or the work of the developer or a plumber. Accordingly, it is the responsibility of the Customer to maintain the Curb Box in a safe condition, or to notify the Company in writing to make the necessary repairs or relocation to the Curb Box or Curb Box lid.

“Curb Stop.” A device owned, installed, maintained and controlled by the Company that can be turned to an open or closed position for the purpose of controlling the supply of water to the service property.

“Customer.” A person listed on the account and whose primarily responsible for the utility bill OR adult occupant whose name appears on the mortgage, deed, or lease for the service address.

“Customer service line.” The service line owned by the Customer that extends from the Curb Stop or curb line (or such point as designated by the Company) to the property or building to be served.

“Depositor.” Any person(s) acting on behalf of Prospective Customer(s) for the purpose of entering into an Extension Deposit Agreement.

“Meter.” A device furnished, installed and owned by the Company to register the consumption or use of water at the Customer’s Property.

“Meter Box/Vault.” A structure which is owned and maintained by the Customer, having been installed by an agent for the Customer, in accordance with Company specifications, for the purpose of housing the Meter outside of the Customer’s building, at an underground location mutually agreed upon between the Customer and Company. It is the responsibility of the Customer, as the owner of the Meter Box/Vault to maintain the Meter Box/Vault and lid in a safe condition.

“Metered Manifold” A domestic service line that contains more than one metered service. When more than one meter is installed upon a Customer’s premise at the request of a Customer or due to conditions existing upon the premise of the Customer, then each meter shall be treated separately as if it belonged to a separate Customer.

Aqua Pennsylvania, Inc.

"Plumbing Fixture Standards." The water use standards that have been adopted by the Delaware River Basin Commission (at Resolution 88-2 Revised) and subsequently recommended by the Pennsylvania Public Utility Commission for plumbing fixtures installed in new construction and in existing structures undergoing renovations involving replacement of such fixtures, as follows:

<u>Plumbing Fixture</u>	<u>Water Use Standard</u>
showerheads	3.0 gallons/minute
lavatory faucet	3.0 gallons/minute
kitchen faucet	3.0 gallons/minute
water closets	1.6 gallons/flush
urinals	1.5 gallons/minute

"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.

"Property." In general terms, a separate parcel of land owned in fee simple absolute, including any home(s), condominium(s), Home Owner's Association or building(s) affixed thereto, which is delineated by the description contained in the recorded deed, and which may be further delineated by any public roads.

"Prospective Customer." Any owner, tenant or lessee of a property that is expected to be receiving water service for at least one year following the commencement of water service.

"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.

"Residential Structure." When used with respect to metered Residential Fire Service, a home or building which contains only individually - metered dwelling units intended for human habitation.

"Service Connection." The installation by the Company of the Company service line. May also refer to the Company service line itself.

"Special Devices." Devices that are owned and maintained by the Customer on the Customer's plumbing system at the requirement of the Company. Special Devices include, but are not limited to, the following:

"Backflow Preventor." A device designed to prevent a potential backflow of contaminants from the Customer's activities or property into the Company's distribution system.

"Check Valve." A device designed to allow the flow of water only in one direction.

"Control Valve." A device designed to stop the flow of water when the valve is closed.

"Pressure Reducing Valve." A device designed to reduce the water pressure within the Customer's building below that which exists on the Company's distribution system.

"Pressure Relief Valve." A device designed to relieve pressure on the internal plumbing system of the Customer's property.

APPLICATION FOR SERVICE

Notification of Change in Ownership or Occupancy at an Existing Service Property:

5. Upon any change in ownership of property where the owner is the Customer, or in the tenancy where the tenant is the Customer, or in the type of service rendered, the Customer must so advise the Company, which shall thereafter have the right to discontinue the water supply until a new application has been made and approved for the new Customer.

Application for Water Service by a New Owner or Occupant at an Existing Service Property:

6. Where a Customer's water service line exists on a property to be served in compliance with the Company's rules, water service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving water service takes such service subject to the Company's Tariff, including its Rules and Regulations.

Application for Water Service to a Proposed Service Property:

7. Where an adequate water distribution main abuts the Customer's property, a service connection will be made as soon as reasonably practicable after the appropriate application forms have been completed by the property owner or his properly authorized agent and subsequently submitted to, and approved by, the Company. Where an adequate water distribution main does not abut the Customer's property, the Customer must make necessary arrangements with the Company's New Business Office for the extension of a water distribution main in accordance with the Company's Rules and Regulations. Service Connection application forms will be furnished by the Company on request.

DEPOSITS

General:

8. Deposits may be required from Applicants for service and existing Customers. Deposits collected shall have interest paid to the depositing Customer in accordance with the Commission regulations. Upon termination or discontinuance of service, the Company shall within 30 days apply the Customer's deposit, including accrued interest, to any outstanding balance and refund the remainder to the Customer.

Deposit Not to Apply to a Current Bill:

9. Any Customer having made a deposit shall currently pay bills for water service as rendered and the deposit shall not be considered as payment on account of a bill during the time the Customer is receiving water service. At the option of the Company, deposits may be used to pay delinquent bills for water service and, if appropriate, a new deposit may thereafter be required.

BILLS AND PAYMENT

Methods of Payment:

10. Bills are payable by mail, by direct debit, in person at any authorized pay agency or as otherwise authorized by the Company.

Landlord Assumption of Responsibility:

11. If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

Bills and Billing History:

12. Bills based on estimated water use shall be subject to review upon the Customer's request and submission by the Customer of information as to unusual water use. In all other cases, billing shall be made as soon as practicable after the reading of respective meters. In the case of fire hydrants, bills will be rendered for each applicable period. Where a Customer receives water service during a period when a water meter is not installed at the Property, the Company may issue the Customer a bill based on the estimated usage for that period. A Customer may obtain from the Company, at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

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Delinquent Bills:

13. If a rendered bill remains unpaid for a period of 20 days for residential customers or 15 days for non-residential customers, it shall be classified as delinquent. However, if the last day of such period falls on a Saturday, Sunday, a holiday or day when the Company's offices are closed, the delinquency date shall be the next succeeding business day. Payments by mail will be deemed made on the date of the postmark. Payments to the Company drop box or authorized payment agent will be deemed received when paid at that location. Service may be terminated for non-payment of bills in accordance with the Commission's regulations. If service is thus terminated it will not be restored until all outstanding charges provided by the Commission's regulations and the tariff of the Company are paid or satisfactory arrangements are entered for payment. If a dispute of a water bill has arisen as defined in the Commission's regulations, the Customer is responsible for paying the undisputed portion of such bill and termination of service may occur if the undisputed billings become delinquent.

Late Payment Charge:

14. If payment has not been received by the Company for five days after the bill has been classified as delinquent, a late charge (penalty) of 1.25% will be applied to the account and such late charge (penalty) will be calculated every thirty days thereafter only on the overdue portion of the bill excluding previous late charges (penalties), and in no event shall the late charge (penalty) exceed more than 18% annually (simple interest).

Return Check Charge:

15. The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, post dated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require deposit or turn-on charges to be paid by cash, certified check, money order, or credit card.

Turn-on Charge:

16. When service has been terminated to any premise because of violation of the Company's Rules and Regulations or at the Customer's request, a charge of \$50.00 payable in advance, will be made for restoration of service. If the Customer request for restoration of service requires the Company to incur overtime or holiday costs, the Company reserves the right to bill the Customer for the additional cost incurred. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, the Customer must reimburse the Company for those expenses in addition to the \$50.00 turn-on charge prior to service reconnection.

Turn-off at Customer's Request:

17. Customers desiring to avoid payment for water service during periods when Properties are vacant or during extended absences shall give notice in writing at the office of the Company requesting the water to be shut off. If a minimum charge or Customer charge for water use is applicable, the bill will be based on the proportion that the period when water service was available bears to the entire period on which such minimum charge or Customer charge is based. Metered consumption in excess of such adjusted minimum shall be billed at normal rates.

SERVICE CONNECTIONS**Company's Service Lines:**

18. Except for service connections made in accordance with Rule 63, 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 line 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.

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

<u>Size of Service</u>	<u>Maximum Investment</u>
1 ½ inches in diameter or less	\$ 3,000
Greater than 1 ½ inches but not to exceed four inches	\$ 6,000
Greater than 4 inches	\$12,000

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 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 the date of deposit.

Customer's Service Line:

19. 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 the Customer shall be protected properly by the Customer. All leaks in or other deteriorated condition of the Customer's service line or any other pipe or fixture in or upon the premises supplied must be repaired immediately by the owner or occupant of the premises.

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Size, Kind and Location of Service Line:

20. The Company reserves the right to determine the size, kind and location of the service line, from the main to the curb, and from the curb to the property to be served. However, the determination of the size of the fire service line shall be the responsibility of a professional engineer or similar professional retained by the Customer. The Customer's service line shall not cross intervening properties unless the property is landlocked and there is no other way in which service can be provided (for example, because the property does not abut a public road) and an appropriate easement is obtained by the Customer for the Customer's benefit, a copy of which must be furnished to the Company. The service line from the curb stop to the property shall be furnished, installed, owned, and maintained by the owner of the property, and where possible shall be laid in a straight line at right angles to the curb line within the building limits of the structure to be served and at least four feet below the surface of the ground in property owned in fee simple absolute. Type K Copper shall be used throughout for service lines up to three inches in diameter. Service lines over three inches in diameter shall be cement-lined ductile or cement-lined cast iron pipe. The minimum size of the Customer's domestic service line shall be 3/4 inch in diameter. The Company reserves the right to inspect the installation of the Customer's service line to ensure its conformity with the specifications in this paragraph.

Separate Trench:

21. No water service line shall be laid in the same trench with a gas pipe, electric line, drain or sewer pipe, or any other facility of another public service company, nor within three feet of any open excavation, retaining wall or vault.

Renewal of Company Service Line:

22. Where renewal of the Company's service line from the street main to the curb is found to be necessary in the Company's opinion due to age or condition, the Company will renew said service in the same location as the old one at its own expense. If, in connection with such renewal, the property owner, or Customer, for his own convenience, desires the new service line to be installed at some other location or in a larger size and agrees to pay all expenses of such work in excess of the cost of renewing the originally-sized service line in its original location, the Company will install the new service line at the location desired, provided that the new line complies with all applicable Rules and Regulations.

Replacement or Abandonment of Company Service Line:

23. Where the Company service line needs to be replaced, relocated, removed or abandoned for the convenience of the Customer or due to any reason other than a routine Company renewal due to age or condition, the Company will perform such work and the Customer shall pay all expenses in connection with such work.

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Company Not Responsible:

24. The Company shall in no event be responsible for the condition of, or for maintaining or replacing, any portion of the Customer's service line or other lines or fixtures on the Customer's property, or for damage done by water or other matter passing through said lines or fixtures or escaping therefrom. The Customer shall at all times comply with all federal, state, local and municipal laws, codes and regulations with reference thereto, and make changes therein, required on account of change of grade, relocation of mains, or otherwise.

Single Service Line for each Property:

25. A Customer's service line (whether fire or domestic) shall not supply more than one property, as hereinafter defined, but any such property upon proper application of the owner may be supplied by two or more metered service connections, each of which for billing purposes shall be considered as being separate customer accounts, and provided that the supply of each such service connection has an individual control valve at or near the curb. A separate service line shall be required for each of the following types of "property", as defined herein:

- (a) A residential dwelling unit - either detached, or one side of a double house, or a house in a row of houses; provided, that a garage, a conservatory and similar features incidental to the family life shall be considered as a portion of the dwelling.
- (b) A building or complex of buildings containing residential dwelling units not divided by a public road or property line, which are either rental apartments, condominiums, or cooperative units and the commercial and service facilities incidental thereto.
- (c) An industrial, commercial or manufacturing establishment held in common ownership and not divided by a public road or property line and not covered by subparagraphs (b) and (d) of this Rule 25.
- (d) Each of the premises within a single building (stores or offices or any combination thereof) entirely separated from other premises within said building by a party wall or walls.
- (e) A detached building comprised of stores or offices or any combination thereof, not separated by a party wall or walls.
- (f) A Housing Development owned and operated as a unit by the United States Government.

Single Service Line with Two or More Customers:

26. Where two or more Customers are now supplied through a single service line, any violation of the Rules and Regulations of the Company, with reference to either or any of said Customers, shall be deemed a violation as to all, and unless said violation is corrected after reasonable notice, the Company may take such action as can be taken for a single Customer, except that such action will not be taken until either or all of said Customers who have not violated the Company's Rules and Regulations have been given a reasonable opportunity to apply to the Company for separate service lines in accordance with these Rules and Regulations.

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METERS

Furnished by Company:

27. All Company meters will be furnished, installed and owned by the Company and remain the property of the Company and be accessible to and subject to its control.

All Services to Be Metered:

28. A meter shall be installed on each domestic and on each fire service line owned by the Customer. The Company reserves the right to determine the size and type of meter to be installed in the Customer's property, including whether such meter shall be a manual read meter or a meter that can be read remotely from outside the building being served, or automatically using TV cable, telephone, or similar lines or radio signal communication. As a condition of providing service and continuing to provide service, the Company shall have the right to install such equipment, connections and wiring in the manner and location it deems appropriate. The equipment necessary to read meters using the designated mode of communication will be installed by the Company and will remain the property of the Company.

Location:

29. The meter will be set within the structure to be served, at a location approved by the Company, after the Customer has had the plumbing arranged (including the installation of special devices if required by the Company) to receive the meter at a convenient point inspected and approved by the Company so as to control the entire supply of water to the property. In cases where it is not practical to place the meter within a building, a concrete vault, with a suitable iron cover, or other approved meter box, shall be located inside the property line by the Customer. The size and dimensions of the vault or box shall be as approved by the Company, give adequate access to the meter, and permit its installation or removal. When a concrete vault is used, a 10 foot wide (min.) paved surface from the road to the vault, including curb depression, must be provided and maintained for vehicle access. A meter vault will also be required in all cases determined by the Company, including where:

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- a) the Customer's service line crosses a stream, swale, retention basin or similar structure;
- b) the Customer's service line is over 200 feet in length;
- c) the Customer's service line is not or cannot be installed at a right angle to the curb within the building limits of the structure to be served, or is not or cannot be installed within a specified area along the side wall (that is, a wall adjacent to a front wall) of the building to be served up to the point-of-entry of the service line into the side of the building, said area being specified as an area no closer than 5 feet and no further than 10 feet from the sidewalk; unless otherwise approved by the Company;
- d) the Customer's structure does not contain a basement or is not a permanently fixed structure, unless otherwise approved by Company;
- e) there is no suitable location to protect the Meter from freezing or other damage, or to provide access for reading.

Valves Required:

30. A Control Valve shall be placed by the Customer on the service line on the inlet and outlet sides of the Meter. When required, a suitable Check Valve should be placed by the Customer between the meter and the Control Valve on the outlet side of the Meter. When a Check Valve, backflow preventor or Pressure Reducing Valve is installed, the Customer shall install a Pressure Relief Valve or thermal expansion tank (to be sized and designed by the Customer or his agent) at some convenient point on the house piping to relieve pressure fluctuations and/or excess pressure due to heating water. In accordance with the specifications of the Company, the Customer shall install a pressure reducing valve (PRV), to be set at a pressure not to exceed the applicable limits, as follows: 1) on the domestic service line when the pressure on the Company's distribution system exceeds 100 pounds per square inch (psi); 2) on the residential fire service line when the pressure exceeds 100 psi; 3) on the commercial fire service line when the pressure exceeds 150 psi; or 4) when required in the discretion of the Company where it is believed that the pressure may exceed either limit. The Customer or his authorized agent shall check with the Company to determine whether a Pressure Reducing Valve is required prior to finalizing the design of the internal plumbing system. In all cases, the Pressure Reducing Valve must be installed at an approved location after the inlet control valve and before the Meter, but in the case of the domestic service line an additional Control Valve must be installed between the PRV and the Meter. When approved for a manifold set-up, the inlet control valve (2-inch and smaller) that abuts the meter must be a full-port, locking ball device.

Responsibility for Damage:

31. Meters and other related equipment owned by the Company will be maintained by the Company so far as ordinary wear and tear are concerned; but the cost to repair damage caused by the Customer or due to freezing, hot water or causes not within the reasonable control of the Company shall be paid by the Customer.

Cost of Reinstallation:

32. The charge for the reinstallation, reconnection or changing of a Meter or other related equipment owned by the Company when removed by the Customer or because of damage in any way due to the negligence or intentional conduct of the Customer shall be assessed against the Customer at cost.

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Minimum Charge/Customer Charge:

33. In Divisions with a minimum charge and a water allowance, customers will be subject to a fixed minimum charge in accordance with the rates thereof, for which certain quantities of water will be allowed, without additional charge. Such minimum charges shall be non-refundable for non-use of water, and non-cumulative against subsequent consumption. In the case of fractional bills covering less than a billing period, minimum charges and allowances shall be prorated.

In Divisions with a customer charge and no water allowance, customers will be subject to a fixed customer charge in accordance with the rates thereof, for which no quantity of water will be allowed without additional charge. The customer charge will be non-refundable and payable whether or not the customer uses any water. In the case of fractional bills covering less than a billing period, the customer charge shall be prorated.

Company Notified Meter Not Working:

34. The Customer shall immediately notify the Company of damage to or the non-working of the meter, as soon as it comes to his/her knowledge.

Registration Conclusive:

35. The quantity recorded by the meter shall be conclusive on both the Customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In such case, the quantity may be determined by the average registration of the meter when in order.

Disputed Account:

36. In case of a disputed account involving the accuracy of a meter, such meter will be tested upon the request of the Customer in conformity with the regulations of the Commission. In the event that the test of the meter shows an error in registration in excess of the permissible range, an appropriate adjustment to the bill will be made in accordance with the Commission's regulations. Bills will not be adjusted if the meter tests within the permissible tolerance limit.

Request Test:

37. Upon a written request of a Customer, or that of the Customer's authorized representative, the Company shall test the accuracy of the meter in service at the involved premises. When a Customer desires, either personally or through a representative, to witness the testing of a meter, the meter may be required by the Customer to be sealed before removal, in the presence of the witness, which seal shall not be broken until the test is made. If the meter so tested is found to be accurate within the limits specified above, a fee determined from the schedule provided in the Commission's regulations shall be paid to the Company by the Customer requesting such test, but if not so found then the cost thereof shall be borne by the Company. When making such requests, the Customer shall agree to the basis of payment herein specified. A report of such test shall be made to the Customer and a complete record of such test shall be kept as specified in the Commission's regulations. The results of such tests shall be conclusive upon the Company and Customer unless a written objection thereto is received by the Company or Customer, as appropriate, within thirty days of notice of the test results. If the meter tested is found to be accurate, the Company has the absolute right to re-install that same meter at the Customer's property.

CONSTRUCTION SERVICE

Metered Building Construction Service:

38. Where service has been requested by a Builder for purposes of construction of a building to be served by the Company, and service is to be provided through a Company service line that will be retained to provide service to the building after construction is completed, metered water service shall be provided. Each such metered service will be subject to these Rules and Regulations and the charges for Commercial Service shown in the rate schedule. Installation of the Company Service Line shall be in accordance with the "SERVICE CONNECTIONS" provisions of this tariff.

Temporary Metered Construction Service:

39. Where metered service is required or requested for temporary construction purposes, or where the Company Service Line will not be retained to provide service after construction, the Applicant shall pay the estimated cost of installation and removal of the service line, which costs are not refundable. In addition, the Applicant shall pay a deposit for the Meter, which will be refunded upon return of the Meter. Each such metered service will be subject to these Rules and Regulations and the charges for Commercial Service shown in the rate schedule.

METERED FIRE SERVICE

Metered Fire Service for Non-Residential Structures:

40. For automatic fire sprinklers or other automatic fire service devices located inside of a non-residential structure or for fire hydrants located on a fire service line, a separate service line will be required to be used exclusively for fire service when Combined Fire and Domestic Service rule (see rule #2) does not apply. Each such fire line shall be metered and subject to the charges shown in the rate schedule. Subject to the approval of the Company, fire hydrants that are owned and maintained by the Customer outside of buildings may be connected to said service line, provided they are located downstream of the Meter and backflow prevention device. The Customer will be responsible for paying the Company for the cost of installing the Company service line in excess of the maximum Company investment, as set forth in Rule 18 of this tariff. Company reserves the right to refuse an application for metered fire service where, in the judgment of the Company, the size and pressure of the street main is not sufficient to render proper service. The Customer shall be responsible for the design and sufficiency of the fire protection system (including the installation of a pressure tank and pumps, if required) and shall submit appropriate certification of such to the Company at the time of application. The Customer shall not use a dedicated fire line for domestic service and shall not allow a cross-connection between the domestic and fire systems. The Company shall have the right to require special devices as deemed necessary on Customer fire service lines. Meters for fire service will be furnished and maintained by the Company. Meters will be located as specified by the Company on the Property of the Customer, and if vaults are required, they shall be constructed and maintained in accordance with the Company's specifications at the expense of the Customer.

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Metered Fire Service for Residential Structures:

41. To obtain service for automatic fire sprinklers or other automatic fire suppression related devices located inside a Residential Structure, the Customer must install a separate Customer fire service line from the curb to the fire protection system. Each such fire line shall be metered in accordance with the Company's Rules and Regulations. Both the Customer's fire service line and domestic line shall be connected to a single Company service line. To accommodate service to the Customer's fire line in addition to the domestic line, the Company will install a larger Company service line than it would otherwise install. The Customer will be responsible for paying the Company for the costs of upsizing the Company service line and appurtenances, and for the cost of the fire meter and its installation, together with any and all applicable taxes. Recovery of these costs by the Company shall be achieved through the application of the Company's rate schedule for "Residential Multiple Meter Sets", which shall be applicable to all Residential Structures equipped with residential fire service under these Rules and Regulations. The Company reserves the right to refuse an application for automatic fire service where, in the judgment of the Company, the size and pressure of the street main is not sufficient to render proper service. The Customer shall be responsible for the design and sufficiency of the fire protection system (including the installation of a pressure tank and pumps, if required) and shall submit appropriate certification of such to the Company. The Customer shall not use the fire line for domestic service and shall not allow a cross-connection between the domestic and fire systems. The Company shall have the right to require special devices as deemed necessary on residential fire service lines.

UNMETERED FIRE SERVICE/HYDRANTS**Payment of Applicable Rate:**

42. All fire hydrants installed by the Company are subject to the 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 shall 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.

Payment of Installation Costs:

43. (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 an existing water main 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 Regulation 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.

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Hydrant Location:

44. Upon written request to the Company's New 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 the available pressure and flow in said main is, in the judgment 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, and 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.

Availability of Supply

45. With regard to public fire hydrant service or private hydrant sprinkler and hose service, the Company shall have no greater duty than to supply only such volumes of water at such pressures as may be available at the time of operation.

Maintenance and Obstructions:

46. All fire hydrants owned by the Company will be maintained by the Company. Said maintenance shall include, but not be 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.

Municipalities, at their own expense, are allowed to attach marking devices on public fire hydrants owned and operated by the Company to facilitate the location of such hydrants. The Company shall be notified in advance of the municipality's plans to install hydrant markers and will permit plan designs that are consistent with normal, intended, and safe operation of such hydrants. Municipalities that take advantage of this provision shall be responsible for the maintenance of all markers that they install.

Allowable Use:

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

Change of Location:

48. 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 New Business Office, will make such change at the expense of the municipalities pursuant to an agreement prepared by the Company.

Inspection:

49. In addition to its periodic program of inspection and testing, the Company will, upon request of the duly authorized officials of any municipality, make inspections 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.

RESPONSIBILITY FOR SERVICE

Liability of Company:

50. In the course of furnishing service that needs to be adequate, but not perfect, it is recognized that there will be times when service is subject to interruption or disruption as a result of water main breaks, the failure of equipment or facilities, and for other reasons. Accordingly, the liability of the Company shall be limited to \$2,000 in any legal action brought against the Company for damages in connection with: 1) a service interruption or delay, or cessation or lack of adequate, efficient, safe and reasonable service and facilities; and/or 2) a failure of equipment or supply, including, but not limited to, a break or leak in a water main, service line or Meter owned by the Company.

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of a public utility are in conformity with the regulations and Orders of the Commission, the public utility may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory judgment with the Commission.

Furthermore, the Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in the Customer's own service line, Meter vault, internal plumbing or fixtures, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or the person or event.

Complaints:

51. Complaints with regard to the character of the service furnished or the reading of Meters, or of the bills rendered, must be made at the Company's office either orally, by telephone, in person with appointment, or in writing, and a record of such complaint will be kept by the Company, giving the name and address of the complainant, the date, the nature of the complaint and the response. In person appointments must be scheduled prior to arrival at the Company offices.

SYSTEM INSPECTION AND INTEGRITY

Inspections:

52. All pipes, Meters, special devices and fixtures shall be subject, at all reasonable hours, to inspection by properly identified employees of the Company. In addition, the Company shall have the right, upon reasonable notice and at reasonable times, to gain access into the Customer's premises for the purpose of taking water samples in order to determine the quality of the water. No plumber, owner or other unauthorized person shall turn the water on or off at any corporation stop or Curb Stop, or disconnect or remove the Meter without the consent of the Company. No agent or employee of the Company has authority to bind it by any promise, agreement or representation not provided for in these Rules and Regulations.

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Right to Refuse Connections:

53. The Company may refuse to connect with any piping system or furnish water through one already connected: 1) if the Customer's service line is not a sufficient depth to prevent freezing or is installed in too close proximity to any other utility line; 2) if lead-based solder or a lead-based fixture has been used in the Customer's plumbing system in contravention of any national, state or local regulation; 3) where the intended use of the water delivered to the Customer's Property would involve the return of water directly back to the Company's distribution system; 4) where the Customer's water service line is connected to a separate or auxiliary water supply that could constitute a cross-connection; or 5) if such system has not otherwise been properly installed and maintained. It shall be the Customer's responsibility to assure compliance with these requirements. The Company may, from time to time, require the Customer to provide verification that the Customer's piping system complies with these requirements.

Cross-Connection Control:

54. A cross-connection is created when a Customer connects to the Company's distribution system. To prevent contamination of the public water supply from a cross-connection, all new Customer connections to the Company's distribution system must be equipped with backflow prevention, cross-connection control or other special device approved by the Company and furnished, installed, and maintained at the Customer's expense in accordance with Company specifications and at a location and in the manner approved by the Company. A Customer with an existing connection to the Company's distribution system will furnish, install, and maintain a Company approved backflow prevention, cross-connection control, or other special device at the Company's request. The furnishing, installation, and maintenance of the backflow prevention, cross-connection control or other special device at existing connections will be made at the Customer's expense in accordance with Company specifications and at a location and in the manner approved by the Company. The Company shall have the right, upon reasonable notice and at reasonable times to conduct surveys and investigations of water use and practices at a Customer's premises to determine the backflow prevention, cross-connection control or other special device appropriate for Customer's connection. In addition, the Customer shall be required, at such Customer's expense, to comply with the yearly testing and overhauling requirements of the Company for backflow prevention, cross-connection control or other special devices. The Company may authorize persons (with the appropriate training or certification) to inspect premises, perform installations and testing of such special device or make corrections of adverse existing conditions. A yearly administrative fee of \$5.00 will be required per return certification.

TERMINATION OF SERVICE

By Company:

55. Service may be terminated for any of the following reasons which shall constitute a violation of the Rules and Regulations of the Company:

- (a) For the use of water for any other Property or purpose other than that described in the application.
- (b) For willful waste of water through improper or imperfect pipes, fixtures or otherwise, including failure to promptly repair a leak on the Customer service line.
- (c) For molesting any service pipe, Meter, Meter interface unit, curb stop or seal, or any other appliance of the Company.
- (d) For neglecting to make or renew deposits, or for non-payment of any charge accruing under the Company's tariff or Rules and Regulations.
- (e) For refusal of reasonable access to Property for purposes of inspecting or for reading, caring for, removing, or installing Meters, including remote and automatic Meters and the associated wiring and connections to the Customer's telephone line.
- (f) For making, or refusing to sever, any cross connection between a pipe or fixture carrying water furnished by the Company, and a pipe or fixture carrying water or other substances from any other source.
- (g) For failing to comply with the inspection, installation, maintenance or testing requirements of the Company under its back-flow prevention and cross-connection control program instituted for the purpose of protecting the public water supply.
- (h) For vacancy of a premises.
- (i) For failure to make payments under the Company's Water System Connection Loan Program, as described in Rule 64.
- (j) For violation of any other Rules or Regulations of the Company.
- (k) For violation of Pennsylvania law (Criminal Code 18 PA C.S.A. Section 3926) which prohibits the activation of a public utility service line without a measuring device (water Meter).
- (l) For any other reasons set forth in the Commission's regulations.

Service termination will be performed in the manner prescribed by the Commission's regulations. In addition, service may be terminated for nonpayment of a sewer bill upon proper request of the Sewer System and receipt of a \$35.00 fee per account.

Turn-Off Without Authority:

56. The Customer shall not turn the water on or off at any corporation stop or Curb Stop, or disconnect or remove the Meter, or permit its disconnection or removal, without the consent of the Company.

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Due to Emergency:

57. As necessity may arise in case of breakdown, emergency, or for any other unavoidable cause, the Company shall have the right to cut off the water supply temporarily, in order to make necessary repairs, connections, etc.; but the Company will use all reasonable and practical measures to notify the Customer of such discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the Customer or any claim against it at any time for interruption in service, lessening of the supply, inadequate pressure, poor quality of water, or for any causes beyond its control. When a supply of water is to be temporarily cut off, notice will be given, when practicable, to all Customers affected by the shutting off, stating the probable duration of the interruption of service, and also the purpose for which the shut-off is made.

WATER CONSERVATION AND DROUGHT EMERGENCY

Water Conservation Contingency Plan:

58. (a) General: The Company shall have the right to reserve a sufficient supply of water at all times in its reservoirs, to provide for fire and other emergencies, or may restrict or regulate the quantity of water used by the Customer in case of scarcity, or whenever the public welfare may require it. If the Company is experiencing a short-term supply shortage, the Company may request general conservation measures to reduce or eliminate nonessential uses of water.

(b) Voluntary Conservation: The Company shall first request voluntary curtailment of all nonessential uses of water.

(c) Mandatory Conservation: If voluntary cooperation does not achieve satisfactory results, mandatory compliance with a ban on nonessential uses will be imposed. If any customer refuses to comply with such mandatory measures, the Company may adjust the outside water valve connection in a manner which will restrict water flow by up to 1/2, otherwise restrict flow such as by the insertion of a plug device, or terminate service.

(d) Nonessential uses of water may include, but are not limited to, the following items:

- (1) The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, garden, 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 of 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.

(e) **Water Rationing Plan:** In addition to the provisions as set forth above, the Pennsylvania Emergency Management Agency is authorized to promulgate, adopt, and enforce a Water Rationing Plan by virtue of the Emergency Management Services Code, 35 Pa. C.S.1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.

(f) **Excess Use Charges:** In the event of a drought emergency (as declared by a river basin commission and/or by a proclamation or executive order issued by the Governor), the Company is authorized to collect fines and/or excess use charges set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency.

MAIN EXTENSIONS

Main Extensions to Existing Residential Structures:

59. Where an adequate water distribution main does not abut a prospective Customer's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the prospective Customer (or an authorized agent for the prospective Customer) must apply to the Company for a main extension.

Any required or requested main extension to serve a prospective Customer at a preexisting structure will be paid for by the Depositor in accordance with the provisions of the subsections below:

(a) When an extension to serve a prospective Customer is required or requested, such extension will be made under the terms of an "Extension Deposit Agreement". The Company shall have the exclusive right to determine the type, the material, the size, the routing and the location of mains to be installed and the other facilities required to render adequate service. No main(s) smaller than 6" in diameter shall be installed.

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(b) The terminal point of the required extension shall be a point in the curb line equidistant from the side building lines of the last building or dwelling to be served. As a further condition of extending the existing distribution mains, the Company shall be provided with, at no cost to the Company, any rights of way, temporary construction easements or permanent construction easements necessary to complete the extension of the distribution mains, Company service line(s), appurtenances and other facilities, or to provide future access for repair, maintenance, replacement, or for other related reasons.

(c) The Company reserves the right to require the Depositor to pay for the extension of the main beyond the last building in a street in order to connect to an existing main which would provide more adequate and reliable service.

(d) The prospective Customer must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive water service from the main extension.

Any required or requested main extension to serve a lot or lots that do not contain an existing residential structure shall be installed by the Builder in accordance with the provisions of Tariff Rule 63.

MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS

60. Bona Fide Service Applicants:

(A)(1) Where an adequate water distribution main does not abut a Bona Fide Service Applicant's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the Bona Fide Service Applicant (or an authorized agent for the Bona Fide Service Applicant) must apply to the Company for a main extension. Such extension will be made under and pursuant to the terms of an Extension Deposit Agreement for the Bona Fide Service Applicant and subject to the applicable provisions of these Rules and Regulations. The construction of facilities to serve such Bona Fide Service Applicant will not commence until an Extension Deposit Agreement for Bona Fide Service Applicant has been executed and all applicable terms and conditions therein have been satisfied by the Applicant.

(2) In conjunction with executing an Extension Deposit Agreement, a Bona Fide Service Applicant shall deposit with the Company an amount totaling \$1,000, representing a Service Line Deposit. Such amount shall be refunded to the Applicant within 90 days after the Applicant's requesting and receiving water service from the Company, provided, however, that if the Applicant does not request connection to the Company's main extension within six months of the completion of the main extension, the Service Line Deposit shall become non-refundable.

(3) Where a proposed main extension is capable of serving multiple structures or facilities and at least 80% of the potential Customers who could receive service from the main extension become Bona Fide service Applicants and satisfy all applicable terms and conditions of the foregoing provisions, the Customer Advance, if any, required of each Bona Fide Service Applicant shall be calculated as if 100% of such potential Customers had become Bona Fide Service Applicants.

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(4) For a period of ten (10) years following completion of the main extension, the Company shall refund to each Bona Fide Service Applicant his/her pro rata share of an amount equal to the Company Contribution for each additional Customer who attaches a service line to the main extension and requests service. No refunds shall be made, however, in those situations where at least 80%, but less than 100%, of the potential Customers who could receive service from the main extension become Bona Fide Service Applicants and their Customer Advances are calculated as if 100% of such potential Customers had participated in the initial funding of the project. In addition, the total amount refunded shall not exceed the amount of the Customer Advance paid by the Bona Fide Service Applicant.

(B)

The Company shall have the exclusive right to determine the type, the material, the size, the routing and the location of mains to be installed and the other facilities required to render adequate service. No main(s) smaller than 6" in diameter shall be installed.

(C)

The terminal point of the required extension shall be a point in the curb line equidistant from the side property lines of the last lot to be served or the side building lines of the last building or dwelling to be served, whichever is greater. As a further condition of extending the existing distribution mains, the Company shall be provided with, at no cost to the Company, any rights of way, temporary construction easements or permanent construction easements necessary to complete the extension of the distribution mains, Company service line(s), appurtenances and other facilities, or to provide future access for repair, maintenance, replacement, or for other related reasons.

(D)

The Bona Fide Service Applicant must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive water service from the main extension.

(E)

Any required or requested main extension to serve an Applicant other than a Bona Fide Service Applicant shall be installed in accordance with the provisions of Tariff Rule 63.

Definitions:

(A) "Bona Fide Service Applicant" shall mean a person or entity applying for General Metered Service to an existing or proposed structure or facility within the Company's certificated service territory, and which is either: (1) the primary residence of the Applicant; (2) a place of business; or (3) a public school, building, library, park or playground which is owned by a governmental unit or school district which has the power of taxation. An Applicant shall not be deemed a Bona Fide Service Applicant if: (1) such Applicant is requesting water service to a building lot, subdivision or a secondary residence; (2) the request for water service is part of a plan for the development of a residential dwelling or subdivision; (3) the request is for service other than the main water supply for the primary residence, such as service for external landscaping or agricultural purposes only; or (4) the Applicant is requesting Special Utility Service. To become an Applicant, a person or entity must file a signed application to connect the qualifying structure or facility with the Company's distribution system and request water service to begin immediately following such connection.

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- (B) "Company Contribution" shall mean that portion of the main extension costs which generate annual line extension costs equal to annual revenue from the line extension and that the Company will fund based upon the following formula, where X equals the Company Contribution attributed to each Bona Fide Applicant:

$$X = \frac{AR - O\&M}{(P * I) + D}; \text{ whereby:}$$

AR = the expected annual revenue from the Bona Fide Service Applicant based upon 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.

O&M= the average annual operating and maintenance expenses associated with serving an additional customer, including customer accounting, billing and collection, water purchased, power purchased, chemicals, and other variable costs based on the current total company level of such costs, as well as any costs particular to the specific needs of the Bona Fide Service Applicant.

I = the Company's current debt ratio multiplied by its weighted cost of long-term debt; and

D = the Company's depreciation accrual rate for Account No. 322 (Mains and Accessories).

- (C) = "Customer Advance" shall mean (1) the Estimated Cost of the water main extension less (2) the Company Contribution.

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 utility's annual line extension costs.

If the annual revenue from the line extension will not equal or exceed the utility's annual line extension costs, a bona fide service applicant may be required to provide a customer-advance to the utility's cost of construction for the line extension.

Where a customer advance is required, and the applicant is unable to advance the entire amount due, the company, at its option, must either (1) allow the applicant to pay the advance ratably over a period of not less than three years or (2) assist the applicant in obtaining the necessary financing from an appropriate lending institution so that the applicant can deposit the entire amount due. If the Company chooses option (1), it may require that up to one-third of the total advance be deposited prior to extending its facilities and may recover from the applicant, over the payment term selected, its costs of financing the construction by applying to the amount outstanding interest charges calculated at the then-prevailing residential mortgage lending rate specified by the Secretary of Banking in accordance with the act of January 30, 1974 (P.L. 13, No. 6), known as the Loan Interest and Protection Law.

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(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 Service Applicant requesting service which includes a "special utility service" component is entitled to a Bona Fide Service Applicant status, including the corresponding Company contribution toward the costs of the line extension which do not meet the special utility service criteria.

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Economic Development Main Extension Policy:

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

Main Extensions with Governmental Bodies:

62. The Company may negotiate and enter into customized Extension Deposit Agreements with Governmental Agencies where the main extension is for a public purpose, and is 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.

63. Main Extensions and Services by Builder:

63.1 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 Builder shall be required to install the water main and service lines through a pre-qualified Contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, the "Extension Deposit Agreement", referred to in the provisions of Rule 59 and Rule 60 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 63, 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 Builder. All construction costs, whether initially incurred by the Company or the Builder, related to the main extension shall be the responsibility of the Builder. The Agreement shall contain, at a minimum, the following terms and conditions:

- (a) Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
- (b) All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all main and service line installation work, and all appurtenances (including fire hydrants) required to serve the project.
- (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) Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
- (f) Builder 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.
- (g) All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

64 Water System Connection Loan Program:

- A. An Applicant for a new single-family residential service connection under Rule 6 or for a main extension under Rule 59 for single-family residential service, may apply for a loan from the Company to cover Eligible Costs (as defined herein). Any such loan shall be subject to the terms and conditions set forth in this Rule.
- (1) To be eligible for a loan, an Applicant must (a) own a single-family residence which will take water service from the Company; (b) demonstrate an intent to be the continuing Customer of the Company at the residence; and (c) enter into a financing agreement.
- (2) For purposes of this Rule, Eligible Costs include actual costs for (a) a water main extension in accordance with Rule 59; (b) the Customer Service Line; (c) a meter box or vault; (d) shut-off valves and/or back flow devices required under these Rules; (e) alterations of or additions to plumbing within the Customer's residence which are necessary to permit the Customer to take service from the Company; or (f) any other facilities necessary to permit the Customer to take water service from the Company. The maximum principal balance of or a loan made under this Rule will be \$8,000.
- (3) Any such loan shall be subject to the following terms and conditions.
- (a) The existence of a loan made under this Rule does not alter the responsibility of the Customer for maintenance or replacement of the Customer Service Line or any other facilities as determined by the applicable provisions of the Company's Rule(s).
- (b) The initial principal balance of the loan shall be the amount of Eligible Costs which the Customer elects to borrow from the Company. The principal balance of the loan plus interest will be repaid to the Company through a fixed surcharge added to the Customer's regular monthly bill for water service. The surcharge will be reflected as a separate service type for the Customer's account.

- (c) The customer will enter into a financing agreement with the Company which specifies, inter alia, the initial principal balance of the loan, the applicable interest rate determined in accordance with subsection 3(e) of this Rule, the term of the loan and the amount of the monthly surcharge. The Company in its sole discretion will determine whether a financing agreement should be established for a loan related to facilities owned and maintained by the customer under the applicable provisions of the Company's Rules. The customer will agree to repay the loan over a term selected by the customer, which is no less than three years (36 months) nor greater than 8 years (96 months).
- (d) Through the surcharge, the customer will make equal monthly installments over the loan term to pay the principal amount of the loan together with daily simple interest on the unpaid balance of the principal amount from time to time outstanding at the applicable rate of interest determined in accordance with subsection 3(e) of this Rule. The customer's payment schedule will amortize the unpaid balance over the loan term. Daily simple interest means that interest is charged each day after applying any payment the customer has made. All payments will be first applied to interest that is due and then to principal and other charges. Prepayment of the loan will be permitted without penalty.
- (e) The interest rate will be fixed for the term of a loan, at the weighted cost of long term debt. (C)
- (f) Notwithstanding the provisions of subsection (3)(e), the interest rate shall not exceed 8% per annum. In the event that the weighted cost of long term debt as calculated pursuant to subsection 3(e) would, except for the provisions of this subsection 3(f), exceed 8% per annum, the Company shall have the option to suspend the making of loans under this Rule. (C)
- (g) A customer account which includes a loan payment surcharge will not be transferred to any tenant or non-owner occupant of the residence for which a loan is made. During the loan term, the owner of the residence will remain the customer in whose name the bill for water service will be issued. If the residence is sold, a new owner who demonstrates an intent to be the continuing customer of the Company at the residence may elect in writing on a form provided by the Company to assume responsibility for the loan payments, subject to the terms of the financing agreement. A copy of the election form will be returned to the Company prior to sale of the residence. If the new owner does not elect in writing on a form provided by the Company to assume responsibility for the loan payments or does not demonstrate an intent to be the continuing customer at the residence, the loan and accrued interest shall become immediately due and payable upon sale of the premises.

(C) Indicates Change

- (h) The loan surcharge reflected on Customer bills will be collected by the Company, subject to all provisions of Rules 10 through 17 and 53 regarding billing for water service, terms of payment, late-payment charges and discontinuance of water service for non-payment. A partial payment of a bill for water service shall be first applied to cover the Customer's obligation under the loan and then to charges for other water service.
- B. For accounting purposes, the Company will establish subaccounts in which loan payments shall be recorded. In one subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Company under the applicable Rules. In another subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Customer under the applicable Rules. Loan payments shall be allocated between the two subaccounts based upon the relative initial cost of the facilities covered by that subaccount as compared to the total amount of the loan. For each subaccount, amounts received as loan payments will be first applied to interest that is due and then to principal and other charges.
- C. If a loan becomes uncollectible, the unpaid principal balance of the portion of the loan, if any, which relates to facilities owned and maintained by the Company will be recorded as a debit to Contributions-In-Aid-Of-Construction, and as a credit to Accounts Receivable. The unpaid balance of interest with respect to such portion of the loan (as of the time of the debit) shall be recorded as an uncollectible account. The unpaid balance of principal and interest for the portion of a loan, if any, which relates to facilities owned and maintained by the Customer shall be recorded as a non-utility expense.
- D. The Company's capital structure used for rate-making purposes will not include short-term debt issued by the Company to finance loans under this Rule.
65. Pro-ration of Base Rates on Customers' Bills. During a period of changes to base rates, billing of base rates for metered Customers involves proration of the different base rates based on days of invoice. The consumption for the entire period is divided by the number of service days to develop an average consumption per day for purposes of bifurcating the consumptions at the old rate and consumption at the new rate.

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