



PENNSYLVANIA
AMERICAN WATER

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eFile

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

***Re: Advance Notice of Proposed Rulemaking for Revision of the Commission's
Regulations on Water Conservation Measures at 52 Pa. Code § 65.20
Docket No. L-2012-2319361***

Dear Secretary Chiavetta:

Enclosed for filing is the Pennsylvania-American Water Company Comments in the above-referenced proceeding. This document is permitted to be filed electronically.

Please contact me if you have any questions.

Respectfully submitted,

Susan Simms Marsh

Enclosures

**Before the
Pennsylvania Public Utility Commission**

Advance Notice of Proposed
Rulemaking for
Revision of the Commission's
Regulations on Water Conservation
Measures at 52 Pa. Code § 65.20

Docket No. L-2012-2319361

**Comments of
Pennsylvania-American Water Company**

Pennsylvania-American Water Company ("PAWC" or "Company") respectfully submits these comments in response to the Pennsylvania Public Utility Commission's ("PUC" or "Commission") advance notice of proposed rulemaking regarding revision to 52 Pa. Code § 65.20 pertaining to water conservation measures.

I. INTRODUCTION

The Commission, on November 8, 2009, entered a Tentative Order at Docket No. M-2008-2062697, to establish a pilot program for the purpose of implementing the International Water Association, ("IWA")/American Water Works Association ("AWWA") Water Audit methodology. Subsequently, the Commission, on November 10, 2011, issued a Tentative Order ordering Class A water utilities to implement the Water Audit methodology. PAWC participated in the pilot program and complied with the Commission's Orders.

II. COMMENTS

PAWC supports the efficient use of our shared water resources and has consistently and pro-actively invested in infrastructure and methods to control and reduce unaccounted for water. Additionally, PAWC supports the Water Audit methodology established by the IWA and the AWWA. The Company, however, believes in the

interest of ensuring the efficient use of water resources, it would be more prudent to require all water utilities regulated by the Commission to implement the Water Audit methodology. This approach will ensure consistency and an overall standardize approach to water conservation measures.

Water utilities have established water efficiency and unaccounted for water plans. The Commission should consider each water utility's water efficiency and unaccounted for water plans, implementation of those plans, and the results and trends for reduction of unaccounted for water from those plans as part of its comprehensive rate review process. The 20% threshold should not be the only factor considered in the rate review process. The proposed rulemaking should include other factors to be considered during the rate review process.

PAWC respectfully requests that the Commission work with Department Environmental Protection to consider alignment of all laws, regulations and statement of policy concerning unaccounted for water. The Company agrees with the overall objectives of this rulemaking to preserve the natural resources of the Commonwealth; however, unless all water utility users have the same regulatory requirements, only those regulated by the Commission will address the Commonwealth's objectives and only the customers of those utilities will bear the cost for the measures required to upgrade and maintain our critical infrastructure.

Respectfully submitted,



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