

VEOLIA WATER PENNSYLVANIA, INC.

Supplement No. 68 to:
Water – Pa. P.U.C. No. 7

VEOLIA WATER PENNSYLVANIA, INC.

Harrisburg, Pennsylvania,

Rates, Rules and Regulations

Governing the Distribution of Water in

(See Page 5 for Territories Served)

ISSUED: February 16, 2024

EFFECTIVE: April 16, 2024

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NOTICE

This tariff supplement is a general rate increase under Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1308(d). In accordance with Commission Order at Docket No. R-2024-3045192 adopted and entered on March 15, 2018, the rates and riders are declared to be temporary rates pursuant to Section 1310 (d) of the Public Utility Code, 66 Pa. C.S. § 1310(d) for a trial period ending XX XX,2024 unless otherwise determined by the Commission.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

This tariff supplement is a general rate increase under Section 1308(d) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1308(d). In accordance with Commission Order at Docket No. R-2024-3045192 adopted and entered on March 15, 2018, the rates and riders are declared to be temporary rates pursuant to Section 1310 (d) of the Public Utility Code, 66 Pa. C.S. § 1310(d) for a trial period ending XX XX,2024 unless otherwise determined by the Commission.

| (C)

- (I) Indicates an Increase
- (D) Indicates a Decrease
- (C) Indicates a Change

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SURCHARGE CREDIT

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of (0.38%) will apply to all charges except the DSIC for services rendered on or after January 1, 2024 (for customers of Veolia Water Pennsylvania, Inc.) and (0.08%) on or after January 1, 2024 (for customers formerly served by Veolia Water Bethel, Inc.).

(C)

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

- a. Whenever any of the tax rates used in calculation of the surcharge are changed;
- b. Whenever the utility makes effective any increased or decreased rates; and
- c. On or before March 31 of each year.

(C)

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

TERRITORIES SERVED

The Boroughs of Dauphin, Highspire, Hummelstown, Paxtang and Penbrook; the Townships of Lower Paxton, Middle Paxton and Swatara; Portions of the Townships of Derry, Lower Swatara, South Hanover and Susquehanna; all in Dauphin County, Pennsylvania; and Portions of East Pennsboro Township, in Cumberland County, Pennsylvania; and in the Borough of Marysville, Rye Township and Penn Township in Perry County, Pennsylvania; and Newberry Township in York County, Pennsylvania

The Borough of Dallas, Dallas Township, Village of Shavertown and Vicinity, Kingston Township, Harvey's Lake Borough, Lake Township and Lehman Township, Luzerne County, Pennsylvania; and Village of Noxen and Vicinity, Noxen Township, Wyoming County, Pennsylvania;

The Borough of Mechanicsburg and portions of the Townships of Upper Allen, Lower Allen, Hampden, Silver Spring and Monroe, All in Cumberland County, Pennsylvania, and Portions of Monaghan Township, in York County Pennsylvania

The Town of Bloomsburg, The Townships of South Centre and Scott; and Portions of the Townships of Hemlock and Montour, Columbia County, Pennsylvania; A Portion of Cooper Township, and Township of Mahoning, Montour County, Pennsylvania; The Village of Nuremberg, Township of North Union, Schuylkill County, Pennsylvania.

Portions of Hamilton and Letterkenny Townships, Franklin County, Pennsylvania.

Overbrook, Dallas Township, Luzerne County

Portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania

SCHEDULE OF METER RATES

Application:

To all residential customers residing in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc.

Volume Charges:

All consumption at \$1.1710 per 100 gallons | (I)

Customer Service Charges:

<u>Meter Size</u>		<u>Per Month</u>	
5/8" – 3/4" (C)	\$	19.80	(I)
1"		41.03	
1 1/2"		82.08	
2"		140.59	
3"		263.71	
4"		439.56	
6"		879.12	
8"		1,406.70	
10"		2,022.13	

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers.

(C)

SCHEDULE OF METER RATES

Application:

To all commercial, commercial residence/apartments and public authority customers residing in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc.

Volume Charges:

	<u>Per Month</u>	<u>Rate Per</u> <u>100</u> <u>Gallons</u>	
First	25,000 Gallons	\$1.1710	(I)
Over	25,000 Gallons	0.93200	

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8" – 3/4" (C)	\$ 19.80	(I)
1"	41.03	
1 1/2"	82.08	
2"	140.59	
3"	263.71	
4"	439.56	
6"	879.12	
8"	1,406.70	
10"	2,022.13	

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for commercial/public authority customers.

| (C)

SCHEDULE OF METER RATES

Application: To all regular industrial customers residing in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc..

Volume Charges:

	<u>Per Month</u>	Rate Per <u>100</u> <u>Gallons</u>	
First	25,000 Gallons	\$ 1.1710	(I)
Over	25,000 Gallons	1.0432	

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8" – 3/4" (C)	\$ 19.80	(I)
1"	41.03	
1 1/2"	82.08	
2"	140.59	
3"	263.71	
4"	439.56	
6"	879.12	
8"	1,406.70	
10"	2,022.13	

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for industrial.

(C)

SCHEDULE OF RATES

Application: To all customers residing in the Township of Mahoning, Montour County served by Veolia Water Pennsylvania, Inc.

(C)

Volume Charges:

	Consumption Charge Residential (All Usage) Per 100 Gallons	
	\$ -	\$ 1.1710
	Consumption Charge Non-Residential Per 100 Gallons	
First	25,000 Gallons	\$ 1.17100
Over	25,000 Gallons	\$ 0.93200

(I)

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8"	\$ 19.80	(D)
3/4"	19.80	(D)
1"	41.03	(I)
1 1/2"	82.08	(I)
2"	140.59	(I)
4"	263.71	(I)
6:	439.56	(I)
8"	1,406.70	(C)
10"	2,022.13	(C)
Geisinger	19.80	(D)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service Charge. The Volume Charge is based on all metered water for the billing period.

(D)

VEOLIA WATER PENNSYLVANIA INC.

SCHEDULE OF RATES

Application: To all customers residing in portions of Hamilton and Letterkenny Townships, Franklin County, Pennsylvania.

Volume Charges:

Consumption Charge Residential (All Usage) Per 100 Gallons

\$ - \$ 1.17100

Consumption Charge Non-Residential Per 100 Gallons

First 25 MGL \$ 1.17100

Over 25 MGL \$ 0.93200

(I)

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8"	\$ 19.80	(D)
3/4"	19.80	(D)
1"	41.03	(I)
1 1/2"	82.08	(I)
2"	140.59	(I)
4"	263.71	(I)
6"	439.56	(I)
8"	1,406.70	(C)
10"	2,022.13	(C)

Conditions of Contract

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service Charge. The Volume Charge is based on all metered water for the billing period.

Terms of Payment

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers, and a due date of fifteen (15) days after the date the bill is mailed for all other customers.

(C)

SCHEDULE OF RATES

Application: To all customers in Overbrook, Dallas Township, Luzerne County, Pennsylvania, previously served by Overbrook Water Company.

Volume Charges:

Consumption Charge Residential (All Usage) Per 100 Gallons			(I)
\$	-	\$ 1.1710	
Consumption Charge Non-Residential Per 100 Gallons			
First 25 MGL	\$	1.17100	
Over 25 MGL	\$	0.93200	

Customer Service Charges:

<u>Meter Size</u>	<u>Per Month</u>	
5/8"	\$ 19.80	(C)
3/4"	19.80	
1"	41.03	(C)
1 1/2"	82.08	(C)
2"	140.59	(C)
4"	263.71	(C)
6"	439.56	(C)
8"	1,406.70	(C)
10"	2,022.13	(C)
Geisinger	19.80	(D)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service Charge. The Volume Charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is for residential customers, and a due date of fifteen (15) days after the date the bill is mailed to all other customers. (C)

VEOLIA WATER PENNSYLVANIA, INC.

SCHEDULE OF METER RATES

Application: To all metered customers in portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, previously served by Veolia Water Bethel, Inc. for domestic, commercial and industrial or municipal service.

Rates:

		Consumption Charge Residential (All Usage) Per 100 Gallons	
		\$ -	\$ 0.5050
		Consumption Charge Non-Residential Per 100 Gallons	
First	25,000 Gallons	\$	0.5050
Over	25,000 Gallons	\$	0.4019

Minimum Charge:

<u>Meter Size</u>		<u>Per Month</u>	
5/8"	\$	19.80	(I)
3/4"		19.80	(I)
1"		41.03	(I)
1-1/2"		82.08	(I)
2"		140.59	(I)
3"		263.71	(I)
4"		439.56	(I)
6"		879.12	(I)
8"		1,406.70	(I)
10"		2,022.13	(I)

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers, and a due date of fifteen (15) days after the date the bill is mailed for all other customers.

(C)

SCHEDULE OF METER RATES

Application:

To all large industrial customers.

Large Industrial Tariff – Applicable to all Industrial customers that elect to be on the Large Industrial Tariff rate. Those Industrial customers will take or pay for 7 million gallons per month at a fixed minimum charge of \$40,173.00, with usage over 7 million gallons per month to be charged at \$0.5739 per 100 gallons. Once an Industrial customer elects to be on the Large Industrial Tariff, they must remain on the Large Industrial Tariff for a minimum of six consecutive months before electing to be removed from the Large Industrial Tariff with a 30 day written notice to Veolia Water Pennsylvania Inc’s customer service department.

<u>Service Charge</u>	<u>Per Month</u>	
3”	\$263.71	(I)
4”	439.56	
6”	879.12	
8”	1,406.70	
10”	2,022.13	

Consumption Charge

All usage over 7 million gallons per month to be charged at \$0.57390 per 100 gallons.

Fixed minimum charge per month \$40,173.00.

(I)

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service charge. The volume charge is based on all metered water for the billing period.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for industrial customers.

(C)

RATES FOR PUBLIC FIRE HYDRANT SERVICE

Application:

To all political subdivisions except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc.

(C)

Rates:

For fire hydrant installed and maintained by the Company at its expense.

		<u>Per Month</u>	
(Harrisburg)	Each fire hydrant	\$28.41	(l)
(Dallas)	Each fire hydrant	\$24.00	(l)
(Mechanicsburg)	Each fire hydrant	\$28.41	(l)
(Bloomsburg)	Each fire hydrant	\$24.00	(l)

Conditions:

Water from fire hydrants is intended to be used for fighting fires. Any water used for purposes other than fighting fires shall be billed at the Residential rate on Page 6.

Water used from fire hydrants for other than fighting fires should be based on meter readings where possible. If a meter cannot be used, the Company will estimate the usage.

RATES FOR PUBLIC FIRE HYDRANT SERVICE

Application: To all customers residing in portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, previously served by Veolia Water Bethel, Inc. for domestic, commercial and industrial or municipal service.

Rates:

	<u>Per Month</u>	<u>Per Quarter</u>
To political subdivisions:		
For lateral connection to the curb and fire hydrant at the curb installed and maintained by the Company at its expense: Each fire hydrant	\$38.20	\$114.61
For lateral connection to the curb and fire hydrant at the curb installed at the expense of the political sub-division and maintained by the Company at its expense: Each fire hydrant	\$28.66	\$85.98
To individuals in protected areas so designated by the National Board of Fire Underwriters, when liability for service is not assumed by a political subdivision: Each customer	\$1.29	\$3.88

Conditions of Contract:

The monthly charge to individual customers shall be in addition to charges under any other schedule of rates.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for fire protection customers.

(C)

RATES FOR PRIVATE FIRE HYDRANT SERVICE

Application: To all customers having private fire hydrant installations residing in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc..

Rates:

For a lateral connection from the main in a private easement to a hydrant valve at the curb, easement boundary or property line to serve a fire hydrant installed and maintained by the customer at his expense:

	<u>Per Month</u>	
Each fire hydrant	\$74.88	(I)

Conditions of Contract:

The Company reserves the right to meter any fire line where evidence indicates that water is being taken from the line for purposes other than fire fighting, and such metered service shall then be billed in accordance with the regular Schedule of Meter Rates in addition to the above rates, with proper allowance for water consumed in fire fighting.

Terms of Payment

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for fire protection customers.

| (C)

RATES FOR PRIVATE FIRE HYDRANT SERVICE

Application: To all customers residing in portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, previously served by Veolia Water Bethel, Inc. for domestic, commercial and industrial or municipal service.

Rates:

	<u>Per Month</u>	<u>Per Quarter</u>
For lateral connection to the curb and fire hydrant at the curb installed and maintained by the Company at its expense: Each fire hydrant	\$67.17	\$201.50
For each fire hydrant installed and maintained by the customer at his expense: Each hydrant	\$67.17	\$201.50

Conditions of Contract:

The Company reserves the right to meter any fire line where evidence indicates that water is being taken from the line for purposes other than fire protection, and such metered service shall then be billed in accordance with the regular schedule of meter rates in addition to the above rates, with proper allowance for water consumed in fire fighting.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for fire protection customers.

RATES FOR PRIVATE FIRE SPRINKLER AND HOSE SERVICE

Application: To all customers having separate fire hydrant in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc..

(C)

Rates:

For fire service through a separate fire service line.

	<u>Per Month</u>	
For each 2" service line(or smaller)	\$ 33.61	(I)
For each 3" service line	90.64	
For each 4" service line	116.26	
For each 6" service line	193.25	
For each 8" service line	288.04	
For each 10" service line	411.66	
For each 12" service line	572.25	
For each 14" service line	1,051.23	

There will be no additional charge for sprinkler heads, or hose connections, supplied from the service line. There shall be no additional charge for hydrants installed on a private fire sprinkler line

Conditions of Contract:

All new fire services will be metered by a meter approved by the Company. The Company reserves the right to determine the location of the meter/meter vault. All piping appurtenances and the vault will be at the sole cost of the customer and be maintained by the customer.

All new fire services shall be equipped with a backflow preventer device. The Customer shall provide a Company specified meter installed in a Company specified meter vault with a Company specified back flow preventer for all fire services. The cost of any piping modifications needed to accommodate the appropriate backflow preventer and or detector check will be at the customer's expense.

The Company reserves the right to meter any existing fire line where evidence indicates that water is being taken from the line for purposes other than fire fighting, and such metered service shall then be billed in accordance with the regular Schedule of Meter Rates in addition to the above rates, with proper allowance for water consumed in fire fighting. The Company shall also have the right to reclassify the customer to the regular Schedule of Meter Rates, in the same manner, when two or more months of usage are recorded within a rolling 12-month period unless the customer can demonstrate, by evidence acceptable to the Company that the usage was in fact for the purpose of firefighting. Following a reclassification, the customer shall not be returned to a fire service-only rate until the customer has made a request for such service and can demonstrate, by evidence acceptable to the Company, 12 continuous months of no usage for purposes other than firefighting. The customer will be responsible for the cost of the meter and any piping modifications needed to accommodate the meter.

RATES FOR PRIVATE FIRE SPRINKLER AND HOSE SERVICE (CONTINUED)

The Company reserves the right to require the fire service line to be separate from the domestic service line.

For existing private fire services that are not metered, the customer must notify the Company three business days prior to any testing of the fire flow system. The Company will determine the acceptable rate of flow for testing purposes. The Company will assess a charge of \$250 per fire flow test. A penalty charge of \$1,000 will be assessed for any fire flow test conducted without notifying the Company.

The Company reserves the right to make system changes that may impact both the static and residual pressures. In such events, as long as the pressures meet the PUC pressure requirements, the Company will not be held responsible, or otherwise liable, for any required changes to the customer's fire suppression system as a result of the change to the Company's pressure.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for fire protection customers.

(C)

RATES FOR PRIVATE FIRE SPRINKLER AND HOSE SERVICE

Application: To all customers residing in portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, previously served by Veolia Water Bethel, Inc. for domestic, commercial and industrial or municipal service.

Rates:

	<u>Per Month</u>	<u>Per Quarter</u>
For each 4" service line	\$104.28	\$312.84
For each 6" service line	173.35	520.05
For each 8" service line	258.38	775.14
For each 10" service line	369.27	1,107.81

Conditions of Contract:

All new fire services will be metered by a meter approved by the Company. The Company reserves the right to determine the location of the meter/meter vault. All piping appurtenances and the vault will be at the sole cost of the customer and be maintained by the customer.

All new fire services shall be equipped with a backflow preventer device. The Customer shall provide a Company specified meter installed in a Company specified meter vault with a Company specified back flow preventer for all fire services. The cost of any piping modifications needed to accommodate the appropriate backflow preventer and or detector check will be at the customer's expense.

The Company reserves the right to meter any existing fire line where evidence indicates that water is being taken from the line for purposes other than fire fighting, and such metered service shall then be billed in accordance with the regular Schedule of Meter Rates in addition to the above rates, with proper allowance for water consumed in fire fighting. The Company shall also have the right to reclassify the customer to the regular Schedule of Meter Rates, in the same manner, when two or more months of usage are recorded within a rolling 12-month period unless the customer can demonstrate, by evidence acceptable to the Company that the usage was in fact for the purpose of firefighting. Following a reclassification, the customer shall not be returned to a fire service-only rate until the customer has made a request for such service and can demonstrate, by evidence acceptable to the Company, 12 continuous months of no usage for purposes other than firefighting. The customer will be responsible for the cost of the meter and any piping modifications needed to accommodate the meter.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for fire protection customers.

SCHEDULE OF WHOLESALE SERVICE RATES

Application:

To all wholesale service customers using more than 500,000 gallons per month residing in portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, previously served by Veolia Water Pennsylvania, Inc. who have sprinkler systems and inside hose connections for fire protection.

Rate:

Rate Per 100 Gallons

All use \$0.58540

Customer Charge:

<u>Meter Size</u>	<u>Per Month</u>
2"	140.59
3"	263.71
4"	439.56
6"	879.12
8"	1,406.70
10"	2,022.13

(I)

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for wholesale customers.

(C)

NON-RESIDENTIAL STANDBY RATE

Application:

This rate is available to all non-residential customers that have an alternative supply source or a non-residential customer that purchases water from the Company and develops or obtains a new source of supply.

The Non-Residential Standby Rate is available on a firm basis, not interruptible.

The daily requirement, as nominated by the customer, shall be equal to the maximum day capacity of the non-residential customer's alternative supply or the new source of supply or another reasonable amount agreed to by the Company and the non-residential customer.

A monthly charge of \$14.18 per 100 gallons of daily requirement as nominated as well as a usage charge of \$2.87 per thousand gallons for any actual usage.

Standby Charge:

A monthly charge of \$14.18 per 100 gallons of daily requirement as nominated

Consumption Charge

All usage per 100 gallons	\$0.287
---------------------------	---------

Conditions of Contract:

The rate will consist of the total of (A) the Volume Charge and (B) the Customer Service Charge and (C) the Standby rate agreed to by the Company and the non-residential customer.

Terms of Payment:

All bills shall be rendered monthly. Bills rendered will show a due date of fifteen (15) days after the date the bill is mailed for standby customers. (C)

SCHEDULE OF MISCELLANEOUS FEES AND CHARGES

1. Customer Requested Turn-on/off Charge

Application: This charge is applicable to all customers who request the temporary shut-off or turn-on of service for performing routine maintenance, repairs, or replacement of the customer's portion of the service line.

Rates:

	<u>Each Occurrence</u>
Turn-on/off charge (during normal business hours)	No Charge
Turn-on/off charge (other than normal business hours)	\$75.00

Terms of Payment:

The turn on/off charge will be added to the customer's bill once the service has been provided.

2. Reconnection Charge for Nonpayment Terminations

Application:

This charge is applicable to all customers where water has been physically turned off for nonpayment of a delinquent bill.

Rates:

	<u>Each Occurrence</u>
Reconnection Charge (during normal business hours)	\$50.00
Reconnection Charge (other than normal business hours)	\$75.00

Terms of Payment:

The reconnection charge will be added to the customer's bill once the service has been terminated and is due and payable before water will be turned on.

3. Returned Check Charge

Application:

Should the Company receive a negotiable instrument from the applicant or customer in payment of any bill, charge or deposit due and such instrument be subsequently dishonored or be uncollectible for any reason, the Company shall charge the applicant or customer a handling charge as provided below.

Rate:

	<u>Each Occurrence</u>
Returned check charge	\$30.00

Terms of Payment:

Bills will be rendered at time customer's check is returned by the Bank and are due and payable when rendered.

(C)

(I)

SCHEDULE OF MISCELLANEOUS FEES AND CHARGES (Cont'd.)

4. Tampering Or Theft Of Service

C

Application: Tampering with Company equipment or affecting customer piping to receive unmetered or unauthorized water service shall be prohibited and subject to the following charges:

Rate:

First occurrence	\$250.00
Second occurrence	\$500.00

5. Meter Test Charge (Deposit)

Application:

This charge is applicable to all customers who request a test of a water meter for accuracy.

Rates:

	<u>Per Test</u>
For each meter, 1" diameter or smaller	\$10.00
For each meter greater than 1" or smaller than 2"	\$20.00
For other meters, including those which are so located that the cost is out of proportion to the fee specified	As approved by the Pa. P.U.C., pursuant to 52 Pa. Code § 65.8 (h)

Terms of Payment:

Payment must accompany customer's request for the test of a meter for accuracy. If the meter so tested shall be found to have an error in registration of less than four percent (4%), the deposit shall be retained by the Company as compensation for such test; if the error in registration is found to be four percent (4%) or more, then the cost of the test shall be borne by the Company and the amount of the deposit shall be returned to the customer.

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6. Damaged Meter/ Radio Read Unit Charge

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Application:

This charge is applicable to all customers for damage or loss by any meter or the radio read device arising out of or caused by the customer's negligence or carelessness or that of his servants, employees, members of his household, or any person upon his premises under or by his consent of sufferance. Damage means theft, freezing, water damage, or damage to the meter or radio read unit.

Rates:

	<u>Each Occurrence</u>
For all 5/8" (during normal business hours)	\$100.00
For all 5/8" (other than normal business hours)	\$150.00
<u>For all meters larger than 5/8" diameter, the Company will bill the actual cost of the meter plus the actual fee for labor and overheads.</u>	

Terms of Payment:

The damaged meter charge will be either added to the customer's bill once the service has been provided or via a separate invoice.

SCHEDULE OF MISCELLANEOUS FEES AND CHARGES (Cont'd.)

7. Bulk Water Charge

Application:

This charge is applicable to all customers who purchase water through a company approved bulk water filling location.

Rate:

All water purchased shall be billed at the volumetric charge as stated on the "Schedule of Meter Rates applicable for residential.

Terms of Payment:

Bills will be rendered monthly in arrears and are payable within fifteen (15) days after the bill is rendered.

8. Water Main Extension Design Deposit

Application:

This deposit is applicable to all water main extension agreements for Non Bona Fide service applicants.

Rate:

\$1,000 per application. In the event that the project is for both water and wastewater, only \$1,000 total shall be collected.

Terms:

The deposit is due upon request for an extension agreement and will be applied to the cost of the project. If the project is not completed, within one year of the application, the deposit will be retained by the water company and any future applications will require another \$1,000.

8. Hydrant Flow Test

Application:

For all work and labor performed and all materials furnished by the Company for hydrant flow tests, a charge of \$455.00 will be charged to the customer or party requiring such service.

Terms of Payment:

Bills will be rendered monthly in arrears and are payable within fifteen (15) days after the bill is render.

8. Hydrant Flow Test

Application:

For all work and labor performed and all materials furnished by the Company for hydrant flow tests, a charge of \$455.00 will be charged to the customer or party requiring such service.

Terms of Payment:

Bills will be rendered monthly in arrears and are payable within fifteen (15) days after the bill is rendered

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1. **Industrial Economical Rate- 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.

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DEFINITIONS

Amortization Agreement: A mutually satisfactory written agreement whereby a customer, who admits liability for billed service, is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time. C

Annual Line Extension Cost. The sum of a utility's additional annual operating and maintenance costs, debt costs and depreciation charges associated with the construction, operation and maintenance of the line extension. For Non Bona Fide customers, equity costs are included.

Annual Revenue. (as related to line extensions). The utility's expected additional annual revenue from the line extension based on the utility's currently effective tariff rates and on the average annual usage of customers similar in nature and size and/or class.

Applicant. Any person seeking to contract for utility service, other than a transfer of service from a residence or dwelling within the Company's service area; or to reinstitute service more than 60 days following a termination or discontinuance of service.

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

Billing Period. A billing period may be monthly as provided in the Company's tariff. C

Bona Fide Service Applicant. A person or entity applying for water service to an existing or proposed structure within the utility's service territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the applicant or a place of business (see also Non Bona Fide Service Applicant).

Commercial Service/Public Authority Service. Service supplied to multiple residences that are served through a single meter with two or more units, public entities, governmental entities (other than sales for resale), municipal entities, private institutions and businesses such as, but not limited to: car washes, hotels, offices, retail and wholesale establishments, laundries, churches, schools, private education institutions, hospitals, nursing homes, restaurants, golf courses, nurseries, etc. C

Commission: The Pennsylvania Public Utility Commission.

Company. Veolia Water Pennsylvania Inc.

Company Service Line. The connection between the Company's distribution main and the inlet connection of the customer's service line at the curb or property line.

Customer. A Customer shall mean a customer of record, or end user, or both the party contracting for a supply of water through a connection to a.: C

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Customer's Service Line. The service line extending from the curb, property line or utility connection to provide domestic or fire service.

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"Curb Box". A cylindrical device with a lid which is normally placed by the curb affording 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 exclusively 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.

Cross Connection. A cross-connection is any pipe, valve or other physical connection, or other arrangement or device connecting the pipelines of the Company, or facilities directly or indirectly connected therewith, to and with pipes or fixtures by which any contamination might be admitted or drawn from lines other than the Company's into the distribution system of the Company, or into lines connected therewith.

Debt Cost (as related to line extensions). The utility's additional annual cost of debt associated with financing the line extension investment based on the utility's current debt ratio and weighted long-term debt cost rate.

Delinquent Account. Charges for utility service which have not been paid in full by the due date stated on the bill or otherwise agreed upon; provided that an account shall not be deemed delinquent if prior to the due date a Payment agreement with the Company has been entered into by the customer or an informal or formal complaint is timely filed with, and is pending before, the Commission.

Depreciation Charges (as related to line extensions). The utility's additional annual depreciation charges associated with the specific line extension investment to be made based on the current depreciation accrual rates.

Dwelling. A house, apartment, or single meter multi-unit structure being supplied with residential service.

Emergency. An unforeseen combination of circumstances requiring temporary discontinuance of service in order to effect repairs or maintenance, or to eliminate an imminent threat to life, health, safety or property.

ERC (Equivalent Residential Customer). The total amount of revenue received from the residential class customers, divided by the total number of residential customers for the same calendar year.

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Industrial Service. Service supplied to manufacturing or processing establishments such as factories, refineries, bottling plants, and food processing plants.

Line Extension. An addition to the utility's main line which is necessary to serve the premises of a customer.

Main. The pipe of the public utility system, excluding service connections, located in a public highway, street, alley or private right-of-way which pipe is used in transporting water.

Meter Pit. A Company specified meter tile, meter setter with backflow preventer, frame, and lid assembly for meter's 2" and smaller used for domestic service or combination fire/domestic service.

Meter Vault. A Company specified pre-cast concrete vault assembly for domestic services larger than 2", fire services larger than 1", and combination fire/domestic services larger than 1". Complete assembly includes meter and backflow preventer.

Non Bona Fide Service Applicant. An applicant shall be deemed a Non Bona Fide Service Applicant if:

- (i) Applicant is requesting water service to a building lot, subdivision or a secondary residence;
- (ii) The request for service is part of a plan for development of a residential dwelling or subdivision;
- (iii) The applicant is requesting special utility service.

Occupant. Any person, business or corporation who resides in the premises to which utility service is provided.

Operating and Maintenance Costs. (as related to bona fide line extension). The utility's average annual operating and maintenance cost associated with serving an additional customer, including customer accounting, billing, collections, water purchased, power purchased, chemicals, and other variable costs based on the current total company level of such costs, as well as costs particular to the specific needs of that customer, such as line flushing.

Payment Agreement. A mutually satisfactory agreement whereby a customer who admits liability for billed service, is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time typically not to exceed the time period it took to accumulate the bill.

Physician. An individual licensed under the laws of this Commonwealth to engage in the practice of medicine and surgery in all of its branches within the scope of the act of June 3, 1911 (P.L. 639) relating to medicine and surgery as amended, or in the practice of osteopathy or osteopathic surgery within the scope of the act of March 19, 1909 (No. 29) as amended.

Premises or Affected Premises. Unless otherwise indicated, the building where service is provided.

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Private Hydrant. A privately owned hydrant not available to protect the general public. In all cases, the hydrant would be located on private property. If the hydrant is connected to a private main, each hydrant will be billed at the private hydrant rate unless hydrant is connected to a private fire service line which the customer is being billed via a master meter.

Public Hydrant. A Company-owned fire hydrant that is available for use to protect the general public and is paid for by a municipal government. The hydrant is typically located along a public road, street or highway.

Remote Meter. A device that transmits readings from a meter.

Residential Service. Service supplied to a dwelling, including service provided to a commercial establishment if concurrent service is provided to a residential premise attached thereto. Residential service as it pertains to line extensions can be further defined as single family dwellings, multi-family, and townhouses serving less than two dwelling units.

Special Utility Service. Residential or business service which exceeds that required for ordinary residential purposes. Special utility service may include, but not be limited to, installation of facilities such as, additional mains, oversized mains, booster pumps and storage tanks as necessary to provide adequate flows or to meet required pressure criteria, and service to large water consuming commercial and industrial facilities.

Temporary Service. A water service connection which, at the time of application, is anticipated to be in service for less than a 12-month period. Temporary service shall include any meter installed to a hydrant.

Termination of Service. Cessation of service, whether temporary or permanent, without the consent of the customer.

Veolia Cares Program. The Company's payment assistance program.

RULES AND REGULATIONS

APPLICATION FOR SERVICE:

1. GENERAL PROVISIONS:

- (a) The application and these rules and regulations constitute the contract between the customer and the Company and each customer, by the taking of water, agrees to be bound thereby. The use of water by a customer shall be in accordance with the class, scope and type of use, and for the purpose stated in the customer's application and service contract.
- (b) Service connection will be made, and the prospective customer (or a properly authorized agent) will be furnished water upon written application on a form prepared by the Company for this purpose and after approval of such application by the Company. The application for service shall state clearly the class, scope and type of use to be made of the service, as well as the purpose for which it will be used. Service shall only be furnished after a meter has been properly installed by the Company. In a Company approved meter pit/vault.
- (c) Before an application for service shall be accepted by the Company, the Company shall determine that a water main does exist in the public street area or on a private right-of-way along or through the property to be served, and that said water main must extend across the total frontage of the deeded property.
- (d) When an extension to serve a bona fide service applicant is required or requested, such extension will be made under the terms of a "Water Main Extension Agreement for a Bona Fide Service Applicant", as hereinafter set forth. An extension to a Non Bona Fide Service Applicant will be made under a "Water Main Extension Agreement for a Non Bona Fide Service Applicant". The Company shall have the exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service.
- (e) Should it be necessary, in the Company's opinion, to extend the new main or any other main in order to connect to an existing main(s) to provide more adequate and reliable service to the applicant, this additional extension shall be part of the total main extension. All estimate or actual cost figures referred to in the "Water Main Extension Agreement for a Bona Fide Service Applicant" and the "Water Main Extension Agreement for a Non Bona Fide Service Applicant" shall include an allowance for Company overhead costs. The main extension shall conform to the requirements of the Department of Environmental Protection which concern sanitation and potability of water. Pipe diameter of less than eight (8) inches on a main extension which is part of a fire flow grid and six (6) inches on a main extension which is not a part of a fire flow grid shall not be installed except in cul-de-sacs or dead end streets not longer than two hundred fifty feet. Water mains shall be looped to existing mains when practicable and consistent with acceptable engineering practices to provide reliability and maintain quality of service. All water main installations shall as a minimum requirement conform to the standards of design set forth in 52 Pa. Code § 65.17.

- (f) As used in Rule (d), above "bona fide prospective customer" and the "non bona fide customer" shall mean any owner or lessee who is or will be the occupant of an existing developed premise having a curb line abutting on that part of a street or public highway in which there is, or is to be located a distribution main of the Company, who shall file a signed application for a new customer service line to such premises and for water service to begin immediately following installation of the customer service line.
- (g) The Customer service line shall be placed four feet below the final graded surface of the ground. All service lines from the curb to the meter shall be approved by the Company as to size, kind of pipe and installation, and shall be installed and kept in good repair by the customer at their expense. A Company specified meter pit shall be installed on the customers property within five feet of the curb stop.
- (h) A customer service line supplying a premise shall not pass through or across any premises or property other than that to be supplied, and no water pipes or plumbing in any premises shall be extended therefrom to adjacent or other premises. A customer service line shall not be connected to hydrant branch lines and it will not be permitted to cross intervening properties even with the protection of easements, unless approved by the Company. Only Customers owning property in fee which directly abuts a street wherein there is an existing main of the Company will be permitted to attach a customer service line to the Company's main for the purpose of receiving water service therefrom. It is understood that such property owned in fee by said prospective Customer shall be a complete standard building lot which complies with the existing zoning laws and regulations of the municipality in which such property is located. It is further understood that if such property owned in fee by a Customer is subsequently sold, the purchaser of such property will be entitled to receive water service upon compliance with all of the provisions of this tariff, but that the seller of such property shall only be entitled to continue to receive service if such seller complies with all of the provisions of this tariff.
- (i) A new application either written, faxed, via phone or via the internet must be made to, and approved by, the Company upon any change in the identity of the customer at a property or in the service as described in the application, and the Company may discontinue the water supply until such new application has been made and approved.
- (j) The Company, in its discretion, and with the agreement of the applicant, may enter into a Main Extension Agreement with alternative terms and conditions for funding of extensions if the Company concludes that the extension will provide a reasonable return or otherwise is in the long term interest of its customers.
- (k) These provisions shall not be construed to apply to an extension, or portion thereof, undertaken for general system improvement or to connect any water company or municipally owned system acquired by the Company to the Company's distribution system.

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- (l) The Company or a Company approved Contractor 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.
- (m) 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	\$2,000
Greater than 1 ½ inches but not to exceed four inches	\$4,000
Greater than 4 inches	\$6,000

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, the customer may be required to pay in advance the amount which exceeds the maximum Company investment listed above.

- n) The Company may reject applications for service for the following reasons:
- (a) Where such service is not available.
 - (b) Where such service might adversely affect the safety or adequacy of service furnished other customers present or prospective.
 - (c) When the applicant's piping installation is not in accordance with the Company's standard terms and conditions or any applicable plumbing codes.
 - (d) Where the applicant refuses to agree to comply with the Company's standard terms and conditions.
 - (e) When any valid bill to the applicant for water and/or wastewater service furnished at any previous or present location remains outstanding. However, the Company will accept applications in such situations if the customer agrees to a reasonable payment arrangement as agreed upon between customer and the Company.

Water Main Extension for a Bona Fide Customer

1. Upon written request, the Company shall extend existing distribution mains for a bona fide service applicant commencing immediately upon installation of the customer service line consistent with the following:
2. A line extension to a bona fide service applicant shall be funded without a Customer Advance where the actual cost of the line extension equals or is less than the Company funded costs.
3. When the cost of the main extension exceeds the Company contribution, then such extension shall be made according to the terms of an Extension Deposit Agreement for Bona Fide Service Applicant. The Company's investment for the line extension shall be the portion of the total construction costs which equal the Company's investment as per paragraph (4) below. The Customer Advance amount shall be the difference of the total construction costs less the Company's investment for the line extension.
4. The Company's investment for the line extension shall be based on the following formula, where X equals the utility's investment attributed to each bona fide applicant:

X	=	[AR - OM] divided by [I + D]; and
AR	=	the Company's estimated annual revenue from the applicant
OM	=	the Company's annual operating and maintenance cost for the line extension
I	=	the Company's current debt ratio multiplied by the Company's weighted long term debt cost rate.
D	=	the Company's current depreciation accrual rate.

5. Two or more bona fide service applicants may join in a request for a line extension and water service. The AR and OM components of the above formula will be adjusted to reflect the number of applicants. Joint requests may include only bona fide service applicants subject to this rule.
6. The Company shall require a bona fide service applicant to pay, prior to work commencing, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the applicant.
7. When the main extension cost exceeds the Company contribution and the main extension physically passes through, or in front of, property not owned by the bona fide applicant, some or all of the remaining customer advanced main extension costs may be refundable to the applicant based on the following:

VEOLIA WATER PENNSYLVANIA INC.

- A. Refunds on Main Extensions for Residential Class Customers for Main Extensions for Residential Class Customers. For each metered connection made during a ten (10) year period from the date of the agreement, the Bona Fide Service applicant will be entitled to a refund.
- B. Refunds on Main Extensions for Structures other than Residential Customers. For each metered connection made during the ten (10) year period from the date of the agreement, the applicant will have an option to receive a refund in one of the two (2) following methods. The method set forth in the sub-paragraph (i) above and based on the average usage of similar usage customers, or the actual annual revenue received from the non-residential customer for the prior year, by the Company. When an option is selected, all metered connections to the main will be subject to the same refund formula for the remaining life of the agreement.
- C. In no case shall the bona fide applicant receive further refunds which exceed the amount originally deposited.

Financing of Customer Advance for Bona Fide Service Applicant:

- 1. If a Customer Advance is required from a bona fide service applicant for a line extension and the applicant is unable to advance the entire amount due, the Company shall do one of the following:
 - A. After the deposit of one third of the Advance, allow the applicant to pay the remainder of the Customer Advance in equal monthly payments over a period of 36 months or less with the Company recovering financing costs equal to the Company's weighted cost of long term debt at the time of the loan; or
 - B. Provide information to the applicant on financial institutions that may offer financing to the applicant for the line extension.

Water Main Extension for a Non Bona Fide Customer:

- 1. A Non Bona Fide Service Applicant who requests a line extension shall execute a Water Main Extension Agreement for a Non Bona Fide Customer. The cost of such water main extension shall be estimated by the Company and shown in the Preliminary Memorandum. A Master Agreement may be executed for extensions that are to be made in phases over a period of time. A separate Agreement and payment of a separate Customer Advance shall be made with each phase.
- 2. The Preliminary Memorandum shall include a fee for the company's administrative, engineering and inspection costs to be paid by the Non Bona Fide Service Applicant. The company's construction overhead costs which relate to its administrative, engineering and inspection expenses will be expressed as a percentage of the total construction costs. The construction overhead percentage rate is applied to the applicant's estimated and final cost of construction and is intended to offset the administrative, engineering and inspection costs that are incurred by the company as a result of the project. The Preliminary Memorandum shall include any applicable taxes.

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3. In addition, if service to the applicant requires the use of facilities that were financed by a previous Customer Advance, which has not been fully refunded, the Company, at its discretion, may require the applicant to deposit an additional amount as a Customer Advance to finance a reasonable portion of such previously constructed facilities. Any additional amount so advanced shall be paid, as a refund, to the other applicant that previously financed such facilities.
4. The Non Bona Fide Service Applicant shall be required to install the water main, service lines and appurtenances through a pre-qualified contractor retained by the applicant and to pay all costs related thereto. The Company shall supply the applicant with a list of Company approved contractors. At the sole discretion of the Company, the Company may undertake construction of all or part of the facilities otherwise subject to this section, in which event the Non Bona Fide Service Applicant will retain financial responsibility for the installation of mains, services and appurtenances as specified.
5. All construction costs, whether initially incurred by the applicant or the Company, related to the main extension shall be the responsibility of the Non Bona Fide Service Applicant.
6. Mains, services and appurtenance installation work shall be performed in accordance with the specifications and conditions of the Company.
7. All costs of materials, installations, permits, engineering, franchise applications, legal fees, inspections and the company's construction overhead costs required to serve the Non Bona Fide Service Applicant's property shall be the responsibility of the Non Bona Fide Service Applicant. The Non Bona Fide Service Applicant shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all mains, service lines and appurtenances required to serve the project.
8. Any construction involving existing facilities of the Company, including but not limited to relocation of existing facilities and connections of mains or services with existing facilities shall be the responsibility of the Non Bona Fide Service Applicant. According to good engineering practices, the company has the right to require the relocation of any of its existing facilities contained within a right of way that transverses the applicant's project. The cost of relocating such facilities shall be the responsibility of the Non Bona Fide Service Applicant.
9. The Non Bona Fide Service Applicant's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be inaccurate may be rejected by the Company.
10. The Non Bona Fide Service Applicant 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.
11. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from company inspectors.

12. The Non Bona Fide Service Applicant shall supply the company with an “as built” set of plans for the construction project certified by either a professional engineer or surveyor. This “as built” set of plans shall be created on the version of AUTO CAD which is compatible with the Company’s version of the AUTO CAD. The plans shall be submitted electronically in a format readable by the Company. The plans shall contain coordinate geometry of the property or development roadways and/or lot layout, lot numbers, street addresses, street names, section township and range information and locations of all mains, pipelines, service lines and valves referenced from a fixed point, i.e. property corners and centerline of roadway intersections located by a registered surveyor or Engineer. GPS coordinates for all hydrants, valves blow offs and curb stops must be provided as specified in the most current version of the Company’s standard specification for main installation. Roadway stations are not acceptable for “as built” information. The properties of entities cannot be changed. The Non Bona Fide Service applicant’s Engineer of Record shall provide a letter certifying the “as built” information to be correct. A scanned reproduction will not be accepted as an original electronic file.
13. The Company, in its sole discretion, will not accept ownership of the mains or services or provide water service to any metered connection therefrom until the Company determines: (1) that all construction related to installation of mains and services is properly completed, (2) that the facilities are acceptable for public service, (3) that all company costs have been paid, (4) that a proper accounting of the construction costs has been provided to the Company, (5) that the Company has received the “as built” plans as specified in Paragraph 12 above, (6) the bill of sale and (7) the maintenance bond
14. Following completion of the construction of facilities, ownership of all mains, services and appurtenances shall be transferred to the Company, at no cost to the Company and free and clear of any liens.
15. At the time of transfer of ownership of the facilities to the Company, the Company shall be provided, at no cost to the Company, appropriate rights of way to provide future access for repair, maintenance, replacement or other related reasons.
16. Upon completion of the installation of the extension, a final memorandum shall be prepared and completed by the Non Bona Fide Service Applicant and signed by both parties showing the actual costs and the Company construction overhead costs.
17. The Non Bona Fide Service Applicant shall warrant and be responsible for all maintenance of facilities constructed by the Non Bona Fide Service Applicant and holds the Company harmless against all costs, expenses and losses, including, without limitation, incidental and consequential damages resulting from any defects in the facilities, including, without limitation, defects in material and workmanship, which are discovered or arise within the warranty period of no less than two (2) years period following the transfer of ownership of the facilities to the company. As security for the Non Bona Fide Service Applicant’s performance of its representation and warranty, simultaneously with the conveyance of the facilities to the Company, the Non Bona Fide Service Applicant shall deliver to the Company an executed contract bond in form and substance satisfactory to the Company in the amount of twenty five percent (25%) of the total cost of the extension. The contract bond shall have as the surety thereon such surety company, acceptable to the Company, as is authorized to write bonds of such character and amount under the laws of the Commonwealth of Pennsylvania. The attorney-in-fact, or other officer who signs a contract bond for a surety company, must file

with such bond a certified copy of his power of attorney authorizing him to do so. Subject to the approval of the Company, the Non Bona Fide Service Applicant may elect to deliver to the Company a contract bond in compliance with all requirements herein and in a form acceptable to the Company, from the Non Bona Fide Service Applicant's contractors as the principal with the Non Bona Fide service Applicant and the Company as co-obligees. The contract bond shall remain in force for no less than two (2) years following the date of the transfer of ownership of the facilities to the Company, as defined herein. Once the Company is aware of a defect in the facilities, the Non Bona Fide Service Applicant will be notified of the defect within ten (10) days. If the Non Bona Fide Service Applicant fails to make or commence timely repairs or replacements of any defects in the facilities discovered or arising within said warranty period, the Non Bona Fide Service Applicant or his surety shall be liable to the Company for all costs arising therefrom. All documents referred to in or required by this paragraph shall be a form acceptable to the Company.

18. The Company shall pay refunds to the Non Bona Fide service applicant only in the manner and in the amounts provided below. A refund will be paid for each metered connection that is made to the main extension within the period of ten (10) years from the date of the agreement. Any unrefunded portion of the construction costs shall be considered to be contributed to the Company. In no event shall there be refunded more than the full amount of construction costs transferred to the Company.

- (i) Refunds on Main Extensions for Residential Class. For each metered bona fide customer connection made during a ten (10) year period from the date of the agreement, the applicant will be entitled to a refund in the following manner. For the first three (3) years of the ten year agreement, such applicant will receive two (2) times the prior years average annual revenue received by the Company for a similar class residential customer. During the remaining seven (7) years of the agreement the applicant will receive one (1) times the average annual revenue received by the Company for a similar class residential customer. Residential Class Customers are based on an ERC (Equivalent Residential Customer). An ERC is the total amount of revenue received from the residential class customers, divided by the total number of residential customers. A single family residential home is considered as 100% of a ERC. Individually metered Townhomes, Duplexes and Condominiums are given credit for 70 %ERC. Individually metered apartment houses are given credit for 50 % ERC.
- (ii) Refunds on Main Extensions for Structures other than Residential Customers, excluding apartments. For each metered connection made during the ten (10) year period from the date of the agreement, the applicant will have an option to receive a refund in one of the two (2) following methods. The method set forth in the sub-paragraph (i) above and based on the average usage of similar usage customers, or the same method based on the actual annual revenue received from the non-residential customer for the prior year. When an option is selected, all metered connections to the main will be subject to the same refund formula for the remaining life of the agreement.

VEOLIA WATER PENNSYLVANIA INC.

Water Main Extension Agreement for a Bona Fide Customer

C.E.A. No. _____

This agreement entered into this ____ day of (month), (year), by and between Veolia Water Pennsylvania Inc., a Pennsylvania Corporation, (hereinafter called the “Company”) and _____, a Bona Fide Service Applicant, (herein after called the “Applicant”).

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WHEREAS, the Applicant wishes to receive water service from the Company at the foregoing location;

WHEREAS, an adequate water distribution main does not presently abut the location in question such that a service connection cannot be made to serve such property in accordance with the Company’s Rules and Regulations;

WHEREAS, the Applicant has executed a Service Application, the terms and conditions of which are hereby incorporated by reference; and

WHEREAS, the Company is willing to extend its distribution system to provide water service to the Applicant at the requested location, subject to the following terms and conditions.

THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound hereby the parties hereto agree as follows:

1. The Company shall install the main extension and/or other facilities as shown on the diagram attached to this Agreement and described below:
2. The Applicant shall pay to the Company a Customer Advance (or Contribution) as described in the rules of a Bona Fide Service Applicant Line Extension.
3. The Applicant agrees to connect to and take continuous service from the installed water main within 30 days after the water main extension is in service.
4. All of the facilities, with the exception of the service line on private property, installed pursuant to this agreement shall be owned and maintained by the Company.
5. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

Executed by the parties hereto on the date first above written.

Bona Fide Service Applicant:

Veolia Water Pennsylvania Inc.

C

BY _____

Water Main Extension Agreement for a Non Bona Fide Customer

C.E.A. No. _____

THIS AGREEMENT, made this ____ day of ____ (MONTH)____, (YEAR) by and between _____ (hereinafter called the "APPLICANT"), and Veolia Water Pennsylvania Inc., a Pennsylvania Corporation, (hereinafter called The "COMPANY").

C

WHEREAS, the Applicant has requested the Company to extend its water mains to service areas or property, the dimensions and locations of which do fully and accurately appear on a certain plan attached to this agreement, made a part hereof and marked Exhibit "A"; and

WHEREAS, Company has determined that the potential revenues from such extension are such as to make it economically unfeasible for the Company to assume all of the initial cost; and

WHEREAS, the Applicant is willing and desires to assist in the installation of such extension and desires initially to bear the cost thereof, and the Company is willing to reimburse the Applicant for the cost of said extension to the extent and in the manner hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION OF THESE PRESENTS, the parties, intending to be legally bound hereby, mutually promise, covenant and agree as follows:

First: Prior to the execution of this Agreement, the Applicant hereby agrees to give to the Company, a written estimated cost for the water main extension including mains, services, public fire hydrants and other appurtenances. In addition the applicant hereby agrees to deposit with the Company an amount in cash equal to the company's construction overhead percentage rate of the total estimated cost of the water main extension and any additional facilities. The Applicant also hereby agrees that the installation and materials selected for the extension shall conform to the Company's specifications.

(1) The Estimated Cost shall be the estimated cost of the extension, including the mains, services, public fire hydrants and the estimated cost of any other facilities which the Company shall have decided are required to render adequate service. Costs for additional facilities, such as booster pumps, storage tanks and the like are Contributions in Aid of Construction which shall not be subject to refund.

(2) The Per Customer Refund Amount shall be for each additional permanent customer for whom a metered service connection shall be directly attached to applicant's main extension. Except that no refund shall be paid with respect to the attachment of an applicant if the applicant is a bona fide service applicant. The amount of the Per-customer Refund shall be determined as follows:

- a. For attachments and connections made during the first three years following the date of the Agreement, the refunds will be equal to two (2) times the first year's calculated average annual revenue received from each residential customer, or the calculated annual revenue of that customer's class. The residential revenue shall be calculated on the average annual revenue for residential customers. Townhouses, apartments, and other multifamily customers may be refunded based on their first year's actual revenue or calculated based on their ERC.

- b. For attachments made during the fourth and subsequent years following the date of the Agreement, the refund shall be equal to the first year's annual revenue of that customer as explained in (a.) above.
- c. Prior to the execution of this Agreement, a Preliminary Memorandum in the form attached to this agreement shall be prepared by the Applicant and signed by both parties showing the estimated cost and deposit required in accordance with the foregoing provisions. Upon completion of the installation of the extension, a Final Memorandum in the form attached to this agreement shall be prepared by the Applicant and signed by both parties showing the actual cost and the company's construction overhead costs on the same calculation as set forth above but by using the actual cost of the extension including the mains, services, fire hydrants and other appurtenances. If the required company's actual construction overhead costs shown to be due on the final memorandum differs from the estimated construction overhead costs shown on the Preliminary Memorandum, then the construction overhead costs will be adjusted. The Applicant will deposit any additional amount shown to be due, without interest within 30 days of notification of said adjustment, or the company will refund to the applicant any excess amount shown to have been deposited without interest, it being the intent of this agreement that the company's construction overhead costs shall be based on actual installation costs. Failure to make any such additional deposit may result in water service being refused or discontinued subject to Pennsylvania public utility commission regulations.

Second: The Applicant, upon receipt of the signed agreement and the Company approved estimated amount for the water main extension, will begin the installation of the water main extension, together with the necessary valves, service lines, fire hydrants, fittings and other appurtenances, all to be installed by a Contractor approved by the Company at locations and places more fully and completely described on attached Exhibit "A".

Third: The Company agrees that the above water main extension shall be as described in the attached Exhibit "A". The customer's service lines shall be of such sizes and in such locations as shall be agreed to by the Company and shall terminate immediately inside the curb line or at the limits of private rights-of-way.

Fourth: The Applicant covenants and agrees that the Applicant will indemnify the Company against any and all loss or damage which the Company may suffer as a result of any damage to its water mains, service lines, or fire hydrants by the Applicant, Applicant's employees, agents, servants, workmen or any contractors or subcontractors employed by the Applicant: (a) in the development of and construction upon the lots or properties abutting upon the streets or rights-of-way in which water mains are to be constructed pursuant to this agreement; or, (b) in the construction and surfacing of any of the streets in which water mains are to be installed pursuant to this agreement.

Fifth: The Applicant covenants and agrees that the Applicant will secure, at Applicant's sole cost and expense, the approval (if any be required) of the proper regulatory governmental body having jurisdiction thereof as to the established subgrades of the streets or rights-of-way in which water mains are to be installed pursuant to this agreement.

Sixth: Applicant will grant to the Company an irrevocable easement, at no cost to Company, for the maintenance, operation, repair and replacement of said main extension, services, fire hydrants and appurtenances within the limits of any existing or proposed street, avenue, roadway, private property or easement area, together with right of ingress and egress thereto, in a form satisfactory to the Company and duly executed and acknowledged in proper form for recording.

Seventh: It is further understood and agreed by and between the parties hereto that the Applicant's agreement to construct the said extension is subject to the Applicant obtaining all necessary consents, orders, permits and approvals of public officers or public bodies having jurisdiction over or lawful interest in any of the subject matters herein. In the event that the Applicant, after prompt application and diligent effort is unable to obtain any necessary consent, order, permit or approval as aforesaid, or in the event that the Applicant is enjoined or prevented by lawful action of any such public officer or official body from constructing the said extension, the Company's sole obligation will be to repay the Applicant the amount advanced for the Company's construction overhead costs less the cost which is incurred by the Company in conjunction with the main extension and appurtenances which are the subject of this Agreement.

Eighth: Applicant agrees that before the commencement of work, the Applicant will clearly mark upon the ground by means of stakes or in some other equally positive manner the exact lines and grades to which the street, highway, or land in which the said water pipes are to be laid is to be finally built and that he will grade the said street, highway, or land so that it will be at all points within less than one (1') foot of the above finished grades before the work of installing the said water pipes. The Company, however, shall not permit the Applicant's contractor to lay pipes according to lines or grades of which the Company does not approve. And it is agreed that any time, prior to the dedication and acceptance as a public street or highway by the governing body of any street or highway under which water mains are laid in conformity with this agreement it shall become necessary to change or move the said pipes or their appurtenances by reason of any change or alteration in the lines or grades of the street, highway, or land in which they are laid, then the expense of such change or moving of said pipes and their appurtenances, and any other expense incidental thereto, shall be borne by Applicant. And its also agreed that the applicant shall supply the company with an accurate "as built" set of plans for the construction project certified by a professional engineer or professional surveyor. The As-built plans must clearly show all fittings, valves, bends, hydrants, blow off assemblies, and service lines and include GPS coordinates as specified in the latest version of the Company's general information and standard specifications for the installation of water main and services. All appurtenances must be located using station numbers and or electronically coordinates referenced to a point established by a registered surveyor or engineer. Roadway stations are not acceptable for as built information. The final As-Built plan must be supplied to the Company in an acceptable format (currently AutoCad.dwg). A letter from the applicant's Engineer of Record certifying that the As-Built information is correct must accompany the electronic submission before the Company approves the As-Built.

Ninth: It is agreed by Applicant that the Applicant will not build at any time hereafter on, in, or over the said easement any structure, the construction or presence of which will endanger or render ineffective or difficult of access the water pipes or appurtenances of the Company, or lay other pipes or conduits within four (4') feet or ten (10) feet in the case of sewer mains measured horizontally, from the said water pipe except pipes crossing same at right angles in which latter case a minimum distance of eighteen (18") inches shall be maintained between the pipes. No excavation or blasting shall be carried on which in any way endangers the said water

VEOLIA WATER PENNSYLVANIA INC.

pipes. Provided, however, that should the Applicant wish to do so it may, at its own expense, provide a new location acceptable to the Company for the said water pipes and the Applicant's contractor will then move said water pipes and appurtenances to said new location, and the whole cost of such moving and altering and any expense incident thereto, shall be borne by the Applicant.

Tenth: After acceptance by the Company, the water main extension as hereinbefore described with the necessary valves, connections, fittings and other appurtenances shall be the property of the Company and no charge or lien upon them shall arise as a result of the refund agreement set forth in Paragraph Twelfth hereof. The Company shall also have the right, by virtue of its ownership of said extensions, to make any additions to or extensions to said extension in its sole and absolute discretion.

Eleventh: Upon the completion of the aforesaid water main extension the Company, upon proper application shall provide water service to customers located along said extension in accordance with the rules and regulations of its published tariff.

Twelfth: The Company hereby agrees to refund to the Applicant during the period of ten (10) years from actual date of the agreement a per-customer refund amount for each additional Non Bona Fide Customer for whom a service connection shall be directly attached to such main extension, as distinguished from main extensions thereof; provided however, that the total amount refunded shall not exceed the total actual cost, and that all or any part of the deposit not refunded within said 10 year period shall be considered a contribution to the Company.

Thirteenth: It is agreed between the parties hereto that the Applicant shall execute this agreement within thirty (30) days from the date upon which this agreement is transmitted to the Applicant and that upon the failure of the Applicant to execute within the time mentioned, this agreement shall be void at the option of the Company.

Fourteenth: This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties, however, it is understood and agreed between the parties hereto that the right to receive payment of refunds under the terms hereof shall be personal to the Applicant and the same shall not be assigned either as collateral security or otherwise.

IN WITNESS WHEREOF, the Applicant has hereunto set his hand and seal and the Company upon proper authority of its Board of Directors has caused this agreement to be executed by its Vice President, all on the day and year first above written.

ATTEST:

APPLICANT:

ATTEST:

VEOLIA WATER PENNSYLVANIA INC.:

Vice President

VEOLIA WATER PENNSYLVANIA INC.

PRELIMINARY MEMORANDUM

This Preliminary Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph First of a certain agreement in writing between the parties entered into on the ___ day of (month), (year) for the installation by the Applicant of a certain water main(s) therein described. It is, therefore, agreed and stipulated:

	Refundable	Non-Refundable
(a) Estimated Cost Main(s)	\$ _____	\$ _____
(b) Estimated Cost of Fire Hydrants	\$ _____	\$ _____
(c) Estimated Cost of Services	\$ _____	\$ _____
(d) Estimated Cost of Other Facilities	\$ _____	\$ _____
(e) Subtotal	\$ _____	\$ _____
(f) Estimated Company Construction Overhead	\$ _____	\$ _____
(g) Total	\$ _____	\$ _____

This Preliminary Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph First thereof.

Dated:

WITNESS:

VEOLIA WATER PENNSYLVANIA INC.:

| C

 Vice President

WITNESS:

APPLICANT:

VEOLIA WATER PENNSYLVANIA INC.

FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph First of a certain agreement in writing between the parties entered into on the ___ day of ___(month)___, (year) for the installation by the Applicant of a certain water main(s) therein described. It is, therefore, agreed and stipulated:

	Refundable	Non-Refundable
(a) Actual Cost Main(s)	\$ _____	\$ _____
(b) Actual Cost of Fire Hydrants	\$ _____	\$ _____
(c) Actual Cost of Services	\$ _____	\$ _____
(d) Actual Cost of Other Facilities	\$ _____	\$ _____
(e) Subtotal Actual Costs	\$ _____	\$ _____
(f) Actual Company Construction Overhead	\$ _____	\$ _____
(g) Total	\$ _____	\$ _____

This Final Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph First thereof.

Dated:

WITNESS:

VEOLIA WATER PENNSYLVANIA INC.:

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 Vice President

WITNESS:

APPLICANT:

VEOLIA WATER PENNSYLVANIA INC.

APPENDIX A

IWO DC _____

AGREEMENT DATED _____

TO: _____

FROM: _____

Regarding the installation of water mains in the plan of _____ under Paragraph Sixth of an Agreement dated _____ we hereby certify that the subgrades have been established and under Paragraph Ninth that the lines and grade stakes have been installed by our Engineer (Name _____), (Phone _____), and that the necessary grading of the area for water mains has been completed, and that all other utilities to be installed at a greater depth have been completed. Further, we hereby set forth below any changes in the official approved plan for any unusual or unexpected conditions which would affect the horizontal or vertical locations of the water mains.

Date: _____

By: _____

Title: _____

Phone: _____

VEOLIA WATER PENNSYLVANIA INC.

Appendix B

ADDENDUM TO REFUNDABLE CONSTRUCTION DEPOSIT AGREEMENT dated between _____ and _____.

THIS ADDENDUM AGREEMENT made and entered into this _____ day of _____ 19__ by and between _____, a public utility corporation of the State of Pennsylvania, having its principal place of business at, "COMPANY" and _____ "DEPOSITOR".

WHEREAS, the PENNSYLVANIA PUBLIC UTILITY COMMISSION has not reviewed the COMPANY'S tariff filing at the time of execution of this agreement;

WHEREAS, COMPANY is obligated to abide by the decision and orders of the PENNSYLVANIA PUBLIC UTILITY COMMISSION;

THEREFORE, COMPANY and DEPOSITOR agree as follows:

If the Pennsylvania Public Utility Commission directs the Company to implement accounting treatment other than that provided for in the Refundable Construction Deposit Agreement or this Addendum, DEPOSITOR and COMPANY hereby agree to comply with such order, including appropriate retroactive adjustments to the date of the Commission determination or such date that said determination becomes effective should there be subsequent appeals and orders.

DEPOSITOR

COMPANY

By: _____

By: _____

Title: _____

Title: Vice President

RULES AND REGULATIONS

APPLICATION FOR SERVICE

1. The application and these rules and regulations constitute the contract between the customer and the Company and each customer, by the taking of water, agrees to be bound thereby. The use of water by a customer shall be in accordance with the class, scope and type of use, and for the purpose stated in his application and service contract.

2. Service connection will be made, and water will be furnished upon written application by the prospective customer (or his properly authorized agent), on a form prepared by the Company for this purpose, and after approval of such application by the Company. The application for service shall state clearly the class, scope and type of use to be made of the service, as well as the purpose for which it will be used. Service shall only be furnished after a meter has been properly installed by the Company.

Before an application for service shall be accepted by the Water Company, the Company shall determine that a water main does exist in the public street area or on a private right-of-way along or through the property to be served, and that said water main must extend across the total frontage of the deeded property. In instances where the necessary main does not exist, the applicant shall enter into an agreement with the Company to permit the installation of the necessary main extension, the cost to be paid by the applicant. Where main extensions are required, the design shall conform to standard acceptable engineering practices to provide reasonably adequate and safe service and shall conform to the requirements of the PA Department of Environmental Protection which concern sanitation and potability of water. Pipe diameter of less than six inches shall not be installed except in cul-de-sacs not longer than two hundred fifty feet. Water mains shall be looped to existing mains when practicable and consistent with acceptable engineering practices to provide reliability and maintain quality of service.

All water main installations shall as a minimum requirement conform to the standards of design set forth in Title 52 Chapter 65 Section 65.17.

3. A new application must be made to, and approved by, the Company upon any change in the identity of the contracting customer at a property or in the service as described in the application, and the Company may discontinue the water supply until such new application has been made and approved.

4. Each application for service shall be made in conformity with, and shall state the basis of, rates applicable to customers under the tariff provisions.

SERVICE CONNECTION:

5. The Company will make all connections to its mains and will furnish, install and maintain all service lines from the main to and including the curb stop and box, which shall be placed inside the curb and shall be accessible to and under its control.

6. All service lines from the curb to the meter shall be approved by the Company as to size, kind of pipe and installation, and shall be kept in good repair by the customers at their expense. All such service lines shall be placed at least four feet below the final graded surface of the ground.

7. No service line shall be laid in the same trench or with less than four feet horizontal separation and 18 inches vertical separation from any gas pipe, sewer pipe, buried electric or telephone wires, or any other facility of a public service company or authority; and no line shall be laid within four feet horizontally of any open excavation vault, embankment or ditch.

8. All leaks in service lines from the curb to, and in and upon the premises supplied shall be promptly repaired. On failure to make such repairs, with reasonable dispatch, the Company may turn off the water and it will not be again turned on until repairs are completed. Residential customers will be notified in accordance with Section 56.71 of the consumer standards and billing practices for residential service.

9. Requests for the temporary shut-off or turn-on of service during normal business hours for routine maintenance or service will be honored without charge to the customer. However, such requests for service during other than normal business hours will carry a charge for the Company's costs, as specified in the Company's tariffs.

10. The Company shall, in no event, be responsible for damage done by water escaping from the service line or any other pipe or fixture.

11. A customer shall not use, or allow use of water service through his service facilities for others or for purposes other than those covered by his application. To make service available for other purposes or character of use, a new application and contract is required.

12. No direct connection of pumping equipment for any proposed or cross-connection with any other piping system will be allowed unless approved in writing by the Company.

12A. Company reserves the right to require any customer, owner or tenant to install at their expense as part of a service connection such equipment or material which it deems necessary and as may be acceptable or required from time to time by any regulatory agency or good engineering practices to prevent backflow into the water supply system and minimize or eliminate possible contamination of its water supply system. When such equipment or material is present, Company reserves the right to test same periodically but the customer, owner or tenant shall have the obligation at their expense to provide annual certification to the Company that same has been maintained and tested and is in operating condition to serve the purpose for which it was intended. Failure to comply with this may result in termination of water service.

12B. The Company may refuse to connect with any piping system or furnish water through one already connected if such system is not properly installed or maintained. The Company may also refuse to connect a customer if lead base materials as defined in the Safe Drinking Water Act have been used after January 6, 1991, in any plumbing beyond the Company's curb stop. It shall be the customer's responsibility to provide certification that the materials used to construct the plumbing system are lead free.

VEOLIA WATER PENNSYLVANIA INC.

METERS:

13. All water service will be rendered only through meters Including new private fire services.

14. Each customer shall have a separate service line and meter to measure the amount of water consumed. Meters will typically be installed in a pit at the property line unless conditions prohibit the installation of a pit. Meter pits remain the property of the customer and the customer is required to maintain, at the customer's expense, the pit in good operating and safe condition.

15. All meters shall be furnished, installed and remain the property of the Company. The Company reserves the right to establish the size of meters required by each customer including whether such meter shall be a manual read meter or a meter that can be read via a radio signal. 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.

16. Any tampering with the meter or meter seals is cause for discontinuance of service, in accordance with Paragraph 29 and subject to a charge of up to \$500 as shown in the Schedule of Miscellaneous Fees And Charges..

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17. Meters will be maintained by the Company for ordinary wear and tear, but the customer shall be responsible to the Company for damage or loss of any meter, meter pit and radio read appurtenances arising out of or caused by the customer's negligence or carelessness or that of his servants, employees, members of his household, or any person upon his premises under or by his consent or sufferance. The customer shall not permit anyone except an agent of the Company or other lawfully authorized person to remove, inspect or repair the Company's meter or other property of the Company on his premises. Any damages accordingly will be repaired or replaced by the Company and the customer shall be billed for all labor and material charges, as specified in the Company's tariffs.

17A. It shall be the customer's responsibility to provide unobstructed access of the remote register or radio reading device. Should the customer desire to fence or otherwise restrict the free access of the remote register, it shall be the customer's responsibility to compensate the Company for all costs incurred in moving the register to an area which is accessible.

18. The Customer shall notify the Company of any damage to, or of any cessation in registration of, the meter as soon as it comes to their knowledge.

METER SETTING:

19. When the meter is installed inside the home or building, it shall be the responsibility of the customer to install the meter setting in a safe and readily accessible and protected location in the home or building in accordance with Company plans and specifications. The meter shall be installed at such a point where the customer service line enters the premise foundation wall so as to ensure all water is metered. Said location must be acceptable to the Company as most convenient for examination, reading, maintenance and/or removal of the meter.

20. The Customer shall install a meter pit or vault in accordance with Company plans and specifications. The meter pit or pit or vault shall be placed within the street or highway right-of-way at or just inside the Customer’s property line, or at such other location as may be ordered by the Company.

21. The cover and locking device for each outside meter vault or meter box shall conform to a uniform standard established by the Company.

For meters requiring a confined space pit the meter shall have remote reading capability so as to eliminate the need to enter the pit to read the meter.

Meter pit lids shall be set flush with the surrounding surface and shall not have any obstruction overhanging the meter pit, such as shrubbery, porches or steps which would prevent reasonable ease in obtaining a meter reading or installing or replacing the meter.

22. An appropriately specified and sized backflow preventor, as approved by the American Water Works Association, will be installed at the customer’s expense on the discharge side of the meter at a point prior to the installation of any branch piping to prevent the backflow of water into the Company’s meter. The type of backflow preventor will be determined by the Company and will be based on the customer’s usage hazard classification.

In the case of meters two (2”) inches and larger, the customer shall provide suitable piping and valves to by-pass the meter in order to provide uninterrupted service during testing and/or changing of the meter. All bypasses shall be fitted with a lockable control valve to prevent unauthorized and unmetered water use during normal periods of service. In the case of an unmetered fire sprinkler system, a double check valve backflow with a detector check shall be installed.

Backflow preventors shall be required for all new services and when feasible for replacement services.

23. 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 prevention device or pressure reducing valve is installed, the Customer shall install a pressure relief valve and a 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 fire service line when the pressure exceeds 150 psi; or 3) 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 a 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.

METER TESTING:

24. The quantity of water recorded by the meter shall be conclusive for both the customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register in either of such cases, the meter will be promptly repaired or replaced by the Company and the quantity of water consumed shall be estimated by the average registration of the meter on previous corresponding periods.

25. In case of a dispute bill involving the accuracy of a meter, such meter shall be tested, upon the request of the customer, in conformity with the provisions of the rules and regulations pertaining thereto of the Pennsylvania Public Utility Commission. If the meter so tested is found to have an error in registration of four per cent (4%) or more, the bills will be increased or decreased accordingly as provided by the said rules.

26. Each request for the testing of a meter for accuracy shall be in writing and shall be accompanied by a deposit, the amount of which shall be determined by the size of the meter as set forth in applicable rules and regulations of the Pennsylvania Public Utility Commission. If the meter so tested shall be found to have an error in registration of less than four per cent (4%), the deposit shall be retained by the Company as compensation for such test. If the error in registration is found to be four per cent (4%) or more, then the cost of the test shall be borne by the Company and the amount of the deposit shall be returned to the customer. A report of the test shall be made to the customer.

BILLING AND PAYMENT STANDARDS:

27. The Company shall render a bill once every billing period to every customer in accordance with approved rate schedules. Bills rendered will show a due date of twenty (20) days after the date the bill is mailed for residential customers and fifteen (15) days after the date the bill is mailed for commercial/public authority, industrial, sales for resale, public fire and private fire customers, except as provided by law for governmental entities. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually

28. Except as provided in this section, the Company shall render bills based on actual meter readings by company personnel.

- (1) This Section shall not apply to customers billed on a seasonal basis in accordance with terms included in the tariff of the Utility.
- (2) Limitation of Liability. If a water company has estimated bills and if the customer or occupant during the period has consumed an amount of water in excess of his normal seasonal usage because of a verified leak that could not reasonably have been detected or other unknown non-beneficial loss of water, the customer shall not be liable for more than 150% of the average amount of water consumed for the corresponding period during the previous season.
- (3) The Company may estimate the bill of any customer if extreme weather conditions, emergencies, equipment failure, work stoppages or other circumstances prevent actual meter reading.
- (4) The Company may estimate the bill of any customer if Company personnel are unable to gain access to obtain an actual meter reading so long as the Company has undertaken reasonable alternative measures to obtain a meter reading.
- (5) Notice. The utility shall inform new customers, and annually shall inform existing customers, of their rights under this section.
- (6) Charges for other than basic service, such as damaged meter fees and other special charges shall be billed separately.

DISCONTINUANCE OF SERVICE:

29. **GENERAL**

- (1) Any customer who is about to vacate any premises supplied with utility service, or who for any reason wishes to have service discontinued, shall give at least seven days notice to the Company and any non-customer occupant, specifying date of which it is desired that service be discontinued. In the absence of such notice, the customer shall be responsible for all services rendered.

- (2) In the event of discontinuance or termination of service at a residence or dwelling, the Company may transfer any unpaid balance to any new residential service account of the same customer.
- (3) When premises will be unoccupied temporarily, the customer shall notify the Company in writing, and the water will be turned off, and all charges will cease from the date when water service is turned off. When the property is again occupied, the Customer shall notify the Company in writing, and the water will be turned on. No refund or allowance will be made for unoccupied property when written notice had not been given as above provided. No refund will be allowed for property unoccupied for a period less than one month. The customer will sign a new application for service before the water is turned back on.
- (4) In cases of vacancy of a customer's property, the customer must notify the Company in writing of such vacancy, and upon his failure to do so, he will become responsible for any damage to the property of the Company arising from loss through theft, freezing, water damage, injury to meter, or any other failure. The charge for damage to the Company's meter shall be the actual cost of replacement of the meter plus a reasonable fee for appropriate labor and overheads, as specified in the Company's tariffs.

30. **INTERRUPTION AND DISCONTINUANCE OF SERVICE:**

- (A) The Company may temporarily interrupt service where necessary to effect repairs or maintenance, to eliminate an imminent threat to life, health, safety or substantial property damage, or for reasons of local, state or national emergency.
 - (1) Interruption with prior notice. Where the Company knows in advance of the circumstances requiring the service interruption, prior notice of the cause and expected duration of the interruption shall be given to customers and occupants who may be affected.
 - (2) Interruption without prior notice. Where service must be interrupted due to unforeseen circumstances, notice of the cause and expected duration of the interruption shall be given as soon as possible, to customers and occupants who may be affected.
 - (3) Notification Procedures. Where customers and occupants are to be notified pursuant to this Section, the Company shall take all reasonable steps, such as personal contact, phone contact, and use of the mass media, to notify affected customers and occupants of the cause and expected duration of the interruption.
 - (4) Permissible duration. Service may be interrupted for only such periods of time as are necessary to protect the health and safety of the public, to protect property, or to remedy the situation which necessitated the interruption; and service shall be resumed as soon as possible thereafter.

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- (5) The Company shall not be liable for any damage or inconvenience suffered by the customer, or for any claim for interruption in service, lessening of supply, inadequate pressure, poor quality of water, or any other cause. The Company may restrict or regulate the quantity of water used by customers in case of scarcity or whenever the public welfare may require it.

- (B) The Company may discontinue service without prior written notice under the following circumstances:
 - (1) Customer's residence. When a customer requests a discontinuance at his residence, and when the customer and members of his household are the only occupants.

 - (2) Other premises or dwellings:
 - (i) When a customer requests discontinuance: at a dwelling other than his residence; or at a single meter multi-family residence, whether or not his residence, but in either case, only under the following conditions:
 - (a) The customer states in writing that the premises are, unoccupied and such statement shall be on a form conspicuously bearing notice that information provided by the customer will be relied upon by the Pennsylvania Public Utility Commission in administering a system of uniform service standards for public utilities, and that any false statements are punishable criminally; or

 - (b) The occupant(s) affected by the proposed cessation inform the Company orally or in writing of their consent to the discontinuation. Where the conditions set forth in subsection (1) of this paragraph have not been met, the Customer will continue to be responsible for payment of utility bills until the Company terminates service.

TERMINATION OF SERVICE

31. **GROUNDS FOR TERMINATION**

Company will comply with all Pennsylvania law or regulations regarding grounds for termination. The Company at its discretion may use a less stringent grounds for termination if they believe it to be in the best interest of the Company and the Customer.

32. **NOTICE PROCEDURES PRIOR TO TERMINATION**

Company will comply with all current termination procedures as established by Pennsylvania law or regulations. The Company at its discretion may use a less stringent termination procedure if they believe it to be in the best interest of the Company and the Customer.

33. **PROCEDURES UPON CUSTOMER OR OCCUPANT PRIOR TO TERMINATION**

If at any time after the issuance of the initial termination notice and prior to the actual termination of service, a ratepayer or occupant contacts the Company concerning a proposed termination, an authorized Company employee shall fully explain:

- (1) The reasons for the proposed termination;
- (2) All available methods for avoiding a termination, including:
 - (i) tendering payment in full or otherwise eliminating the grounds for termination; and
 - (ii) entering into a settlement or amortization agreement
 - (iii) applying for payment assistance via the Company's United Cares program.
- (3) The ratepayer's right to file a dispute with the utility, and, thereafter, an informal complaint with the Commission;
- (4) The procedures for resolving disputes and information complaints, including address and telephone number of the utility and of the nearest regional Commission office;
- (5) The ratepayer's duty to pay any portion of a bill which he does not honestly dispute; and
- (6) The medical emergency procedures.

The Utility, through its employees, shall exercise good faith and fair judgment in attempting to enter a reasonable settlement or amortization agreement, or otherwise equitably to resolve the matter. Factors to be taken into account when attempting to enter into a reasonable settlement or amortization agreement shall include, but are not limited to, the size of the unpaid balance, the ratepayer's ability to pay, the ratepayer's payment history and the length of time over which the bill accumulated.

34. **USE OF TERMINATION NOTICE SOLELY AS COLLECTION DEVICE PROHIBITED.**

The Company shall not threaten to terminate service when it has no present intent to terminate service or when actual termination is prohibited under this Chapter; notice of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedures set forth by this Chapter unless the customer or occupant remedies the situation which gave rise to the Company's enforcement efforts.

CUSTOMER DEPOSITS:

35. **GENERAL** - A deposit may be required from an Applicant for service or an existing Customer in accordance with, and to the maximum extent permitted by, the Commission's regulations. If an Applicant for service or an existing Customer receives more than one type of service, a separate deposit may be required for each type of service. Deposits collected shall have interest paid to the depositing Customer in accordance with the Commission's regulations. Upon termination or discontinuance of service, other than termination for non-payment, 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.
36. **DEPOSIT NOT TO APPLY TO A CURRENT BILL** – 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.
- (A) Application of Deposit:
- (1) Where a customer has paid a deposit but has failed to pay an undisputed bill, or portion of an undisputed bill, immediately prior to the termination of service to that customer the Company shall apply that customer's deposit insofar as it is necessary to satisfy such bill and to avoid termination, and may require that the deposit be restored to its original amount. The Utility shall mail or deliver a statement showing the amount of the original cash deposit, accrued interest, the amount of any unpaid bills satisfied, and balances remaining. Said statement may be included in a termination notice.
- (B) Refund of Deposit:
- (1) Interest on a deposit will be paid at the rate governed by 52 Pa Code Chapter 56.
- (2) Termination or discontinuance of service. Upon termination or discontinuance of service, the Company shall promptly apply the customer's deposit, including accrued interest, to any outstanding balance for utility service and refund the remainder to the customers.
- (3) Prompt payment of bills (except for deposits that apply to unmetered fire services and services that provide both domestic and fire protection). After a customer has paid bills for service for 12 consecutive months without having service termination and without having paid his bill subsequent to the due date or other permissible period as stated in this Chapter on more than two occasions, the utility shall refund any cash deposit, plus accrued interest, so long as the customer currently is not delinquent.

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TEMPORARY SERVICE:

37. Temporary service for short-term use. The Company will require the customer to pay all costs in advance for making the service connection and removing the service equipment after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses.
38. Where the customer is temporary he shall make application for service and advance an amount established by meter size. The customer shall pay for water at the Company's metered rates and upon discontinuance of service, the Company shall refund the deposit, less any gross water charges unpaid.
39. The Company reserves the right to refuse temporary service between October 15 and April 15 to prevent freezing of water lines and meters.
40. Bills for temporary water service are payable and due after service is rendered and upon presentation.

EMERGENCY PROVISIONS:

41. The Company shall not terminate, or refuse to restore, service to any premises when any occupant therein is certified by a physician to be seriously ill or affected with a medical condition which will be aggravated by a cessation of service or failure to restore service. Procedures set forth in Section 56.112 through 56.118 of 76 P.R.M.D. - 10 will be followed. Whenever service is restored or termination postponed pursuant to the medical emergency procedures, the customer shall retain a duty to equitably arrange to make payment on all bills.

42. **TERMINATION AT ANY PREMISES THAN THE CUSTOMER RESIDENCE:**

- (1) Prior to termination of service, the Company shall notify the landlord customer of the proposed termination, in writing, by mail or hand delivery, at least 37 days before the date of termination. Said notice also requesting the names and addresses of affected tenants.
- (2) Notify each dwelling unit reasonably likely to be occupied by an affected tenant of the proposed termination, in writing, by first class mail or otherwise hand delivered, making two separate attempts at personal service, at least seven days after notice to the landlord customer and at least 30 days before the termination of service.
- (3) Notify each dwelling unit reasonably likely to be occupied by an affected tenant of the proposed termination, in writing, by first class mail or otherwise hand delivery, making two separate attempts at personal service, at least ten days before the termination of service.
- (4) Notify the following agencies which serve the community in which the affected premises are located, in writing, at the time of delivery of notice to the tenants, of the proposed termination not less than ten days before the proposed termination of service.

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- (i) The Department of Licenses and Inspections of any city of the first class.
 - (ii) The Department of Public Safety of any city of the second class, second class: A, or third class.
 - (iii) The City or county Public Health Department or, in the event that such a department does not exist, the Department of Health office responsible for that county.
- (5) Landlord Customers Notice contents as required by paragraph (1) above.
- (i) The reason(s) for the proposed termination.
 - (ii) The date on or after which service will be terminated.
 - (iii) The date on or after which the company will notify tenants of the proposed termination and their rights.
 - (iv) The right of the landlord customer to stay the notification of tenants by filing a complaint with the Commission disputing the right of the utility to terminate service.
- (6) Tenants Notice contents as required by paragraph (2) and (3) above.
- (i) The date on which the notice is rendered.
 - (ii) The date on or after which service will be terminated.
 - (iii) The circumstances under which service to the affected tenants may be continued.
 - (iv) The bill for the thirty-day period preceding the notice to the tenants.
 - (v) The statutory rights of a tenant to:
 - (a) Deduct the amount of any direct payment to the utility from any rent payments then or thereafter due.
 - (b) Protection against any retaliation by the landlord for exercising such statutory right.
 - (c) Recover money damages from the landlord for any such retaliation.

THIRD PARTY NOTIFICATION:

43. The Company shall permit its customers to designate a consenting individual or agency which is to be sent, by the Company, a duplicate copy of all reminder notices, past due notices, delinquent account notices or termination notices of whatever kind issued by the Company. When contact with a third party is made, the Company shall advise the third party of the pending action and the efforts which must be taken to avoid termination. The Company shall institute and maintain a program:
- (1) To allow customers to designate third parties to receive copies of a customer's or group of customers' notices of termination of service;
 - (2) To advise customer of the availability of such a third party notification program and to encourage their use thereof; and
 - (3) To solicit community groups and police to accept third party notices in order to assist in preventing unnecessary terminations and protecting the public health and safety.

DISPUTES; TERMINATION DISPUTE; INFORMAL AND FORMAL COMPLAINTS:

44. Any notice of dispute, including termination disputes, shall proceed in the first instance, according to the provisions set forth in Chapter 56 of Title 52 of the Pennsylvania Code (regarding "Disputes").
- (vi) That tenants may make payment to the utility on account of non-payment of charges by the landlord customer only by check or money order drawn by the tenant to the order of the utility.
 - (vii) A telephone number at the utility and at the Commission which a tenant may call for an explanation of his/her rights.

RESTORATION OF SERVICE:

45. When service to a dwelling has been terminated, the Company shall reconnect service by the end of the first full working day after receiving:
- (1) Full payment of any outstanding charges plus a reasonable reconnection fee as specified in the Company's tariffs or that which may be the subject to a Payment agreement; or
 - (2) Payment of all amounts currently due according to a Payment agreement, plus a reasonable reconnection fee which may be a part of the Payment agreement; or
 - (3) Adequate assurances that any unauthorized use or practice will cease, plus full payment of the Company's reasonable reconnection fee which must be subject to a Payment agreement; and
 - (4) Compliance or adequate assurance of compliance with any applicable provision for the establishment of credit, posting of deposits or guarantees.

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PERSONNEL AVAILABLE TO RESTORE:

46. The Company shall have adequate personnel available between 8:00 a.m. and 4:00 p.m. on each working day, or for the commensurate period of eight consecutive hours, to restore service when required under these Rules and Regulations.

MISCELLANEOUS:

47. Water shall not be turned off by any person who is not an agent of the Company, except temporarily by a plumber, with Company approval, to enable him to test his work, provided it shall be turned on immediately after the test is made.
48. The authorized agents of the Company shall have the right of access, at all reasonable hours, to the premises supplied with water for the purpose of reading meters, examining pipes and fixtures, observing manner of using water, and for any other purpose which is proper and necessary in the conduct of the Company's business. Such agents shall carry proper credentials evidencing their employment by the Company.
49. No customer shall open or close any of the Company's corporation stops or valves in any public or private line.
50. No agent or employee of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these rules and regulations.
51. The Company reserves the right to alter or amend these rules and regulations in the manner provided by law.

FIRE PROTECTION:

52. Water from fire hydrants or other fire fighting facilities shall be used only for fire fighting purposes.
53. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur. The Company shall have no greater duty, with regard to fire hydrant service or private fire hydrant sprinkler and hose service, than to supply only such volumes of water at such pressures as may be available in the normal operation of the waterworks facilities at the time of use.
54. The Company shall not be considered an insurer of property or persons or to have undertaken to extinguish fire or to protect persons or property against loss or damage by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever.

55. Where metered or unmetered service is provided to any customer, the Company shall not be responsible for the quantities of water or pressure which may be available for any fire fighting facilities or purposes where the customer installs such facilities, or makes connection to his water system for such purposes, on the discharge side of the meter in his service line, and shall not be held liable for any claim based upon loss due to fire or fire fighting. The customer will indemnify, save harmless, and defend the Company from all claims, loss, costs, or damage on account of injury to persons or property occurring as a result of the installation, operation, performance, or existence of such customer-installed fire fighting facilities, including but not limited to injury or damage to persons or property by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever, to the extent that the injury to persons or property is the result of the intentional or negligent acts of the customer, its employees, or agents.
56. Company will consider installation of public fire hydrants only upon authorization from the political subdivision in which the unit is to be installed which will be responsible for payment or for services rendered.

LIABILITY

1. 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 in all such events be limited to either \$2,000 or an amount equivalent to the customer's average monthly bill (calculated using the four billing periods prior to the billing period during which the deficiency occurred), whichever is less 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 the Company are in conformity with the regulations and Orders of the Commission, the Company may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory order 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, but not limited to, 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 pit, 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, but not limited to, 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.

WATER CONSERVATION CONTINGENCY PLAN

Section 1. **Purpose**

When the Company is experiencing a Short Term Supply Shortage, the Company may request general conservation of water uses and may impose mandatory conservation measures to reduce or eliminate non-essential uses of water. The Water Company has this authority under 52 PA Code 65.11.

Section 2. **Scope**

The conservation measures shall apply to all customers within the franchise area of the Water Company.

Section 3. **Definitions**

- a. The Water Company - VEOLIA Water Pennsylvania, Inc.
- b. Customers - any person who is connected to and receives water service from the water supply system of the Water Company.
- c. Non-Essential Uses - Non-Essential uses of water include:
 - (i) The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, gardens, vegetables, flowers, or any other vegetation.
 - (ii) The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
 - (iii) The washing of streets, driveways, parking lots, service stations aprons, office building, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
 - (iv) The operation of any ornamental fountain or other structure making a similar use of water
 - (v) The use of water for filling swimming or wading pools.
 - (vi) The operation of any water-cooled comfort air conditioning which does not have water-conservation equipment.
 - (vii) The use of water from fire hydrants for construction purposes or fire drills.
 - (viii) The use of water to flush a sewer line or sewer manhole.
 - (ix) The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.

Section 4. **Water Conservation Contingency Plan**

- a. This plan establishes priorities for water conservation measures from voluntary to mandatory curtailments of non-essential uses.
- b. Notice of the implementation of the Water Conservation Contingency Plan shall be sent to all customers or be provided by radio, television or newspaper advertisements.
- c. The first phase of the Water Conservation Contingency Plan requests all customers of the utility to voluntarily curtail all non-essential uses of water.
- d. The second phase of the Water Conservation Contingency Plan is to require mandatory curtailment of all non-essential uses of water.
- e. If any customer refuses to comply with such mandatory measures, the Water Company may either adjust the outside water valve connection in a manner which will restrict water flow by up to one-half (1/2) or otherwise restrict flow by the insertion of a plug device.
- f. Prior to valve adjustment or other restriction of flow, The Water Company must make a bona fide attempt to deliver notice of the valve adjustment or other flow restriction to a responsible person at the affect premises and fully explain the reason for the proposed flow restriction and the needs by which the customer may eliminate such flow restriction. Less restrictive means may be imposed to secure compliance.
- g. Complete service termination may be imposed by an Administrative Law Judge or other presiding officer after an expedited hearing has been held to provide the effected customer with an opportunity to be heard.
- h. The conservation measures shall be terminated at such time as the supply storage is eliminated.

Section 5. **Additional Restrictions**

In addition to the provisions set forth above, the Pennsylvania Emergency Management Council is authorized to promulgate, adopt, and enforce a water rationing plan by virtue of the Emergency Management Services Code 35 PA C.S. §1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.

Section 6.

Any customer that uses 125% of its average yearly consumption when mandatory restrictions are in force, may have their water service terminated. All turn on and turn off charges for this purpose will be assessed at the after hour turn on/off fee.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC-eligible property to the extent of the PENNVEST funding or surcharge.

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

- Services (account 333000), meters (account 334100) and hydrants (account 335000) installed as in-kind replacements for customers;
- Mains and valves (account 331800) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or are required to be upgraded to meet under 52 Pa Code § 65 (relating to water service);
- Main extensions (account 331800) installed to eliminate dead ends and to implement solutions to regional water supply problems that present a significant health and safety concern for customers currently receiving service from the water Utility;
- Main cleaning and relining (account 331800) projects; and
- Unreimbursed costs related to highway relocation projects where a water Utility must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective for bills rendered on and after March 8, 1998 as modified in the Commission Order dated 10/27/2022 at Docket No. M-2012-2293611.

D. Application: To all customers residing in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc. The DSIC shall not be implemented for customers formerly served by Veolia Water Bethel, Inc. until (i) the effective date of rates resulting from the first base rate case of Veolia Water Pennsylvania, Inc. in which the Veolia Water Bethel, Inc. system is included and (ii) an amendment to Veolia Water Pennsylvania, Inc.'s Long Term Infrastructure Improvement Plan that incorporates the Veolia Water Bethel, Inc. system is filed with and approved by the Commission.

(C)

2. Computation of the DSIC

A. Calculation: The DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Utility’s rate base and will have been placed in service between the three month period ending one month prior to effective date. 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:

(C)

<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

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. **Depreciation:** The depreciation expense shall be calculated by applying the annual accrual rates employed in the Utility’s most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.
2. **Pre-tax return:** The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Utility’s actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for 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 Utility’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 in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

(C)

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Utility’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 Utility’s projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service and the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR} + \text{STFT} + \text{Dep} + e) 1/(1-T)}{\text{PQR}}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. § 168.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

STFT = (State Tax Flow Through) Pre-tax flow through calculation on book tax timing accelerated tax depreciation and book depreciation net of federal tax.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit, as described below.

T = If applicable, Pennsylvania Gross Receipts Tax rate in effect during the billing month, expressed in decimal form.

PQR = Projected quarterly revenues for the applicable three month period for distribution service (including all applicable clauses and riders) from applicable customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

(C)

3. Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, 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.

(C)

4. Customer Safeguards

A. Cap: The DSIC is capped at 7.5% of the amount billed to customers for distribution service (including all applicable clauses and riders), as determined on an annualized basis.

(C)

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. 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

(C)

accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. The Utility is not permitted to accrue interest on under collections.

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Utility's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. 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)

E. All customer classes: The DSIC shall be applied equally to all customer classes. (C)

F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Utility's then most recent Annual or Quarterly Earnings reports show that the Utility would 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. The Utility shall file a tariff supplement implementing the reset to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs. (C)

G. Residual E-Factor Recovery Upon Reset To Zero: The Utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The Utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The Utility shall refund any overcollection to customers and is entitled to recover any under collections as set forth in Section 4.B. Once the Utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the Utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement. (C)

H. Public Fire Protection: The DSIC of a water Company will not apply to public fire protection customers. (C)

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
(DSIC)

In addition to the net charges provided for in this Tariff, a charge of 7.50% will apply to all charges for bills rendered on or after July 1, 2023 to customers residing in all territories served by Veolia Water Pennsylvania, Inc. except for portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania, formerly served by Veolia Water Bethel, Inc.

(C)

The above charge will be recomputed quarterly, using the elements prescribed by the Commission in its Order dated August 26, 1996 at Docket No. P-00961031 As modified in the Commission Order dated 10/27/2022 at Docket No. M-2012-2293611.

FEDERAL TAX ADJUSTMENT CREDIT (“FTAC”)

The FTAC will refund the difference in the cumulative amount of the amortization of the Excess Deferred Income Taxes (EDIT) as Ordered in Docket 2018-R-3000834 and the cumulative amount of EDIT which was eligible to be returned to ratepayers based on the Average Rate Assumption Method (ARAM). A credit value of X.XX% will apply to all charges except the DSIC during the period November 1, 2024 through October 31, 2025 to pass the difference to customers.

If, after the twelve-month refund period elapses, the calculated amount of tax expense savings to be refunded to customers is greater than the estimated refund amount of \$530,541 or if the Company has not refunded the full tax expense savings amount, the Company will provide interest on any necessary reconciliation at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101 *et seq.*). If the calculated amount of tax expense savings to be refunded to customers is less than the estimated refund amount of \$530,541 or the Company has refunded more than the actual tax expense savings amount, the Company will forego interest on any necessary reconciliation.

PURCHASED WATER ADJUSTMENT CHARGE

(C)

Application: To all customers residing in the portions of the Township of Bethel and portions of the Township of Concord, Delaware County, Pennsylvania served by Veolia Water Pennsylvania, Inc.

The Company may apply a Purchased Water Adjustment Charge (“PWAC”) to its water rates set forth under Schedule of Metered Rates and Wholesale Service Rates to reflect an increase or decrease in the rates charged by its wholesale water suppliers who are referred to jointly as (“Wholesalers”).

The PWAC will be calculated based on changes in the Company’s Wholesalers’ rates from the purchased water included in the Company’s Baseline Costs. For the purpose of calculating the PWAC, the Baseline Cost is the annual purchased water cost reflected as an operating expense in the Company’s most recently concluded base rate case. This amount will remain constant until such time base rates are reset.

The Company shall provide notice to its customers of such change in rates resulting from application of the PWAC.

When the Company’s Wholesalers change their rates for water purchased by the Company, the Company will re-compute the PWAC based on its annual purchased water cost reflecting the level of consumption and other billing determinants that formed the basis for the Baseline Cost.

Determination of Purchased Water Adjustment Charge

A PWAC may be implemented on the effective date of a change in Wholesalers’ rates charged to the Company for purchased water, but not on less than forty-five (45) days notice to the customer. The Company may at its option, implement a PWAC to recover an increase in purchased water costs. However, if the rate change is a decrease, the Company must implement a credit PWAC to reflect that decrease.

The baseline items established in the Company’s most recently concluded rate case are:

Baseline Purchased Water Cost (per thousand gallons)	\$4.002
Baseline 1,000 Gallons of Purchased Water	427,211
Baseline 1,000 Gallons of Water Sales	383,855

The PWAC, per thousand gallons, shall be computed to the nearest one-tenth cent (0.1¢) in accordance with the formulas set forth below.

$$\text{PWAC} = \frac{(\text{CHGPWC} \times 427,211)}{383,855}$$

PURCHASED WATER ADJUSTMENT CHARGE (cont.)

(C)

Determination of Purchased Water Adjustment Charge (cont.)

In computing the PWAC pursuant to the formulas above, the following definitions shall apply:

“CHGPWC” – Change in Purchased Water Cost, per thousand gallons, is determined by subtracting the Baseline Purchased Water Cost per thousand gallons from the Company’s most recently concluded rate case from the Pro Forma Purchased Water Cost per thousand gallons that arises from the Wholesalers’ change of the rates charged to the Company and shall include any over/under recovery as determined by the Annual Reconciliation.

“PWAC” – the PWAC determined to the nearest one-tenth cent (0.1¢) to be charged for each thousand gallons of domestic metered water sales supplied under Schedule Metered Rates and Wholesale Service Rates after allowance for any applicable tax.

Safeguards

Annual Reconciliation

Upon implementation of a PWAC the Company will annually provide a reconciliation of PWAC revenues with the actual cost of purchased water from its Wholesalers pursuant to Section 1307 (e) of the Public Utility Code. The revenue received under the PWAC for the reconciliation period will be compared to the Company’s eligible costs for that period. The difference between revenue and costs will be recovered or refunded as appropriate, in accordance with Section 1307-(e), over a one-year period commencing on July 1 of each year. If PWAC revenues exceed PWAC 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. For the purposes of calculating such over or under collection, the reconciliation period shall be the annual period ended March 31.

New Base Rates

The PWAC will be reset to 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 PWAC. Thereafter, only new purchased water adjustments, which have not previously been reflected in the Company’s base rate, are eligible for PWAC recovery.

Cap

The PWAC shall not exceed seven and one-half percent (7.5%) of the amount billed to customers, exclusive of the amounts recovered under the State Tax Adjustment Surcharge.