

Customer Lead Service Line Replacement Program Information Sheet



BACKGROUND – AQUA CUSTOMER LEAD SERVICE LINE REPLACEMENT PROGRAM

Lead is a naturally occurring metal that can cause a variety of adverse health effects. While the most common sources of lead exposure are soil, paint chips and dust, drinking water is another route of lead exposure, primarily as a result of corrosion of lead pipes and plumbing materials. The Pennsylvania General Assembly determined it is in the public interest for water utilities to assist customers in the replacement of customer-owned lead, or galvanized requiring replacement (“galvanized”), service lines throughout Pennsylvania.

The service line that provides water service to a property is made up of two parts: a Company-owned portion (which connects from the Company’s main to the curb line) and a customer-owned portion (which connects from the curb line to a customer’s structure). Customers, or property owners if the customer is not the property owner (“Customer”) are required to maintain and repair the Customer-owned portion of the service line.

Aqua Pennsylvania, Inc. (“Aqua” or the “Company”) now has been granted the authority to assist Customers in replacing the Customer-owned portion of the service line if that service line is identified as lead or galvanized.

CUSTOMER-OWNED LEAD SERVICE LINE REPLACEMENT PROGRAM

Under the Customer Lead Service Line Replacement Program (“Replacement Program”), Aqua will identify customer-owned service lines that are lead or galvanized, enter into an agreement with the Customer to replace the Customer-owned portion of the service line and restore the Customer’s property at no direct cost to the customer, dedicate the newly installed customer portion of the service line back to the Customer, and provide a warranty on the work completed to replace the Customer-owned lead or galvanized service line.

Aqua’s Replacement Program is made up of two parts: (1) replacements in connection with a main replacement project, and (2) replacements per Customer request not associated with a main replacement project.

Cap on Replacements Per Year

Aqua can perform up to 1,500 customer-owned lead or galvanized service line replacements per year.

Customer Agreement and Replacement

In order for Aqua to complete a replacement, the Customer must enter into an agreement with Aqua to replace the Customer-owned lead or galvanized service line. Aqua cannot replace the Customer portion of a lead or galvanized service line without first entering into an agreement. The agreement provides that the Customer will give access to Aqua, or Aqua’s contractor, to complete the

replacement. Following replacement, Aqua, or Aqua's contractor, will restore the property as reasonably as practicable to its former condition prior to the replacement of the Customer-owned lead or galvanized service line.

Dedication of Newly Installed Customer Portion of Service Line and Warranty

After the new Customer-owned portion of the service line is installed, the Customer-owned portion will be dedicated to the Customer and ownership and responsibility for repair and maintenance of the Customer-owned portion of the service line will remain with the Customer as was the case prior to the replacement. A two-year warranty on the workmanship and materials of the installation and the restoration of surfaces shall be provided.

Coordination of Replacements

Aqua will strive to group customer requested replacements within its operating divisions to create efficiencies. However, Aqua may replace a Customer's lead or galvanized service line if projects cannot be grouped together in its discretion.

Sampling and Testing

Prior to the replacement, Aqua will provide water sampling materials to customers that Aqua will collect, test, and provide the results to Customers from those samples. In addition, Aqua will provide a National Sanitation Foundation approved water filter (pitcher or tap filter) and six months of replacement filters.

After a replacement conducted through this program, Aqua will again provide water sampling materials to the property for additional testing.

Reimbursement for Customers that Have Already Replaced a Lead or Galvanized Service Line

As part of Aqua's Replacement Program, Aqua will provide a reimbursement to those Customers that have replaced their Customer-owned lead or galvanized service line within certain time periods subject to certain requirements. Reimbursement will occur for those Customers that provide documentation sufficient, in Aqua's sole discretion, to verify that the Customer replaced the Customer-owned lead or galvanized service line within one year before or after the start of a planned lead service line replacement project main replacement and as long as the Customer is within one mile of the main replacement project or focused replacement area. Customers will be eligible for reimbursement up to 125% of the average cost of Aqua's lead and galvanized replacements. Average cost used to determine reimbursement amounts during a calendar year will be based on Aqua's prior calendar year average costs for lead and galvanized service line replacements. Examples of documentation required by Aqua for a Customer to be eligible for reimbursement include, but are not limited to, detailed estimates from a licensed plumber and paid invoices or statements. A verified statement may also be submitted from the licensed plumber.

Partial Replacements Prohibited

Under the Pennsylvania Public Utility Commission’s (“PUC”) regulations, Aqua cannot perform a partial replacement of a lead or galvanized service line. If a Customer causes a partial replacement, by replacing the Customer portion of a lead or galvanized service line without notifying Aqua, Aqua is required to terminate service until a full replacement of the lead or galvanized service line can be completed.

In addition, any Customer that refuses to allow Aqua (or its contractor) to replace the lead or galvanized service line, or refuses to employ its own licensed plumber to replace the lead or galvanized service line, will result in termination of service to the property until the entire lead or galvanized service line is replaced.

Aqua may, in its sole discretion, use Step In Rights as described in Aqua’s tariff to perform a replacement if the customer or occupier of the property is not the owner, Aqua has attempted to contact the owner with an offer to replace the Customer lead service line and has not received a response, and such replacement is in the public interest to avoid termination of service to a property where the customer is not the owner of the property.

CONCLUSION

Aqua recognizes the importance of removing lead from water systems across Pennsylvania both on Aqua owned and Customer-owned assets. Aqua looks forward to working with Customers to achieve this goal.