

AQUA PENNSYLVANIA WASTEWATER, INC.
(hereinafter referred to as the "Company")

RATES, RULES, AND REGULATIONS

GOVERNING THE COLLECTIONS OF

WASTEWATER

IN PORTIONS OF

ADAMS, BERKS, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD, DELAWARE,
LACKAWANNA, LUZERNE, MONROE, MONTGOMERY, PIKE, SCHUYLKILL, VENANGO,
AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: March 21, 2024

EFFECTIVE: April 1, 2024

By:

Marc Lucca, President
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

NOTICE

THIS TARIFF INCREASES THE DISTRIBUTION SYSTEM IMPROVEMENT
CHARGE.

LIST OF CHANGES MADE BY THIS TARIFF

Changes: Supplement No. 18 to Tariff Sewer-PA P.U.C. No. 3 increases the Distribution System improvement charge (DSIC) on page 11 (Fourth Revised) of the Company's tariff to 0.73% effective on April 1, 2024 as approved by the Pennsylvania Public Utility Commission at Docket No. P-2013-2366873.

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DESCRIPTION OF TERRITORIES SERVED

	<u>Township</u>	<u>County</u>
RATE ZONE 1		
Bunker Hill Subdivision (Rate Zone 1A)	Clinton	Wyoming
Bridlewood Division	Thornbury (portion)	Chester
Eagle Rock Division	Black Creek (portion)	Luzerne
Eagle Rock Division	Hazle (portion)	Luzerne
Eagle Rock Division	East Union (portion)	Schuylkill
Eagle Rock Division	North Union (portion)	Schuylkill
Media Division*	Media	Delaware
Penn Township Division	Penn	Chester
Treasure Lake Division (Rate Zone 1A)*	Sandy	Clearfield
Village at Valley Forge Division (Rate Zone 1A)*	Upper Merion	Montgomery
RATE ZONE 2		
Emlenton Borough Division	Richland (portion)	Clarion
Emlenton Borough Division	Salem (portion)	Clarion
Emlenton Borough Division	Emlenton	Venango
Emlenton Borough Division	Richland (portion)	Venango
Pinecrest Division	Tobyhanna (portion)	Monroe
Rivercrest Division	Tunkhannock	Wyoming
Rivercrest Division	Washington	Wyoming
White Haven Division (Kidder)	Dennison (portion)	Carbon
White Haven Division (Kidder)	East Side (portion)	Carbon
White Haven Division (Kidder)	Dennison (portion)	Luzerne
White Haven Division (Kidder)	White Haven Borough	Luzerne
RATE ZONE 3		
Beech Mountain Lakes Division	Butler	Luzerne
Beech Mountain Lakes Division	Dennison	Luzerne
Deerfield Knoll Division	Willistown (portion)	Chester
Laurel Lakes Division (Wilbar)	Rice	Luzerne
Links at Gettysburg Division	Cumberland	Adams
Links at Gettysburg Division	Mount Joy	Adams
Stony Creek Division	Worcester (portion)	Montgomery
Thornhurst Division	Lehigh	Lackawanna
Willistown Woods Division (Chesterdale)	Westtown (portion)	Chester
Willistown Woods Division (Chesterdale)	Willistown (portion)	Chester
Woodloch Springs Division	Lackawaxen (portion)	Pike
Woodloch Springs Division (Woodloch Pines)	Lackawaxen (portion)	Pike

DESCRIPTION OF TERRITORIES SERVED

	<u>Township</u>	<u>County</u>
RATE ZONE 4		
Honeycroft Village Division	Londonderry (portion)	Chester
Lake Harmony Division	Kidder	Carbon
New Daleville Division	Londonderry (portion)	Chester
Peddlers View Division	Solebury (portion)	Bucks
Tobyhanna Township Division	Tobyhanna (portion)	Monroe
Twin Hills Division	West Pikeland (portion)	Chester
RATE ZONE 5		
Avon Grove School District	New London (portion)	Chester
Avon Grove School District	Penn (portion)	Chester
East Bradford Division (Brandywine)	East Bradford (portion)	Chester
Little Washington Division	East Brandywine (portion)	Chester
Plumsock Division*	Willistown (portion)	Chester
The Greens at Penn Oaks Division	Thornbury (portion)	Chester
Newlin Green Division	Newlin	Chester
Sage Hill Division	Thornbury (portion)	Chester
RATE ZONE 6		
CS Sewer Division (Masthope)	Lackawaxen	Pike
RATE ZONE 7		
Limerick Division	Limerick (portion)	Montgomery
RATE ZONE 8		
East Bradford Township Division	East Bradford (portion)	Chester
East Bradford Township Division	Birmingham (portion)	Chester
RATE ZONE 9		
Cheltenham Township Division	Cheltenham	Montgomery
Cheltenham Township Division	Jenkintown Borough (portion)	Montgomery
RATE ZONE 10		
East Norriton Township Division	East Norriton	Montgomery
RATE ZONE 11		
New Garden Township Division	New Garden	Chester

DESCRIPTION OF TERRITORIES SERVED

	<u>Township</u>	<u>County</u>
RATE ZONE 12		
Lower Makefield Township Division	Lower Makefield	Bucks
RATE ZONE 13		
East Whiteland Township Division	East Whiteland	Chester
Sewer District A: that part of East Whiteland Township not included within Districts B, C, D, and E		
Sewer District B: properties served by the western extension of the Route 30 sewer main		
Sewer District C: residential dwellings located in the Lockwood Chase subdivision		
Sewer District D: all properties that flow into and whose effluent is treated at the sanitary sewage facility that serves the dwellings in the Malvern Hunt development		
Sewer District E: all commercial and residential properties located in the Atwater development south of the quarry		
A depiction of the Sewer Districts as noted above can be found in Revised Exhibit H to the Application filed at Docket No. A-2021-3026132		
RATE ZONE 14		
North Heidelberg Sewer Division	Jefferson	Berks
North Heidelberg Sewer Division	North Heidelberg	Berks

*All Divisions and Subdivisions above are billed on a per EDU basis, with the exception of the Media Division, Plumsock Division, Treasure Lake Division, and Village of Valley Forge Division

DESCRIPTION OF TERRITORIES SERVED

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SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 1 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 1	Rate Zone 1A
Fixed (per EDU)	\$ 47.35	\$ 47.35
<u>Meter Size:</u>		
5/8 inch	47.35	47.35
3/4 inch	71.03	47.35
1 inch	118.38	47.35
1-1/2 inch	236.75	94.70
2 inch	378.80	151.52
3 inch	710.25	284.10
4 inch	1,183.75	473.50
6 inch	2,367.50	763.71
8 inch	3,788.00	
10 inch	5,445.25	
Unmetered Charge (per EDU)	\$ 93.78	\$ 93.78

Special Charges

Bridlewood Division - Unmetered:

Apartment Complex will be billed at 217 EDU's

Children's World Daycare will be billed at 7 EDU's

MONTHLY CONSUMPTION CHARGE

Consumption Charge for all divisions (per 1,000 gallons water used)	\$ 11.6080	\$ 11.6080
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SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED (cont'd)

RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 1	Rate Zone 1A
Fixed (per EDU)	\$ 48.20	\$ 48.20
<u>Meter Size:</u>		
5/8 inch	48.20	48.20
3/4 inch	72.30	48.20
1 inch	120.50	48.20
1-1/2 inch	241.00	96.40
2 inch	385.60	154.24
3 inch	723.00	289.20
4 inch	1,205.00	482.00
6 inch	2,410.00	777.42
8 inch	3,856.00	
10 inch	5,543.00	
Unmetered Charge (per EDU)	\$ 95.47	\$ 95.47

MONTHLY CONSUMPTION CHARGE

Consumption Charge for all divisions (per 1,000 gallons water used)	\$ 11.8170	\$ 11.8170
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SCHEDULE OF RATES

RATE ZONE 2 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 2 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 2
Fixed (per EDU)	\$ 54.95
<u>Meter Size:</u>	
5/8 inch	54.95
3/4 inch	82.42
1 inch	137.37
1-1/2 inch	274.73
2 inch	439.57
3 inch	824.20
4 inch	1,373.67
6 inch	2,747.34
8 inch	4,395.75
10 inch	6,318.88
Unmetered Charge (per EDU)	\$ 100.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 12.3630
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SCHEDULE OF RATES

RATE ZONE 2 – METERED AND UNMETERED (cont'd)

RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 2
Fixed (per EDU)	\$ 55.93
<u>Meter Size:</u>	
5/8 inch	55.93
3/4 inch	83.90
1 inch	139.83
1-1/2 inch	279.65
2 inch	447.44
3 inch	838.95
4 inch	1,398.25
6 inch	2,796.50
8 inch	4,474.40
10 inch	6,431.95
Unmetered Charge (per EDU)	\$ 101.80

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 12.5850
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SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 3 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 3
Fixed (per EDU)	\$ 65.20
<u>Meter Size:</u>	
5/8 inch	65.20
3/4 inch	97.80
1 inch	163.00
1-1/2 inch	326.00
2 inch	521.60
3 inch	978.00
4 inch	1,630.00
6 inch	3,260.00
8 inch	5,216.00
10 inch	7,498.00
Unmetered Charge (per EDU)	\$ 113.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 12.0480
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QUARTERLY SPECIAL CHARGES**STONY CREEK - WHITEHALL ESTATES**

Customer Charge (\$)	
Fixed (per EDU)	\$ 195.60
Consumption Charge (per 1,000 gallons water used)	\$ 12.0480

SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED (cont'd)

RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 3	
Fixed (per EDU)	\$	66.37
<u>Meter Size:</u>		
5/8 inch		66.37
3/4 inch		99.56
1 inch		165.93
1-1/2 inch		331.85
2 inch		530.96
3 inch		995.55
4 inch		1,659.25
6 inch		3,318.50
8 inch		5,309.60
10 inch		7,632.55
Unmetered Charge (per EDU)	\$	115.03

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	12.2640
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QUARTERLY SPECIAL CHARGESSTONY CREEK - WHITEHALL ESTATES

Customer Charge (\$)		
Fixed (per EDU)	\$	199.11
Consumption Charge (per 1,000 gallons water used)	\$	12.2640

SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 4 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 4	
Fixed (per EDU)	\$	84.60
<u>Meter Size:</u>		
5/8 inch		84.60
3/4 inch		126.90
1 inch		211.50
1-1/2 inch		423.00
2 inch		676.80
3 inch		1,269.00
4 inch		2,115.00
6 inch		4,230.00
8 inch		6,768.00
10 inch		9,729.00
Unmetered Charge (per EDU)	\$	131.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	12.4573
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SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED (cont'd)

RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 4
Fixed (per EDU)	\$ 86.12
<u>Meter Size:</u>	
5/8 inch	86.12
3/4 inch	129.18
1 inch	215.30
1-1/2 inch	430.60
2 inch	688.96
3 inch	1,291.80
4 inch	2,153.00
6 inch	4,306.00
8 inch	6,889.60
10 inch	9,903.80
Unmetered Charge (per EDU)	\$ 133.35

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 12.6810
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SCHEDULE OF RATES

RATE ZONE 5 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 5 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 5
Fixed (per EDU)	\$ 97.20
<u>Meter Size:</u>	
5/8 inch	97.20
3/4 inch	145.80
1 inch	243.00
1-1/2 inch	486.00
2 inch	777.60
3 inch	1,458.00
4 inch	2,430.00
6 inch	4,860.00
8 inch	7,776.00
10 inch	11,178.00
Unmetered Charge (per EDU)	\$ 147.64

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 12.6100
Special Charges	
Avon Grove School District - Flat Rate	\$ 10,925.36
East Brandywine Township Water & Sewer Authority - Wastewater Treatment Plant Consumption Rate (per 1,000 gallons)	\$ 13.5000

SCHEDULE OF RATES

RATE ZONE 5 – METERED AND UNMETERED (cont'd)

RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 5	
Fixed (per EDU)	\$	98.95
<u>Meter Size:</u>		
5/8 inch		98.95
3/4 inch		148.43
1 inch		247.38
1-1/2 inch		494.75
2 inch		791.60
3 inch		1,484.25
4 inch		2,473.75
6 inch		4,947.50
8 inch		7,916.00
10 inch		11,379.25
Unmetered Charge (per EDU)	\$	150.30

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	12.8370
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SCHEDULE OF RATES

RATE ZONE 6 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 6 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 6	
Fixed (per EDU)	\$	58.50
Unmetered Charge (per EDU)	\$	67.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	2.7100
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RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 6	
Fixed (per EDU)	\$	59.55
Unmetered Charge (per EDU)	\$	70.59

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	2.7590
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SCHEDULE OF RATES

RATE ZONE 7 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 7 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 7		
Fixed (per EDU)	\$	41.39	
Unmetered Charge	\$		60.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	8.9400	
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RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 7		
Fixed (per EDU)	\$	42.13	
Unmetered Charge	\$		61.08

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$	9.1010	
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RATE ZONE 7 - CONTINUEDSewer Charge Adjustment

The Company is authorized to allow deductions on sewer bills for water which is used but does not enter the Company's system from April through October. A request for deduction shall be subject to the following regulations:

- A. To be an eligible Customer for this credit, the Customer shall have applied for or shall have been currently using the credit as of the execution date of November 16, 2016, of the Asset Purchase Agreement between the Company and Limerick Township.
- B. No deduction shall be granted for customers who do not have a metered water supply
- C. No deduction shall be granted for customers who are delinquent in their payment for service.
- D. One hundred percent of any used water for which a deduction is requested must have been prevented from entering the system.
- E. It is the responsibility of the customer to purchase, install, and maintain the Company approved deduct meter at the approved and inspected water outlet on their property. The meter shall measure water not entering the system and shall be eligible for deduction of that used water monthly.
- F. Customers are responsible for the installation and removal of their meters at the approved service locations each year to prevent freezing and damage. Deduct meters shall be inspected by the Company at the time of installation at which time the customer agrees to allow the Company the right to enter upon their property for inspection. Every deduct meter shall be required to be inspected annually by the Company in order for the customer to be eligible for sewer adjustment charges. The administrative fee charged by the Company to the customer is \$50.00.
- G. All deduct meters shall be of a design approved by the Company, shall be registered with the Company prior to use, and shall be used only by the customer to whom it is registered and at the service location to which it is assigned in accordance with the Company's records.
- H. Eligible Customers are required to submit, or cause to be submitted, all data required to calculate the credit in a manner approved by the Company within a time period determined by the Company. The Company shall then credit the customer's total gallons consumed by the gallons recorded from the customer's deduct meter.
- I. The Company shall be authorized to inspect meters for accuracy and calibration at any time the meter readings are suspect and/or not considered representative of usage. The customer shall be responsible for obtaining calibration of the meter if the Company determines it is not accurate. Failure to make such change or provide such calibration data will result in disqualification from the program.
- J. All approved meters will be subject to the Company's backflow requirements.

SCHEDULE OF RATES
RATE ZONE 8 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 8 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 8
Fixed: per EDU	\$ 40.25
Unmetered Charge	\$ 102.90

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 11.5300
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RESIDENTIAL**MONTHLY SERVICE CHARGE**

Customer Charge (\$)	Rate Zone 8
Fixed: per EDU	\$ 57.61
Unmetered Charge	\$ 104.75

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 11.7370
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SCHEDULE OF RATES

RATE ZONE 9 – METERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 9 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 9
Fixed (per EDU)	\$ 31.85

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 7.2200
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RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 9
Fixed (per EDU)	\$ 32.42

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons water used)	\$ 7.3500
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Wastewater customers in Cheltenham Township are required to comply with the City of Philadelphia's wastewater control regulations adopted by Cheltenham Township and included in Exhibit H to the Application filed at Docket No. A-2019-3008491.

Sewer Charge Adjustment

The Company is authorized to allow deductions on sewer bills for water which is used but does not enter the Company's system. A request for deduction shall be subject to the following regulations:

RATE ZONE 9 – CONTINUED

- A. Deductions apply within the Cheltenham Division and, in particular, to those customers identified on Exhibit G of the Application filed by Aqua Pennsylvania Wastewater, Inc., dated March 13, 2019. The Application of the Company was approved by the Pennsylvania Public Utility Commission in its Order entered on November 5, 2019, at PUC Docket Number A-2019-3008491.
- B. No deduction shall be granted for customers who do not have a metered water supply
- C. No deduction shall be granted for customers who are delinquent in their payment for service.
- D. One hundred percent of any used water for which a deduction is requested must have been prevented from entering the system.
- E. It is the responsibility of the customer to purchase, install, and maintain the deduct meter at the approved and inspected water outlet on their property. The meter shall measure water not entering the system and shall be eligible for deduction of that used water monthly.
- F. Customers are responsible for the installation and removal of their meters at the approved service locations each year to prevent freezing and damage. Deduct meters shall be inspected by the Company at the time of installation at which time the customer agrees to allow the Company the right to enter upon their property for inspection. Every deduct meter shall be required to be inspected annually by the Company in order for the customer to be eligible for sewer adjustment charges. The inspection fee charged by the Company to the customer is \$100.00.
- G. All deduct meters shall be of a design approved by the Company, shall be registered with the Company prior to use, and shall be used only by the customer to whom it is registered and at the service location to which it is assigned in accordance with the Company's records.
- H. Customers are responsible for making their meter accessible to the Company for reading on a monthly basis. The Company shall then credit the customer's total gallons consumed by the gallons recorded from the customer's deduct meter.
- I. The Company shall be authorized to inspect meters for accuracy and calibration at any time the meter readings are suspect and/or not considered representative of usage. The customer shall be responsible for obtaining calibration of the meter if the Company determines it is not accurate.

SCHEDULE OF RATES

RATE ZONE 10 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 10 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

NON-RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 10	
Fixed (per EDU)	\$	34.94
Unmetered Charge (per EDU)	\$	64.89

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons)	\$	7.5900
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RESIDENTIALMONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 10	
Fixed (per EDU)	\$	35.57
Unmetered Charge (per EDU)	\$	66.06

MONTHLY CONSUMPTION CHARGE

Consumption Charge (per 1,000 gallons)	\$	7.7260
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RATE ZONE 10 - CONTINUEDSewer Charge Adjustment

The Company is authorized to allow deductions on sewer bills for water which is used but does not enter the Company's system from April through October. A request for deduction shall be subject to the following regulations:

- A. To be an eligible Customer for this credit, the Customer shall have applied for or shall have been currently using the credit as of the execution date of October 29, 2018, of the Asset Purchase Agreement between the Company and East Norriton Township.
- B. No deduction shall be granted for customers who do not have a metered water supply
- C. No deduction shall be granted for customers who are delinquent in their payment for service.
- D. One hundred percent of any used water for which a deduction is requested must have been prevented from entering the system.
- E. It is the responsibility of the customer to purchase, install, and maintain the Company approved deduct meter at the approved and inspected water outlet on their property. The meter shall measure water not entering the system and shall be eligible for deduction of that used water monthly.
- F. Customers are responsible for the installation and removal of their meters at the approved service locations each year to prevent freezing and damage. Deduct meters shall be inspected by the Company at the time of installation at which time the customer agrees to allow the Company the right to enter upon their property for inspection. Every deduct meter shall be required to be inspected annually by the Company in order for the customer to be eligible for sewer adjustment charges. The administrative fee charged by the Company to the customer is \$50.00.
- G. All deduct meters shall be of a design approved by the Company, shall be registered with the Company prior to use, and shall be used only by the customer to whom it is registered and at the service location to which it is assigned in accordance with the Company's records.
- H. Eligible Customers are required to submit, or cause to be submitted, all data required to calculate the credit in a manner approved by the Company within a time period determined by the Company. The Company shall then credit the customer's total gallons consumed by the gallons recorded from the customer's deduct meter.
- I. The Company shall be authorized to inspect meters for accuracy and calibration at any time the meter readings are suspect and/or not considered representative of usage. The customer shall be responsible for obtaining calibration of the meter if the Company determines it is not accurate. Failure to make such change or provide such calibration data will result in disqualification from the program.
- J. All approved meters will be subject to the Company's backflow requirements.

SCHEDULE OF RATES

RATE ZONE 11 – METERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 11 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

QUARTERLY SERVICE & CONSUMPTION CHARGES (\$)

		Gallons per Quarter	Rate Zone 11 Quarterly (\$)	
<u>RESIDENTIAL</u>	Base		\$ 136.38	
	Excess 1	0 to 15,000	\$ 23.2590	per 1000 gallons
	Excess 2	15,001 and over	\$ 33.4350	per 1000 gallons
<u>COMMERCIAL 1 & PUBLIC</u>	Base		\$ 187.56	
	Excess 1	0 to 15,000	\$ 34.8500	per 1000 gallons
	Excess 2	15,001 and over	\$ 44.8680	per 1000 gallons
<u>COMMERCIAL 2</u>	Base		\$ 187.56	
	Excess 1	0 to 15,000	\$ 44.5800	per 1000 gallons
	Excess 2	15,001 and over	\$ 50.0000	per 1000 gallons
<u>INDUSTRIAL</u>	Base		\$ 934.65	
	Excess 1	0 to 15,000	\$ 44.5800	per 1000 gallons
	Excess 2	15,001 and over	\$ 50.0000	per 1000 gallons

COMMERCIAL 1 class (Rate Zone 11 - New Garden Division only)

Shall be defined as each commercial, retail, industrial or institutional establishment and each bedroom unit of a motel, hotel or boardinghouse, having sanitary facilities, including stores, food markets, professional offices, mushroom houses, automotive repair garages and establishments not regularly preparing and/or dispensing food or beverages, but excluding those uses enumerated in the Commercial 2 class, and excluding industrial establishments discharging biodegradable industrial waste.

COMMERCIAL 2 class (Rate Zone 11 - New Garden Division only)

Shall be defined as each restaurant, bar, institution or establishment regularly preparing and/or dispensing food or beverages, whether for consumption on or off the premises, including but not limited to stores, food markets, delicatessens, food marts, schools, day-care centers, or other establishments requiring food-handling licensing, and beauty parlor and service stations.

SCHEDULE OF RATES

RATE ZONE 11 - SPECIAL CHARGES

Rate Zone 11
Quarterly

(C)	<u>QUARTERLY SPECIAL CHARGES (\$)</u>		
	<u>THOMPSON PROPERTY DEVELOPMENT</u>		
	Customer Charge (\$)		
(C)	<u>Residential Flat (per EDU)</u>	\$	415.49

SCHEDULE OF RATES

RATE ZONE 12 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 12 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

QUARTERLY SERVICE & CONSUMPTION CHARGES (\$)A. Residential

Minimum Charge per quarter:

Per Dwelling Unit (private dwelling)	\$160.48
Exception: Residential Building with 1 meter meter and no more than 2 dwelling units	\$269.22

Consumption Charge:

(Based on Water Usage or Sewage Flows, determined at the Company's discretion)

First 10,000 gallons per quarter	\$4.37	per 1,000 gallons
Next 10,000 gallons per quarter	\$4.60	per 1,000 gallons
Next 10,000 gallons per quarter	\$4.81	per 1,000 gallons
Next 10,000 gallons per quarter	\$5.29	per 1,000 gallons
Next 10,000 gallons per quarter	\$5.90	per 1,000 gallons
Over 50,000 gallons per quarter	\$6.77	per 1,000 gallons

Unmetered (This charge is a flat fee for customers not metered for water consumption.)

Unmetered Charge	\$269.22
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B. Commercial - Apartments billed under the residential rate
by Lower Makefield Township**

Minimum Charge per quarter:

Per Dwelling Unit	\$160.48
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Consumption Charge:

(Based on Water Usage or Sewage Flows, determined at the Company's discretion)

First 10,000 gallons per quarter	\$4.37	per 1,000 gallons
Next 10,000 gallons per quarter	\$4.60	per 1,000 gallons
Next 10,000 gallons per quarter	\$4.81	per 1,000 gallons
Next 10,000 gallons per quarter	\$5.29	per 1,000 gallons
Next 10,000 gallons per quarter	\$5.90	per 1,000 gallons
Over 50,000 gallons per quarter	\$6.77	per 1,000 gallons

RATE ZONE 12 – CONTINUED

QUARTERLY SERVICE & CONSUMPTION CHARGES (\$) continuedC. Commercial (Other than Customers in subsection B above), Industrial, and Public Customers

Minimum Charge per quarter	\$297.65	
Consumption Charge:		
(Based on Water Usage or Sewage Flows, determined at the Company's discretion)		
		Included in Minimum Charge
First 12,981 gallons per quarter		
Over 12,981 gallons per quarter	\$22.93	per 1,000 gallons

MONTHLY SERVICE & CONSUMPTION CHARGES (\$)A. Residential

Minimum Charge per month:		
Per Dwelling Unit (private dwelling)	\$53.49	
Exception: Residential Building with 1 meter meter and no more than 2 dwelling units	\$89.74	
Consumption Charge:		
(Based on Water Usage or Sewage Flows, determined at the Company's discretion)		
First 3,400 gallons per month	\$4.37	per 1,000 gallons
Next 3,300 gallons per month	\$4.60	per 1,000 gallons
Next 3,300 gallons per month	\$4.81	per 1,000 gallons
Next 3,400 gallons per month	\$5.29	per 1,000 gallons
Next 3,300 gallons per month	\$5.90	per 1,000 gallons
Over 16,700 gallons per month	\$6.77	per 1,000 gallons

Unmetered (This charge is a flat fee for customers not metered for water consumption.)

Unmetered Charge	\$89.74
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RATE ZONE 12 – CONTINUED

MONTHLY SERVICE & CONSUMPTION CHARGES (\$) continuedB. Commercial - Apartments billed under the residential rate
by Lower Makefield Township**

Minimum Charge per month:

Per Dwelling Unit \$53.49

Consumption Charge:

(Based on Water Usage or Sewage Flows, determined at the Company's discretion)

First 3,400 gallons per month	\$4.37	per 1,000 gallons
Next 3,300 gallons per month	\$4.60	per 1,000 gallons
Next 3,300 gallons per month	\$4.81	per 1,000 gallons
Next 3,400 gallons per month	\$5.29	per 1,000 gallons
Next 3,300 gallons per month	\$5.90	per 1,000 gallons
Over 16,700 gallons per month	\$6.77	per 1,000 gallons

C. Commercial (Other than Customers in subsection B above), Industrial,
and Public Customers

Minimum Charge per month \$99.22

Consumption Charge:

(Based on Water Usage or Sewage Flows, determined at the Company's discretion)

First 4,400 gallons per month		Included in Minimum Charge
Over 4,400 gallons per month	\$22.93	per 1,000 gallons

**For apartment complexes, the rate shall be determined by assessing each dwelling unit the minimum charge per quarter, and then measuring the total water consumption for the entire apartment building and dividing that consumption by the number of dwelling units therein to arrive at a water gallonage per dwelling unit, at which time each dwelling unit shall be charged on the average water consumption for each unit in addition to the minimum charge.

Wastewater customers in Lower Makefield Township are required to comply with the wastewater control regulations adopted by Lower Makefield Township and included in Exhibit H to the Application filed at Docket No. A-2021-3024267.

The DSIC surcharge shall not be applied to bills of wastewater customers in Lower Makefield Township; this will remain effective until an amended Long-Term Infrastructure Improvement Plan (LTIIP) is filed and approved which includes Lower Makefield. Following the approval of an amended LTIIP, the DSIC surcharge shall be applicable to wastewater customers in Lower Makefield Township

RATE ZONE 12 - CONTINUEDSewer Charge Adjustment

The Company is authorized to allow deductions on sewer bills for water which is used but does not enter the Company's system from April through October. A request for deduction shall be subject to the following regulations:

- A. To be an eligible Customer for this credit, the Customer shall have applied for or shall have been currently using the credit as of the execution date of September 17, 2020, of the Asset Purchase Agreement between the Company and Lower Makefield Township.
- B. No deduction shall be granted for customers who do not have a metered water supply
- C. No deduction shall be granted for customers who are delinquent in their payment for service.
- D. One hundred percent of any used water for which a deduction is requested must have been prevented from entering the system.
- E. It is the responsibility of the customer to purchase, install, and maintain the Company approved deduct meter at the approved and inspected water outlet on their property. The meter shall measure water not entering the system and shall be eligible for deduction of that used water monthly.
- F. Customers are responsible for the installation and removal of their meters at the approved service locations each year to prevent freezing and damage. Deduct meters shall be inspected by the Company at the time of installation at which time the customer agrees to allow the Company the right to enter upon their property for inspection. Every deduct meter shall be required to be inspected annually by the Company in order for the customer to be eligible for sewer adjustment charges. The administrative fee charged by the Company to the customer is \$50.00.
- G. All deduct meters shall be of a design approved by the Company, shall be registered with the Company prior to use, and shall be used only by the customer to whom it is registered and at the service location to which it is assigned in accordance with the Company's records.
- H. Eligible Customers are required to submit, or cause to be submitted, all data required to calculate the credit in a manner approved by the Company within a time period determined by the Company. The Company shall then credit the customer's total gallons consumed by the gallons recorded from the customer's deduct meter.
- I. The Company shall be authorized to inspect meters for accuracy and calibration at any time the meter readings are suspect and/or not considered representative of usage. The customer shall be responsible for obtaining calibration of the meter if the Company determines it is not accurate. Failure to make such change or provide such calibration data will result in disqualification from the program.
- J. All approved meters will be subject to the Company's backflow requirements.

SCHEDULE OF RATES

RATE ZONE 13 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 13 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

QUARTERLY SERVICE CHARGE (\$)

Customer Charge (\$)	Rate Zone 13		
Fixed (per EDU)			
District A	\$	100.00	per EDU per quarter
District B	\$	100.00	per EDU per quarter
District C	\$	135.50	per EDU per quarter
District D	\$	150.00	per EDU per quarter
District E	\$	120.00	per EDU per quarter

Commercial and Industrial Users: Each commercial and industrial user, whose total quarterly sewage discharge or water consumption is greater than 100,000 gallons, “High Volume Users”, shall pay a sewer rate per thousand gallons as opposed to the Fixed Per EDU Service Charge.

QUARTERLY CONSUMPTION CHARGE (\$)

High Volume Users Commercial and Industrial Consumption Charge:

Districts A through E	\$	6.20	per 1,000 gallons
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1. Wastewater customers in East Whiteland Township are required to comply with the wastewater control regulations adopted by East Whiteland Township and included in Exhibit H to the Application filed at Docket No. A-2021-3026132.

RATE ZONE 13 – CONTINUED

2. Unit Schedule

For customers in the East Whiteland Township service area, the number of equivalent dwelling units is determined as follows.

Category		Number of EDU
(1)	Each private dwelling unit or living unit	1
(2)	Each individual commercial establishment or business, having 10 or less of its own employees, attached to or forming a part of owner's residence, unless otherwise specified herein	1
(3)	Each additional 5 of its own employees or fraction thereof	1/2
(4)	Each individual commercial establishment or business, having 10 or less of its own employees, not attached to or forming a part of owner's residence, unless otherwise specified herein	1
(5)	Each additional 5 of its own employees or fraction thereof	1/2
(6)	(i) Hotel guest room/suite, motel guest room/ suite and conference center guest room/suite with kitchenette - 2.5 bedrooms	1
	(ii) Hotel guest room/suite, motel guest room/ suite and conference center guest room/suite without kitchenette - 3.0 bedrooms	1
	(iii) Kitchenette shall include any one or more of the following facilities or combination thereof: (i) sink and refrigerator; (ii) sink and stove; (iii) sink and dishwasher; (iv) sink and disposal	
(7)	Each restaurant (without liquor license) per 25 seats	1
(8)	Each restaurant (with liquor license) per 10 seats	1
(9)	Each service station garage and automobile repair shop, without carwash facilities:	
	2 bays or less	2
	Each additional bay over 2	1
(10)	Each barber or beauty shop, not attached to owner's residence:	
	2 chairs or less	1 1/2
	Each additional two chairs or fraction thereof	1/2
(11)	Each firehouse	1 1/2
(12)	Each church or chapel	1
(13)	Each public swimming pool or private swimming club	3
(14)	Each school, public or private, having:	
	Toilet facilities only, per 25 pupils and staff or fraction thereof	1
	Toilet facilities and kitchen, per 20 pupils and staff or fraction thereof	1

	Toilet facilities and gymnasium, per 15 pupils and staff or fraction thereof	1
	Toilet facilities, kitchen and gymnasium, per 12 pupils and staff or fraction thereof	1
(15)	Each property having a commercial garbage grinder of 3/4 horsepower or greater per grinder	1
(16)	Each business providing showers for employees:	
	7 or less employees	1
	Each additional 7 employees or fraction thereof	1
(17)	Each funeral home	2
(18)	Each nursing home, per bed	3/4

To compute the sewer rate for facilities in a single commercial establishment which consists of multiple uses, such as a shopping center or an office building, each unit, tenant, or use shall be calculated by using the above schedule as though each unit, tenant, or use were a separate property or user with a separate connection to the sewer system. In such cases, the owner shall be liable for the full sewer charges. Charges shall be due and payable on all units whether vacant or occupied. If the unit is vacant, one-half of the EDUs assigned to the space shall be used for the calculation.

The DSIC surcharge shall not be applied to bills of wastewater customers in East Whiteland Township; this will remain effective until an amended Long-Term Infrastructure Improvement Plan (LTIIP) is filed and approved which includes East Whiteland. Following the approval of an amended LTIIP, the DSIC surcharge shall be applicable to wastewater customers in East Whiteland Township.

Special Charges:

Customers may apply for a credit to domestic water utilized outside of the property which does not enter the Company's sanitary sewer system; provided, that to be an eligible Customer for this credit, the Customer shall have applied for or shall have been currently using the credit as of the execution date of January 8, 2021 of the Asset Purchase Agreement between the Company and East Whiteland Township. Eligible Customers must have a properly calibrated outside meter upon their premises for the purpose of recording outside usage, and such meter shall be approved by the Company. All such costs of maintenance, repair, furnishing and installation of an approved meter shall be borne by the eligible Customer. Eligible Customers are required to submit, or cause to be submitted, all data required to calculate the credit in a manner approved by the Company within a time period determined by the Company.

SCHEDULE OF RATES

RATE ZONE 14 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 14 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 14
Flat Rate Basis (per EDU)	\$ 78.00
Metered Rate Basis (per EDU)	
Residential	\$ 28.00
Commercial	\$ 54.00

MONTHLY CONSUMPTION CHARGE

Consumption Charge

Residential

First 1,000 gallons per month included in Customer Charge

Next 5,000 gallons per month \$13.06 per 1,000 gallons

Over 6,000 gallons per month \$7.92 per 1,000 gallons

Commercial

\$7.92 per 1,000 gallons

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a surcharge of 0.73% shall apply to all bills issued on or after the Effective Date at the bottom of this page. (l)

I. General Description

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 Company 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.

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

- Collection sewers, collecting mains and service laterals, including sewer taps, curb stops and lateral cleanouts installed as in-kind replacements for customers. Accounts. (360 & 361)
- Collection mains and valves for gravity and pressure systems and related facilities such as manholes, grinder pumps, air and vacuum release chambers, cleanouts, main line flow meters, valve vaults, and lift stations installed as replacements or upgrades for existing facilities that have worn out, are in deteriorated condition or are required to be upgraded by law, regulation or order. Accounts (360;361;362;363;364; & 365)
- Collection main extensions installed to implement solutions to wastewater problems that present a significant health and safety concern for customers currently receiving service from the wastewater utility. Accounts (360 & 361)
- Collection Main rehabilitation including inflow and infiltration projects. (Account 361)
- Unreimbursed cost related to highway relocation projects where a wastewater utility must relocate its facilities. Account (360;361;362;363;364; & 365)
- Other related capitalized costs. Account (389.2)

Effective Date: The DSIC will become effective for bills rendered on and after October 1, 2013.

II. Computation of the DSIC

Calculation: The initial charge, effective October 1, 2013, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2013 and August 31, 2013. 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:

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

<u>Effective Date of Change</u>	<u>Date to Which DSIC Eligible Plant Additions Reflected</u>
April 1	December 1 to February 28/29
July 1	March 1 to May 31
October 1	June 1 to August 31
January 1	September 1 to November 30

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

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

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

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for wastewater service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

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

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

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. Code § 168.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between 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 revenue will be based on the applicable three-month period, (including all applicable clauses and riders) including revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Bureau of Investigation & Enforcement, the Office of Consumer Advocate, Bureau of Audits and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Customer Safeguards

All Customer Classes: The DSIC shall be applied equally to all customer classes, with the exception of Woodloch Pines and any future customers with negotiated contracts for which a reduction or exemption is shown to be reasonably necessary.

SCHEDULE OF RATESDISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Cap: The DSIC is capped at 5.00% of the amount billed to customers (including all applicable clauses and riders) as determined on an annualized basis.

Audits/Reconciliation: The DSIC will be 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. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year 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 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 the over-collections and credits 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 over-collection. The utility is not permitted to accrue interest on under collections.

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

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearnings 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.

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.

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 over-collection to customers and is entitled to recover any under collections as set forth in Section III Safeguards – Audits/Reconciliations. 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.

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE (STAS)

In addition to the net charges provided for in this Tariff, a surcharge of -0.09% will apply to all bills issued on or after the Effective Date at the bottom of this page for Rate Zones 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11. (D)

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

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

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

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

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SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM RIDER****Customer Assistance Program (“CAP”):****I. Availability**

The CAP is a program designed to enroll residential Customers who satisfy the criteria set forth below (“CAP Program”).

Processing and verification by authorized agencies upon referral by the Company’s offices, other agencies, or the Commissions Bureau of Consumer Services.

Residential Customer of the Company.

Annual income no greater than 200 percent of the federal poverty limit (“FPL”). For payment purposes Customers will be defined as follows:

- a. Tier 1 – Customers whose annual income has been verified as being at or below 100 percent of FPL.
- b. Tier 2 – Customers whose annual income has been verified as being at or above 100 percent FPL or less than 150 percent of FPL.
- c. Tier 3 – Customers whose annual income has been verified as being at or above 150 percent FPL or less than 200 percent of FPL.

II. Rate Table

Eligible Customers will receive the discounted rate as set forth below:

<u>Tier</u>	<u>Customer Charge</u>	<u>Consumption Charge</u>
1	75% discount on Customer Charge	100% discount on first 2,000 gallons
2	65% discount on Customer Charge	50% discount on first 2,000 gallons
3	50% discount on Customer Charge	0% discount on first 2,000 gallons

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM RIDER (cont'd)****III. Surcharges**

All surcharges applicable under the Company's Rules and Regulations shall still apply to Customers under the CAP Program.

IV. Late Payment Charges

No late payment charges shall be applied to arrearages existing at the time the Customer begins receiving service under the CAP Program. Late payment charges will not be applied during participation in the CAP Program.

V. Rules and Regulations

If, at any time after acceptance into CAP, a Customer's family size or income changes, the Customer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the Customer's opportunity to receive service under the CAP Program.

If a Customer no longer satisfies the criteria set forth under Availability, the Customer will no longer be eligible to receive service under the CAP Program.

At the time of application to the CAP Program, the Customer will be advised of the importance of timely payments. The CAP Program screening administrator will review relevant assistance programs and offer help in applying for such programs.

Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.

SCHEDULE OF RATES

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SCHEDULE OF RATES

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RULES AND REGULATIONS**SECTION A – INTRODUCTION**

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

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

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

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

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

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

RULES AND REGULATIONS**SECTION B - DEFINITIONS**

Wherever used in the Rules and Regulations or elsewhere in the Tariff of the Company, the following terms shall have the meanings hereinafter set forth:

Applicant: A person, at least 18 years of age, who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

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

Commission: The Pennsylvania Public Utility Commission.

Company: Aqua Pennsylvania Wastewater, Inc. and its duly authorized officers, agents and wastewater employees; each acting within the scope of his authority and employment.

Company Service Lateral: The pipe or line extending laterally out from the Company collection Main that connects to the building service line ("Service Connection") at the hypothetical or actual curb line, edge of the right-of-way or the actual property line.

Company's System: The aggregate of the Company's wastewater disposal plant, pumping equipment, trunk lines or Mains and connection facilities to the curb-line at each premise.

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

Contributory Industrial User: Any industrial user that the Company has determined discharges specific pollutants to the treatment works at concentrations greater than typical domestic/commercial wastewaters.

Customer: A person at least 18 years of age, or entity who is an owner, occupant or who contracts with the Company for or who takes or receives wastewater collection, treatment and/or disposal service.

Customer Service Line: The connecting facilities owned by the Customer from the Company wastewater supply lines or Mains at the curb-line into and within the Customer's premises.

Domestic Wastes: A combination of water-carried wastes, consisting of wash water, culinary wastes and liquid wastes containing only human excreta and similar matter flowing in or from a building drainage system of sewer originating from residences, business buildings, institutions, and commercial establishments.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Equivalent Dwelling Unit or "EDU": The EDU is a measure based upon the estimated average daily wastewater flow for the type of business, as calculated by the Pennsylvania Department of Environmental Protection regulation at 25 Pa. Code § 73.17 divided by the typical estimated average daily wastewater flow from a current single-family unit. In the Company's sole discretion, the Company may assign more than one (1) EDU for a residential Property.

Grinder Pump: Any mechanical or powered device used to grind, macerate or fluidize waste so that it can be discharged into the Company's facilities. This device is a component of the Customer Service Line and the sole responsibility of the Customer to own, maintain and operate along with the balance of their Customer Service Line. The Customer shall be responsible for all power to operate the device in accordance with the manufacturer's specifications and guidelines.

Industrial Waste Permit or Contract: A wastewater permit or contract issued as required by the Company to an industrial user.

Industrial Waste Pretreatment Program: A program established by the Company that requires discharges to monitor, test, treat and control as necessary, pollutants in their wastewater prior to discharge into the sanitary and/or combined sewer.

Line Extension: An addition to the Company's System Mains which is necessary to serve the Premises of a Customer.

Main: The Company's pipe, excluding Service Connections, located in a public highway, street, alley, or private right-of-way which pipe is used in transporting Wastewater.

Maximum Allowable Industrial Loading: The maximum mass of pollutants that is allowed to be discharged to the treatment works from all contributory industrial users.

Nondomestic Waste or Industrial Waste: Any wastewater resulting from any process of industry, manufacturing, trade, or business or from the development or recovery of any natural resource, or any mixture of such waste with water or domestic wastewater, as distinct from domestic wastewater.

Person: Any individual, firm, company, association, society, corporation, institution, group, or any other legal entity.

Premise: A single lot or piece of ground consisting of a single residential unit, together with all buildings and structures erected thereon.

Pretreatment: The reduction or elimination of pollutants, or the alteration of the nature of pollutant properties prior to discharging into the wastewater system. This reduction or alteration can be obtained by physical, chemical, or biological processes, by process changes, or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

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

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

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

Residential Structure: A home or building which contains only individually-metered or flat rate dwelling units intended for human habitation.

Sanitary Sewer: A sewer which primarily carries sanitary wastewater, together with such storm, surface and ground water as may be present.

Service Connection: See Definition for Company Service Lateral.

Shall: is mandatory; May is permissive.

Tariff: All the service rates, rules and regulations issued by the Company, together with any supplements and revisions thereto, officially approved by the Commission and contained in this document.

User or Discharger: Any person that discharges, causes, or permits the discharge of wastewater into a Company sewer.

Waste: Rejected, unutilized or superfluous substances in liquid, gaseous, or solid form resulting from domestic and nondomestic activities.

Wastewater: A combination of the water-carried waste from residences, businesses, buildings, institutions, and industrial establishments, together with any ground, surface, and storm water that may be present, whether treated or untreated, discharged into or permitted to enter a Company sewer.

RULES AND REGULATIONS**SECTION C – APPLICATION FOR SERVICE**

1. Application for Wastewater Service by a New Owner or Occupant at an Existing Service Property: Where a Customer's Service Line exists on a property to be served in compliance with the Company's rules, service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving service takes such service subject to the Company's Tariff, including its Rules and Regulations.

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

All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the Property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the Property under a lease having a fixed term of more than six (6) months, the lessee may request service as an Applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the Applicant.

Nonresidential service customers which desire to discharge Nondomestic Wastes into the sanitary wastewater system or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES****1. Provision of Service:**

- Connection of a Premise to the Company's System constitutes a contract for service subject to all Rules and Regulations and rate schedules as provided for in this Tariff.
- The Company will install a Company Service Lateral from the main to the curb, or such point as determined by the Company of a size and material determined by the Company in its discretion. Any additional or larger connection facilities requested by the Customer may be installed provided the proposed discharge into the system is within the capability of the system, complies with these Rules and Regulations, and the Customer pays the additional costs for the installation.
- No owner or tenant of any Premises connected with the Mains of the Company will be allowed to permit another person or premises to use or connect with its Customer Service Line, except upon written permit from the Company.
- Any violation of the Rules and Regulations of the Company shall render the contract between the Customer and the Company void, and service may be discontinued after due notice, remaining so until such time as the Company is satisfied that the Customer will observe the Rules and Regulations. Service will not be connected until the actual costs of the discontinuing and reconnections are paid in full.

Service Line Inspection Fee

- Charge for the Company's time involved in the inspection of a Customer Service Line tie-in to the Company's wastewater system shall be fifty dollars (\$50.00) per service line.

2. Customer Service Line: The Customer Service Line shall extend from the Property to the Curb Stop or cleanout or such point as designated by the Company. All connections, service lines and fixtures owned by the Customer shall be maintained by the Customer in good order, and all meters and appurtenances owned by the Company and located on the Property of the Customer shall be protected properly by the Customer. All leaks in or other deteriorated condition of the Customer's Service Line or any other pipe or fixture in or upon the Premises supplied must be repaired immediately by the owner or occupant of the Premises.

3. Size, Kind, and Location of Service Lines: The Company reserves the right to determine the size, kind and location of the service line, from the main to the curb, and from the curb to the property to be served. The Customer's service line shall not cross intervening properties unless the property is landlocked and there is no other way in which service can be provided (for example, because the property does not abut a public road) and an appropriate easement is obtained by the Customer for the Customer's benefit, a copy of which must be furnished to the Company. The service line from the curb stop or cleanout to the property shall be furnished, installed, owned, and maintained by the owner of the property, and where possible shall be laid in a straight line at right angles to the curb line within the building limits of the structure to be served and at a minimum depth of cover specified by the Company, and bedded in at least 6 inches of sand, in property owned in fee simple absolute.

SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)

4. Right to Reject: The Company may refuse to connect with any Customer Service Line or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.

5. Separate Trench: The Customer Service Line shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a utility service.

6. Customer Grinder Pump: In areas of the Company's System where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their Customer Service Line, shall install, own, operate, and maintain and replace a Grinder Pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The Grinder Pump shall meet specifications as provided by the Company. The failure of a Customer to properly install and maintain a Grinder Pump, including replacement, shall construe grounds for the Company to initiate action to terminate service to the Customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning Grinder Pump.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)**

7. Individual Service Lines: Except as otherwise expressly authorized by the Company, each individual Customer shall be served only through a separate service line connected directly to the Company Service Lateral, and that Customer Service Line shall not cross over the Property of or serve any other Customer or Premise. The maximum Customer Service Line length shall be two hundred and fifty (250) feet from the Service Connection(s) with clean-outs every 50 feet. The Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any Customer Service Line for any purpose without the express written approval of the Company.

8. Customer Responsibilities:

a. Use shall be restricted to Domestic Wastes, unless a special agreement is made satisfactory to the Company as to other uses. No Customer shall discharge into the system roof, storm, surface or ground water, swimming pools, drainage from cesspools or drain fields, cistern, combustible gases or liquids, insoluble solids, industrial type waste or other harmful substances. Any Customer discharging any unauthorized matter into the system, which causes damage to Company facilities or interferes with the operation of the system, will be required to cease using the system and pay whatever damages and costs are incurred as a result.

b. Each Customer Service Line shall be installed and maintained by or on behalf of the Customer at its expense and in full accordance with the Company's specifications as to materials, size, location and underground construction, starting at the curb-line at a location designated by the Company.

c. No sewer connection, or disconnection, shall be made to the Company's Main except under the supervision, control and approval of the Company's authorized representative. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install, and maintain all Company Service Laterals from the Main to the property line or right of way.

d. No repairs, alterations, or additions to any drain or Service Connection with the Company's System shall be made, unless the person desiring to make the same shall first receive permission from the Company for doing so.

e. Connections with sewers that run through private property shall, in all respects, be governed by these Rules and Regulations.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)****9. Company's Service Lateral:**

Except for Service Connections made in accordance with the section, "Main Extensions", the Company will make all connections to its Mains and furnish, install and maintain the Company Service Laterals from the Main up to the hypothetical or actual curb line, edge of the right-of-way or the actual property line. The Company Service Laterals will be the property of the Company and under its control.

The maximum Company investment per Company Service Lateral to a Bona Fide Service Applicant shall be calculated under the same formula as described in the "Company Contribution" of Section I, "Main Extensions", of this Tariff.

The cost of any Company Service Lateral in excess of the applicable maximum Company investment shall be paid by the Customer. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment of the extent the actual cost is determined to be less than the estimate.

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY****Termination and Discontinuance of Service:**Termination and Discontinuance by the Company

1. Service may be terminated by the Company for any one of the following reasons:
 - a. Failure of a Customer to maintain and repair its Customer Service Line(s);
 - b. Failure of a Customer to pay a bill for service in accordance with the Commission's regulations;
 - c. Vacancy of the Premises;
 - d. Violation by a Customer, or with his consent, of any of these Rules and Regulations.
2. The Company may, without notice, discontinue wastewater service if an emergency reasonably requires it in order to make necessary repairs or connections or to meet any other emergency; however, the Company will give notice of any discontinuance of service if it is reasonably possible to do so.
3. If you are a victim of domestic violence and have a Protection From Abuse Order or other court order that shows clear evidence of domestic violence, there are special protections available.

Discontinuance by the Customer

1. A Customer desiring the discontinuance of wastewater service shall give written notice to the office of the Company and the Customer will be responsible for service charges until such notice is given. A new application must be made on any change of Customers on a Property as required at the office of the Company, and the Company shall be at liberty to discontinue the service until such new application has been made and approved.
2. The Customer desiring abatement from wastewater bills shall report same in writing or call in person at the office of the Company. All vacancies shall date from the day reported at the office of the Company. When vacancy is properly reported, an allowance will be made for the period of vacancy, but not for less than one month.

Restoration of Service: After termination of service it will not be reconnected until all amounts due to the Company have been paid plus the cost of a fifty dollar (\$50.00) turn-on charge prior to service reconnection (with the exception of the Masthope Division).

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY (cont'd)****Service Continuity and Liability:**

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 Main breaks, the failure of equipment or facilities, and for other reasons. Accordingly, the liability of the Company shall be limited to two thousand dollars (\$2,000.00) 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, including, but not limited to, a break or leak in a Main, service line or Meter owned by the Company.

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

Furthermore, the Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in the Customer's Service Line, Meter, internal plumbing or fixtures, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's Property) is in need of repair 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.

From time to time, the Company may provide public notices, specific notices, correspondence or other notifications ("Notices") regarding the presence of conditions affecting the wastewater service provided by the Company. These Notices may contain information about actions members of the public may wish to, are recommended to, or should take in response to the conditions identified in the Notice. In the event the Company issues a Notice, the Company will not be liable for any expenses or costs incurred by a Customer or end-user for any action taken in response to any condition identified in the Notice.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION**

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

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

Billing History: A Customer may obtain from the Company; at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

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

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

Return Check Charge and Return Electronic Payment Charge: The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check or electronic payment, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require deposit or turn-on charges to be paid by cash, certified check, money order, or credit card or service may be terminated without additional notice in accordance with Commission regulations.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION (cont'd)**

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

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

RULES AND REGULATIONS**SECTION G – DEPOSITS AND CREDIT STANDARDS**

General: Deposits may be required from Applicants for new service or extension of service. Residential Customers will not be required to pay a security deposit in order to receive service from the Company. The Company will pay income tax on any deposit, advance, contribution or other like amounts received from an Applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service and required by the Pennsylvania Public Utility Commission. Such income taxes shall be segregated in a deferred account for inclusion in rate base in a future base rate case proceeding. Such income tax associated with a deposit, advance, or contribution will not be charged to the Person providing such deposit, advance, or contribution.

Creditworthiness: Upon application for wastewater service, the Company may require the Applicant/Customer to provide valid identification, a valid deed lease or mortgage evidencing the Applicant/Customer's residency at the Property/Premise, and/or payment of an outstanding balance owed by the Customer which accrued within the past 4 years for which the Applicant/Customer is legally responsible.

The Company may determine liability for a past due balance by:

- Use of Company records that contain information previously provided to the Company;
- Information contained on a valid mortgage, lease or deed;
- Use of commercially available public records databases; and
- Government and property ownership record.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS****General Requirements:**

1. The Customer or owner of the Property (defined as “User” within this Section H) agrees to cooperate with the Company in its efforts to implement or enforce its wastewater pre-treatment program, including any monitoring, reporting and treatment that the Company may deem necessary to ensure that discharges into the Company’s System are compatible with the capability of the Company’s system.
2. The User is required to install and maintain, at their own expense, all interconnecting lines, grease traps, pretreatment equipment, sampling wells and any lift stations required to collect wastewater at Service Connections per the Company’s approval.
3. It is agreed and understood that the User may not dispose of or permit disposal of waste generated offsite by the User, or any other party, by discharge through the User’s Service Connection(s).
4. Grease and oil traps shall be provided when necessary for the proper handling of liquid wastes containing grease or oil of an organic, mineral, or petroleum composition when required by the state plumbing codes or to comply with the Company’s oil and grease limitation. All traps and drains shall be located so as to be readily and easily accessible for cleaning and inspection. All grease and oil traps shall be maintained by the User, at the User’s expense. Prior to installation, plans shall be submitted to the Company for approval. The Company reserves the right to require User of grease, oil, sand traps, or interceptors to submit records of cleaning to the Company at a frequency of the Company’s discretion.
5. It is agreed and understood that User shall install and maintain a waste interceptor, grease trap or pre-treatment unit of sufficient design to prevent the discharge or introduction of trash, debris, grease, oil or any other solid material having maximum dimensions equal to or greater than one and one-half inches (1½”) into the Company’s System, and that the design of such interceptor or pre-treatment unit shall be subject to approval by the Company prior to commencement of discharge into the Company’s System.
6. The User will indemnify and hold harmless the Company from any and all claims, demands, damages, costs, fines, expenses (including attorney’s fees), judgments or liabilities arising out any damage, injury, or loss sustained by Company (“Losses”) on account of or in consequence of the introduction of any Prohibited Discharge (defined below), violation of any permit or contract, failure to install required Pretreatment, or failure to otherwise comply with the Company’s Pretreatment requirements by the User. The Company shall have the right to charge the User as a part of the User’s wastewater service charges any Losses incurred, including regulatory agency fines, or any other expenses or costs incurred by the Company including but limited to cleaning and removal on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, or failure to otherwise comply with the Company’s Pretreatment requirements by the User.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Requirements (cont'd):**

7. The Company shall have the right to terminate or otherwise refuse service in accordance with its rules and regulations to any user on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, failure to install required Pretreatment, failure to properly operate and maintain said Pretreatment, or failure to otherwise comply with the Company's Pretreatment requirements by the User.

8. The Company shall not be liable to the User for a failure to provide sewage collection services. It is understood and agreed that service interruptions may, from time to time, occur. The Company agrees to use its best efforts to provide continuous service.

9. If any measurement, test, inspection or analysis determines that a User has created a situation which is in violation of any statute, ordinance, rule or regulation, the User shall be required to pay all costs incurred to remedy the situation.

10. Where necessary in the Company's opinion, the User shall provide, at the User's expense, Pretreatment as may be necessary to reduce the water quality characteristics or constituents to within the maximum limits provided for in these Rules and Regulations or to control the quantities (mass loading) or rates of discharge of Wastewater or Wastes. Plans and specifications and other pertinent information shall be submitted for the approval of the Company and no construction of such facilities shall commence until said approvals are obtained in writing. Pretreatment facilities shall be operated and maintained continuously to provide satisfactory and effective operations. The User is solely responsible for meeting the water quality compliance limits herein and as may be imposed where the Company and the User enter into a contract which establishes site specific local limits for water quality parameters not listed herein which may be regulated by the Pennsylvania Department of Environmental Protection and/or the United States Environmental Protection Agency.

11. The Company reserves the right to refuse connection to its sanitary and/or combined sewer connection or to compel the discontinuance of the use of the sanitary and/or combined sewer where the company deems the discharge of the waste harmful to the sewer system or to have an adverse effect on the sewage treatment processes.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Requirements (cont'd):**

12. Wastewater raw Waste strength shall be limited to that illustrated below:

		Maximum Allowable Limits <u>(Grab Sample)</u>	Maximum Allowable Limits <u>(24 Hour Composite Sample)</u>
BOD ₅	(mg/l)	250	250
TSS	(mg/l)	250	250
COD	(mg/l)	500	500
Total Kjeldahl Nitrogen	(mg/l)	50	50
Total Phosphorus	(mg/l)	8	8
Ammonia Nitrogen	(mg/l)	45	45
pH	(s.u.)	6-9	N/A
Oil and Grease	(mg/l)	100	N/A

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Prohibitions:**

1. No storm water from pavements, areas ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, sub-floor groundwater reduction systems, unpolluted industrial or commercial process water or other sources shall be admitted to the Company's System.
2. The discharge of garbage to the Company's System is expressly prohibited.

Prohibited Discharges: No person shall cause or permit to be discharged into the Company's System any toxic substances or wastes having any of the following characteristics:

1. Wastes containing gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the Company's System or its operation. Any pollutants which create a fire or explosion hazard in the collection and treatment system including, but not limited to, waste streams with a closed cup flash point of less than 140 degrees Fahrenheit, using the test methods specified in 40 CFR 261.21.
2. Any liquid or vapor having a temperature in excess of 150 degrees Fahrenheit or any substance which causes the temperature of the total wastewater treatment plant influent to exceed 104 degrees Fahrenheit. Any liquid or vapor less than 20 degrees F. Allowable temperatures may vary by facility.
3. Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the Company's System.
4. Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with Wastewater or other Wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
5. Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the Company's System.
6. Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
7. Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
8. Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit or the ability to meet sludge standards or beneficial reuse of sludge
9. Wastes containing other matter detrimental to the operation of the Company's System causing erosion, corrosion or deterioration in sewers, equipment and structure of the Company's System.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Prohibited Discharges (cont'd):**

10. Any liquid containing fats, wax, grease or oils of mineral or petroleum origin, whether emulsified or not, in excess of 100 mg/l or of animal or vegetable origin in excess of 100 mg/l. Lower limits may be applied to mineral oils where necessary to prevent interference with treatment plant operations or pass through. Allowable grease levels will vary by facility.

11. Wastes containing more than 10 mg/l of any of the following gases, hydrogen sulfide, sulfur dioxide, nitrous oxide, or any of the halogens.

12. Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to human or animals or create any hazard in the Company's System operation and such toxic wastes shall include, but not be limited to wastes containing cyanide, chromium and/or copper ions.

13. Any Waste containing toxic substance in quantities sufficient to interfere with the biochemical processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the standard and/or federal requirements in respect thereof.

14. Any Waste containing radioactive isotopes.

15. Any Wastewater which imparts color which may affect the effluent or may cause violation of the National Pollutant Discharge Elimination System permit or the ability to meet sludge standards or beneficial reuse of sludge.

16. Waste discharged into the Company's System shall not include any hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended, and the regulations thereunto, or in those sections of the Pennsylvania Administrative Code governing solid and hazardous Waste.

17. The Company reserves the right to set more stringent limitation if the Company determines that the limitation in this section may not be sufficient to protect the operation of the Company's System or to comply with the water quality standards or effluent limitations of the Company's applicable permits.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Sampling Analysis:**

1. All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in these rules may be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved, and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.

2. All measurements, tests, inspection, and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulation of the Company, shall be done by the Company or its agents, employees or contractors. If the measurement, test, inspections and/or analyses determine that a Customer has created a situation which is in violation of any statute, ordinance, rule or regulation, then the Customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).

3. Where the Company deems advisable; it may require any person discharging Wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the Wastes discharged. The User shall install and maintain a suitable control manhole in the User's sewer lateral to facilitate observation, sampling and measurement of wastes. Any manhole and sampling device shall be publicly accessible and in a safe location, constructed in accordance with plans approved by the Company and installed and maintained at the expense of the User to whom wastewater service is provided.

4. Samples for analyses shall be by either grab sample or composite samples or a 24-hour composite sample collected and proportioned, as directed by the Company.

5. Copies of all operational records, analyses, shall be filed with the Company unless otherwise directed by the Company.

Disposal of Wastes From Septic Tanks and Cesspools: No person shall dispose of Wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's System, except as designated by the Company.

Penalties: The Company reserves the right to deny wastewater service for violation of any provision of these regulations, subject to Commission rules and regulations.

Damage to System and Indemnification: In the event of any damage to the Company's System caused by a Customer, such damage shall be immediately reported to the Company and said Customer shall reimburse Company for the costs of such repairs.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS****Definitions:**

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

Bona Fide Service Applicant: A person or entity applying for wastewater service to an existing or proposed structure within the Company's franchise territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the Applicant or a place of business. An Applicant shall not be deemed a Bona Fide Service Applicant if:

- An Applicant is requesting wastewater service to a building lot, subdivision or a secondary residential dwelling;
- The request for service is part of a plan for the development of a residential dwelling or subdivision; or
- The request for service requires Special Utility Service.

General Provisions:

1. At the time any request is made to the Company for a Main extension, the Company may request a site plan for the lot(s) to which service is to be provided. If such a request is made by the Company, the site plan must be provided within the time specified by the Company, which shall not be less than fourteen (14) days.

2. The Company shall have the exclusive right to determine the type and size of Mains to be installed, and any other facilities or fixtures required to render adequate service; provided, however, that where the Company decides to install pipe larger than eight (8) inches in diameter, and 8-inch pipe would render adequate service throughout the extension, at the company's discretion, estimated, or actual, cost figures contained in the "Sewer Main Extension Agreement" or "Sewer Main Extension Deposit Agreement" (collectively "Extension Agreement") will include the material cost for pipe eight (8) inches in diameter. All estimated, or actual, cost figures will include a reasonable allowance for overheads.

3. In determining the length and size of, and necessity for, Main extensions, the terminal point of such extensions will, in all cases, be at that point in the curb-line which is equidistant from the side property lines of the lot for which wastewater service is requested. A street Service Connection will be provided only for service lines from the curb to the premises to be served, and will be installed in a straight line, at right angles, to the curb line.

4. Should it be necessary, at the Company's sole discretion, to extend beyond the last lot in any street to connect to an existing Main to provide more adequate and reasonable service, this additional extension shall be considered part of the total and orderly system development so long as the last lot in the street is not more than one hundred fifty (150) feet from that existing Main, and may be included in the cost of the extension.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

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

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

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

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

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

RULES AND REGULATIONS

SECTION I – MAIN EXTENSIONS (cont'd)

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

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

Whereby:

AR = the expected annual revenue from the Bona Fide Service Applicant based upon the Company's currently effective Tariff rates and on the average annual usage of customers similar in nature and size to the Bona Fide Service Applicant.

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

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

D = the Company's depreciation accrual rate for Account No. 360 (Collection Sewers – Force) or 361 (Collection Sewers – Gravity).

Customer Advance: shall mean (1) the Estimated Cost of the wastewater Main extension less (2) the Company Contribution.

Line extensions to Bona Fide Service Applicants shall be funded without Customer Advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs. If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a Bona Fide Service Applicant may be required to provide a Customer Advance to the Company's cost of construction for the line extension.

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

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

Special Utility Service: shall mean residential or business service which exceeds that required for ordinary residential purposes. By way of illustration and not limitation, Special Utility Service shall include: the installation of facilities such as oversized mains, lift stations, wastewater treatment facility (“WWTF”) expansion, etc., as necessary to handle increased flows, hydraulic loading and / or organic loading, or service to large wastewater producing commercial and industrial facilities. An otherwise Bona Fide Service Applicant requesting service which includes a “Special Utility Service” component is entitled to a Bona Fide Service Applicant status, including the corresponding Company contribution toward the costs of the line extension which does not meet the Special Utility Service criteria.

Builder Initiated Main Extensions: In the event any Main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-Residential Structures except as provided below, the Builder shall be required to install the wastewater Main and service lines through a pre-qualified contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, an Extension Agreement shall be applicable except that the Builder will retain financial responsibility for the installation of the wastewater Main, service lines and appurtenances as specified herein.

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

1. Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
2. All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all Main and service line installation work, and all appurtenances required to serve the project.
3. Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
4. Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of Mains or services with existing facilities, shall be performed only by the Company unless Company approves this work to be completed by Builder's contractor.
5. Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
6. Builder shall obtain all necessary permits from federal, state and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits.
7. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

RULES AND REGULATIONS**SECTION J – WAIVERS**

The Company may, at its sole discretion, waive any of the Rules and Regulations contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

SECTION K – AMENDMENT OF COMMISSION REGULATIONS

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this Tariff, the Tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this Tariff will remain unchanged.

SECTION L – PRIVILEGE TO INVESTIGATE/RIGHT TO ACCESS

The Company shall have the right by its employees to have access at all reasonable times to all parts of any Premises connected with the Company's System, including meters, Service Connections and other Property owned by it on the Premises of the Customer for the purpose of examining and inspecting the connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause or for purposes of replacement, maintenance, operation or repair thereof. The existing ground grade over any Sanitary Sewer in the utilities right of way shall not be changed nor shall any manhole be covered with earth and no shrubbery or trees be placed over Sanitary Sewer lines or facilities.

RULES AND REGULATIONS**SECTION M – INDUSTRIAL AND COMMERCIAL SERVICE LIMITATIONS**

Pretreatment: At the Customer's or owner of the Property's (defined as "User" within this Section M) expense, all industrial and commercial waste proposed for discharge into the wastewater system shall be studied to determine the degree of Pretreatment, if any, necessary in order that the Waste will not adversely affect the Company's System. The Company will have the authority to properly control any Waste discharged into the Company's System by regulating the rate of any Waste discharged into the Company's System by requiring necessary Pretreatment, and excluding certain Waste, if necessary, to protect the integrity of the Company's System.

Customer Limitations: Users specifically agree that service applies exclusively for domestic/household sewage. If any User discharges industrial or commercial Waste that:

- The existing wastewater treatment plant is unable to satisfactorily treat; or,
- Is not in compliance with discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or
- Requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical domestic wastewater.

Then the User shall provide, at the User's own expense, such Pretreatment as may be necessary before such Waste is discharged into the Company's System. No commercial or industrial Waste, whether pretreated or not, may be discharged without prior written authorization from the Company.

Company Limitations: The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate industrial or commercial Waste.

Specific Dangers: In general, any Waste will be considered harmful to the Company's System if it may cause any of the following damaging effects:

- Chemical reaction either directly or indirectly with the materials of construction of the Company's System in such a manner as to impair the strength or durability of the sewer structures;
- Mechanical action that will destroy the sewer structures;
- Restriction of the hydraulic capacity of the sewer structures;
- Restriction of the normal inspection or maintenance of the sewer structures;
- Danger to public health and safety; or
- Obnoxious condition contrary to public interest.