Pennsylvania-American Water Company
Wastewater Division
(Hereinafter referred to as the “Company”)

D/B/A

Pennsylvania American Water

RATES, RULES AND REGULATIONS
GOVERNING THE FURNISHINGS OF
WASTEWATER COLLECTION AND DISPOSAL SERVICE
IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED
IN ADAMS COUNTY, BEAVER COUNTY, CHESTER COUNTY, CLARION COUNTY,
MONROE COUNTY, NORTHUMBERLAND COUNTY, PIKE COUNTY,
WASHINGTON COUNTY AND YORK COUNTY

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

By: Kathy Pape, President
Pennsylvania-American Water Company
800 West Hersheypark Drive
Hershey, PA 17033

Issued: February 1, 2016 Effective: April 1, 2016

NOTICE

This tariff adds a commercial flat rate that was not included in the original Supplement filing for the Fairview Acquisition under PUC Docket No. A-2015-2486532. (refer to page 4.10)
LIST OF CHANGES

Changes

This tariff supplement establishes an additional monthly flat rate charge for commercial customers that were billed under the residential rate by Fairview Township. The acquisition of Fairview Township was approved by the Pennsylvania Public Utility Commission at Docket No. A-2015-2486532, adopted and entered on December 17, 2015.

(I) Indicates Increase, (D) Indicates Decrease, (C) Indicates Change

Issued: February 1, 2016  Effective: April 1, 2016
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**Issued:** July 31, 2014  
**Effective:** July 31, 2014
TERRITORIES SERVED

Coatesville
Chester County. The City of Coatesville, the Borough of Parkesburg and portions of the Borough of South Coatesville and portions of the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury.

Clarion
Clarion County. Clarion Borough and Shippenville Borough and portions of the Townships of Elk, Clarion, Monroe and Paint.

Claysville
Washington County. Claysville Borough and portions of the Townships of Donegal.

Pocono
Monroe County. A portion of Coolbaugh Township.

Northeast – Lehman Pike and Blue Mountain Lakes
Monroe County. Portions of the Townships of Middle Smithfield, Smithfield and Stroud.
Pike County. Portions of Lehman Township.

Clean Treatment
Pike County. Portions of Delaware Township.

Koppel Borough
Beaver County. Koppel Borough.

Franklin Township
Adams County. Portions of Franklin Township.

Hamiltonban Township
Adams County. Portions of Hamiltonban and Highland Townships.

McEwensville Borough
Northumberland County. McEwensville Borough.

Fairview Township    (C)
York County. Portions of Fairview Township.

Issued: December 29, 2015    Effective: December 30, 2015
PART I:

RATES FOR RATE ZONE 1 – The rates as set forth below will be in effect for all Coatesville, Claysville and Clean Treatment wastewater customers. (C)

Metered Charges (Based on Water Usage or Sewage Flows, determined at PAWC’s discretion)
All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU).

A. Residential ***
Service Charge per month: $ 7.50
Usage Charge per 100 gallons $1.2880 (D)

B. Commercial
Service Charge per month: $20.00

Service Charge per month Coatesville only:
5/8” meter $ 7.50
3/4” - 1 1/2” meter $10.00
2” meter and up $20.00

Usage Charge per 100 gallons $1.1194 (D)

C. Industrial
Service Charge per month: $20.00

Usage Charge per 100 gallons $1.1194

D. Municipal
Service Charge per month: $20.00

Usage Charge per 100 gallons $1.1194

Issued: December 19, 2013    Effective: January 1, 2014
E. Special Rate Charges (Coatesville Only)

1. Bulk Metered Usage
   Caln Township, Sadsbury Township, Valley Township, V.A. Hospital and
   West Brandywine Township – One Monthly Service Charge Per Customer
   of $250.00 in addition to $.8664 per 100 gallons of metered water
   usage.

2. Mittal Steel and Victory Brewing Company– Monthly Service Charge
   of $250.00 in addition to $.8528 per 100 gallons of metered
   water usage.

**Unmetered Charges** - This charge is a flat rate fee for customers not
metered for water consumption.

   Residential *** $58.50 per month, per EDU (D)
   Commercial $58.50 per month, per EDU (D)

*** As set forth in Page 4F, Residential Rates are subject to a 15%
discount for qualifying low income customers.
RATES FOR RATE ZONE 2 - The rates as set forth below will be in effect for all Clarion and Pocono wastewater customers. (C)

**Metered Charges (Based on Water Usage or Sewage Flows, determined at PAWC’s discretion)**

All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU).

A. **Residential***
   - Service Charge per month: $7.50
   - Usage Charge per 100 gallons $1.0135 (I)(C)

B. **Commercial**
   - Service Charge per month: $20.00
   - Usage Charge per 100 gallons:
     - First 16,000 $1.0073, All in excess 16,000 $.7722 (I)(C)

C. **Industrial**
   - Service Charge per month: $20.00
   - Usage Charge per 100 gallons:
     - First 16,000 $1.0059, Next 584,000 gallons $.7519
     - All in excess 600,000 $.5962 (I)

D. **Municipal**
   - Service Charge per month: $20.00
   - Usage Charge per 100 gallons:
     - First 16,000 $1.0073, All in excess 16,000 $.8423 (I)

**Unmetered Charges** - This charge is a flat rate fee for customers not metered for water consumption.

- Residential *** $47.63 per month, per EDU (D)(I)
- Commercial $47.63 per month, per EDU (D)(I)
- Bulk $2,939.00 per month (Clarion Only) (I)

*** As set forth in Page 4F, Residential Rates are subject to a 15% discount for qualifying low income customers.

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*Issued: December 19, 2013    Effective: January 1, 2014*
RATES FOR RATE ZONE 3 - The rates as set forth below will be in effect for all Lehman Pike, Winona Lakes and Blue Mountain wastewater customers. (C)

Metered Charges (Based on Water Usage or Sewage Flows, determined at PAWC’s discretion)
All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU).

A. Residential ***
Service Charge per month: $ 7.50
Usage Charge per 100 gallons $1.2880

B. Commercial
Service Charge per month: $20.00
Usage Charge per 100 gallons $1.2880

Unmetered Charges - This charge is a flat rate fee for customers not metered for water consumption.

Residential *** $58.50 per month, per EDU (I)

*** As set forth in Page 4F, Residential Rates are subject to a 15% discount for qualifying low income customers.
RATES FOR RATE ZONE 4 - The rates as set forth below will be in effect for all Koppel Borough wastewater customers. (C)

Service Charges:

All metered customers shall be subject to a monthly service charge of $38.36.

Usage Charge For All Bill Classes:

The following rates shall apply per hundred gallons.

<table>
<thead>
<tr>
<th>Service Charge</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The First 4,000 gallons per month</td>
<td>$0.3290 per hundred</td>
</tr>
<tr>
<td>All Over 4,000 gallons per month</td>
<td></td>
</tr>
</tbody>
</table>

Special Flat Rates:

All flat rates will be billed monthly.

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penn State Special Metals</td>
<td>$1,189.28</td>
</tr>
<tr>
<td>Luria Brothers</td>
<td>$460.41</td>
</tr>
<tr>
<td>Koppel Steel Co.</td>
<td>$7,144.47</td>
</tr>
</tbody>
</table>
RATES FOR RATE ZONE 5 - The rates as set forth below will be in effect for all Franklin Township wastewater customers. (C)

Unmetered Charges - This charge is a flat rate fee for customers not metered for water consumption.

A Flat Rate of $85.00 per EDU, per month shall be billed to each unmetered customer that is not on a sand mound.

A Flat Rate of $39.24 per month shall be billed to each unmetered customer that is on a sand mound.
RATES FOR RATE ZONE 6 - The rates as set forth below will be in effect for all Paint-Elk wastewater customers. (C)

Metered Charges

Service Charge For All Bill Classes:

All metered customers shall be subject to a monthly service charge of $36.00.

Usage Charge For All Bill Classes:

All usage shall be billed at $0.700 per hundred gallons of metered water usage.

Unmetered Charges - This charge is a flat rate fee for customers not metered for water consumption.

A Flat Rate of $72.00 per EDU, per month shall be billed to each unmetered customer.
RATES FOR RATE ZONE 7 - The rates as set forth below will be in effect for all former Hamiltonban Township Municipal Authority Customers. (C)

Unmetered Charges - This charge is a flat rate fee for customers not metered for water consumption.

Residential - A Flat Rate of $50.00 per EDU, per month shall be billed to each unmetered residential customer.

Commercial - A Flat Rate of $70.87 per EDU, per month shall be billed to each unmetered commercial customer.

Industrial - A Flat Rate of $72.20 per EDU, per month shall be billed to each unmetered industrial customer.

Knouse Foods - A Flat Rate of $4,981.67, per month shall be billed to Knouse Foods.
RATES FOR RATE ZONE 8 - The rates as set forth below will be in effect for all Shippenville Borough wastewater customers. (C)

Service Charges:

All metered customers shall be subject to a monthly service charge of $42.00.

Usage Charge For All Bill Classes:

The following rates shall apply per hundred gallons.

<table>
<thead>
<tr>
<th></th>
<th>Service Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>The First</td>
<td>2,000 gallons per month</td>
</tr>
<tr>
<td>All Over</td>
<td>2,000 gallons per month</td>
</tr>
<tr>
<td></td>
<td>$0.6500 per hundred</td>
</tr>
</tbody>
</table>

Unmetered Charges - This charge is a flat rate fee for customers not metered for water consumption.

A Flat Rate of $42.00 per EDU, per month shall be billed to each unmetered customer.
RATES FOR RATE ZONE 9 - The rates as set forth below will be in effect for all former McEwensville Municipal Authority customers. (C)

A Flat Rate of $48.00 per EDU, per month shall be billed to each customer.
RATES FOR RATE ZONE 10 – The rates as set forth below will be in effect for all Fairview Township wastewater customers.

Flat Rate Charges – Residential

A Flat Rate of $64.00 per EDU, per month shall be billed to each residential customer.

Metered Charges – Commercial, Industrial, Municipal

Service Charge For All Non-Residential Classes:

All metered non-residential customers shall be subject to a monthly service charge of $77.67 per EDU.

Usage Charge For All Non-Residential Bill Classes:

The following rates shall apply per hundred gallons per EDU.

<table>
<thead>
<tr>
<th>Service Charge</th>
<th>Gallons per month</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The First</td>
<td>6,800</td>
<td>$1.1506 per hundred</td>
</tr>
<tr>
<td>All Over</td>
<td>6,800</td>
<td>$1.1506 per hundred</td>
</tr>
</tbody>
</table>

Flat Rate Charges – Commercial, Industrial, Municipal

A Flat Rate of $77.67 per EDU, per month shall be billed to each unmetered commercial customer.

A Flat Rate of $64.00 per EDU, per month shall be billed to each commercial customer that was billed under the residential rate by Fairview Township. This rate will not apply to new customers. (C)

Issued: February 1, 2016       Effective: April 1, 2016
4. For commercial and industrial customers, the EDUs per customer will be those set forth in the Planning Module that includes such customer, as approved by the Company, the relevant municipality and the Pennsylvania Department of Environmental Protection. If, after a commercial or industrial customer’s EDUs are established, in the manner previously described, and the associated capacity reservation fees are paid, changes in the customer’s facilities or mode of operation result in an increase in the number of EDUs or an increase in the customer’s estimated wastewater flow above the levels set forth in the Planning Module previously used to determine the customer’s EDUs, the customer must update the applicable Planning Module and submit it for approval by the Company, the relevant municipality and the Pennsylvania Department of Environmental Protection, and the customer will be required to pay any additional capacity reservation fees that are due based upon the calculation of capacity reservation fees using the EDUs reflected in the revised, approved Planning Module.

The following defines the application of the capacity reservation fee for the Company’s bulk customers who are members of the Municipal Sewer Group (MSG) in the Company’s Coatesville wastewater service territory:

1. Within the service area of an MSG member, no capacity reservation fee will be charged for an applicant for wastewater service that meets the criteria of a Bona Fide Service Applicant, as defined in 52 Pa. Code Section 65.1 (excluding clause (iii) of that definition) if “wastewater” were substituted for “water” and “bulk customer’s service area” were substituted for “the utility’s certificated service territory” in the definition of a Bona Fide Applicant.

2. A capacity reservation fee of $525 per EDU will be used for determining the payments for capacity available prior to the expansion of the Company’s wastewater treatment plant under existing agreements between the Company and its bulk customers.

3. A capacity reservation fee of $4,000 per EDU will be used for determining payments for capacity available after the expansion of the Company’s wastewater treatment plant under existing agreements except as follows:

   a. Valley Township will be charged $525 per EDU for up to 100 EDUs of the 0.4 million gallons per day of post-expansion capacity under its existing agreement with the Company for which it has not yet paid.

Issued: December 19, 2013  Effective: January 1, 2014
b. Sadsbury Township will be charged $525 per EDU for not more than 100 EDUs of post-expansion capacity under any future agreement it may enter into with PAWC for additional post-expansion capacity.

c. West Brandywine Township will be charged $525 per EDU for 188,100 gallons per day of capacity under the Second Addendum dated December 11, 2008, to its sewage treatment agreement with the Company.

4. A capacity reservation fee of $4,000 per EDU will be used for all new agreements (including amendments to existing agreements) with bulk customers. The capacity reservation fees will be paid at the time Planning Modules are fully executed by the Company, the relevant municipality, and the Pennsylvania Department of Environmental Protection, although a bulk customer will have the option to pay earlier, if it so chooses.
Schedule of Miscellaneous Fees and Charges

B. Service Line Inspection Fee

Charge for the Company’s time involved in the inspection of a Service Line tie-in to the Company’s wastewater system.

<table>
<thead>
<tr>
<th>Size of Water Meter</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8” and 3/4”</td>
<td>$50.00</td>
</tr>
<tr>
<td>1”</td>
<td>50.00</td>
</tr>
<tr>
<td>1 1/2”</td>
<td>50.00</td>
</tr>
<tr>
<td>2”</td>
<td>50.00</td>
</tr>
<tr>
<td>3”</td>
<td>50.00</td>
</tr>
<tr>
<td>4”</td>
<td>50.00</td>
</tr>
<tr>
<td>6”</td>
<td>50.00</td>
</tr>
<tr>
<td>8”</td>
<td>50.00</td>
</tr>
</tbody>
</table>

C. Service Reconnection and Discontinuance Fee

A fee will be charged for the shut-off and turn-on of any service. The fee for service performed during regularly scheduled hours shall be $30.00. For non-regularly-scheduled working hours, the fee is equivalent to the cost incurred by the Company. The Service Reconnection and Discontinuance Fee will apply only once if the customer is both a water and wastewater customer of the Company.

D. Return Check Charges

The customer will be responsible for the payment of a $20.00 charge for each time a check presented to the Company for payment on that customer’s utility bill is returned by the payer bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any charge which may be assessed against the Customer by the bank. The Return Check Charge will apply only once if the customer is both a water and wastewater customer of the Company.

Issued: December 19, 2013   Effective: January 1, 2014
E. Wastewater Plant, Residential Septage and Commercial Waste Disposal Fee.

The Fee to be paid by private contractors to the Company to dispose of private residential septage and commercial Wastes at the Company’s wastewater treatment plant.

The following rates shall be charged to haulers of residential septic waste who deliver waste:

<table>
<thead>
<tr>
<th>% Solids</th>
<th>Cost Per Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; = 0.5%</td>
<td>$.0200 (D)</td>
</tr>
<tr>
<td>&lt; = 1%</td>
<td>.0250</td>
</tr>
<tr>
<td>&gt; 1%</td>
<td>&gt; 1%</td>
</tr>
</tbody>
</table>
| > 2%     | < = 2%          | .0300
| > 3%     | < = 3%          | .0345
| > 4%     | < = 4%          | .0395
| > 5%     | < = 5%          | .0445
| > 6%     | < = 6%          | .0495
| > 7%     | < = 7%          | .0545
|          | > 7%            | .0590

1. The Company reserves the right to limit the total amount of residential septage received in a day and/or the total numbers of loads received from a single hauler on a per day basis based on maintaining proper operation of the Company’s wastewater treatment plant.

2. At the discretion of the Company, the Company reserves the right to accept or reject commercially generated waste based on the amount and constituents in the waste. The cost, as determined by the Company, for testing and disposal will be a multiple of the residential septage fee based on the type and strength of the waste.
Schedule of Rates Applicable to All Rate Zones
For Qualifying Low-Income Customers

Tariff Qualifications

In order to qualify to be billed under this tariff, a customer must meet the low-income criteria of 150% based on the Federal Poverty Level. After qualifying to be billed under this tariff, customers must continually make an effort to make timely payments on the discounted bills.

Rates for Service

Customers will receive a 15% discount off their total wastewater bill.
STATE TAX ADJUSTMENT SURCHARGE

In addition to the net charges provided for in this Tariff, a surcharge of negative 0.00% will apply to all services rendered.

The above surcharges will be recomputed; using the elements prescribed by the Commission whenever any of the tax rates used in calculation of the surcharge are changed.

The above recalculations will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputations. If the recomputed surcharge is less than the one in effect, the Company will, and 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 which shall be 10 days after filing.

Issued: December 19, 2013   Effective: January 1, 2014
CUSTOMER GROWTH AND CAPACITY RESERVATION FEE CREDIT ADJUSTMENTS
APPLICABLE TO COATESVILLE WASTEWATER ONLY (D)

In addition to the net charges provided for in this Tariff, a 5.33% credit adjustment will be uniformly applied to all classes of customers for bills rendered on and after the effective date of this tariff supplement subject to annual recalculation in the manner set forth in the Customer Growth Credit Adjustment and Capacity Reservation Fee Credit Adjustment, at pages 5B-5F.
CUSTOMER GROWTH CREDIT ADJUSTMENT APPLICABLE TO COATESVILLE WASTEWATER

1. General Description

The purpose of the Customer Growth Credit (CGC) Adjustment is to adjust all customers’ bills to reflect annual revenue, calculated in the manner provided herein, associated with the growth in (1) the number of customers served directly by the Company (Direct Customers); and (2) the number of customers served by Bulk customers of the Company (Indirect Customers) (collectively, Direct and Indirect Customers) from and after the January 1, 2011 effective date of base rates established in the proceeding at Docket No. R-2010 – 2166212 through January 1, 2017. In the event the Company does not file for a general increase in base rates on March 31, 2016, which is the earliest that it can do so (subject to certain exceptions for extraordinary events) under the terms of the Joint Petition for Settlement at Docket No. R-2010-2166212, then the CGC in effect on January 1, 2017 will remain in effect until the effective date of new base rates established in the Company’s next base rate case for the Coatesville Wastewater Operations.

2. Computation of The CGC

The initial CGC will be calculated on the basis of Direct and Indirect Customers added from and after January 1, 2011 through October 31, 2011. Thereafter, the CGC will be calculated annually based on Direct and Indirect Customers added from and after January 1, 2011 through October 31 of the year in which the computation is made. The calculation and supporting information will be filed with the Commission and served on the active parties to the proceeding at Docket No. R-2010 – 2166212 by December 1 of each year and will become effective on, a bills rendered basis, one month later (January 1). Each such adjustment will reflect annual revenue, calculated as provided below, associated with the Direct and Indirect Customers added from and after January 1, 2011 through October 31 of the computation year.

The CGC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer under the Company’s otherwise applicable rates and charges for wastewater service. The CGC percentage may be added to the Capacity Reservation Fee Credit Adjustment percentage and the resulting composite percentage applied to customers’ bills as a single line item.

Issued: December 19, 2013 Effective: January 1, 2014
The formula for calculating the CGC is as follows:

CGC = \frac{\text{Additional Net Revenue From Customer Growth}}{\text{(Revenue Under Settlement Rates + Additional Revenue From Customer Growth)}}

Where:

Additional Net Revenue From Customer Growth = \text{Annual Net Revenue from Direct and Indirect Customers that are added from and after January 1, 2011 through October 31 of the year the computation is performed.}

Annual Net Revenue from Direct Customers = \text{The applicable customer charge, per customer, plus the Annual Usage, per customer, multiplied by the applicable Direct Customer Annual Usage Rate, less Incremental Treatment Cost.}

Annual Net Revenue from Indirect Customers = \text{The Annual Usage, per customer, multiplied by applicable Indirect Customer Annual Usage Rate, less Incremental Treatment Cost.}

Additional Revenue From Customer Growth = \text{Annual Revenue from Direct and Indirect Customers that are added from and after January 1, 2011 through October 31 of the year the computation is performed, which shall be calculated in the same manner as Annual Net Revenue from Direct and Indirect Customers (above) except that Incremental Treatment Cost is not deducted.}

Annual Usage = \text{For Residential Direct and Indirect Customers: Average annual usage per customer of 51,036 gallons.}
\text{For Commercial Direct and Indirect Customers: Average annual usage of 210,000 gallons.}
\text{For Municipal and Industrial Direct and Indirect Customers: Actual usage by each such customer (1) during the period from when they became a Direct or Indirect Customer to October 31 of the first computation year that includes such customer, annualized to a full year’s usage; and, thereafter (2) during the 12 months preceding October 31 of the computation year.}

Issued: December 19, 2013 Effective: January 1, 2014
Direct Customer Annual Usage Rate = The usage rate for the class to which the customer belongs for the year the calculated CGC will be applied to customers’ bills. For example, if the calculation were done as of December 1, 2011, the applicable Direct Customer Annual Usage Rate would be the usage rate that would be charged commencing January 1, 2012.

Indirect Customer Annual Usage Rate = The Bulk usage rate for the year the calculated CGC will be applied to customers’ bills. For example, if the calculation were done as of December 1, 2011, the applicable Direct Customer Annual Usage Rate would be the usage rate that would be charged commencing January 1, 2012.

Incremental Treatment Cost = $0.000896 per gallon of usage, which represents the average cost of electric power, chemicals and waste disposal for wastewater treatment for the twelve months ending December 31, 2010.

Revenue Under Settlement Rates = The annual revenues to be produced by the Settlement Rates (as hereafter defined) for each year of the phase-in period, as set forth by year in the Proof of Revenues attached as Appendix B to the Joint Petition For Settlement of Rate Investigation at Docket No. R-2010-2166212. The Settlement Rates are the rates set forth in such Proof of Revenues and are the same rates set forth at pages 4 and 4.1 through 4.4 of this Tariff.

3. Reporting Of Indirect Customers Added

Each of the Company’s Bulk customers will provide to the Company, on or before November 15 of each year, a tabulation of the Indirect Customers, by class (Residential, Commercial, Municipal and Industrial), that were added during the preceding twelve months, except that the tabulation to be provided as of November 15, 2011 shall be for the ten months ended October 31, 2011. Upon request, a Bulk customer will provide to the Company, within seven days of such request, copies of a validly issued Occupancy Permit as verification for each of the Indirect Customers listed in its tabulation of Indirect Customers added.

Issued: December 19, 2013    Effective: January 1, 2014
1. General Description

The purpose of the Capacity Reservation Fee Credit (CRFC) Adjustment is to adjust all customers’ bills to reflect the revenue requirement impact, calculated in the manner provided herein, of Capacity Reservation Fees that the Company receives from and after the January 1, 2011 effective date of base rates established in the proceeding at Docket No. R-2010-2166212 through January 1, 2017. In the event the Company does not file for a general increase in base rates on March 31, 2016, which is the earliest that it can do so (subject to certain exceptions for extraordinary events) under the terms of the Joint Petition for Settlement at Docket No. R-2010-2166212, then the CGC in effect on January 1, 2017 will remain in effect until the effective date of new base rates established in the Company’s next base rate case for the Coatesville Wastewater Operations.

2. Computation Of The CRFC

The initial CRFC will be calculated on the basis of Capacity Reservation Fees that the Company receives from and after January 1, 2011 through October 31, 2011. Thereafter, the CRFC will be calculated annually based on Capacity Reservation Fees received by the Company from and after January 1, 2011 through October 31 of the year in which the computation is made. The calculation and supporting information will be filed with the Commission and served on the active parties to the proceeding at Docket No. R-2010-2166212 by December 1 of each year and will become effective, on a bills rendered basis, one month later (January 1). Each such adjustment will reflect the revenue requirement impact, calculated in the manner provided below, associated with the Capacity Reservation Fees received by the Company from and after January 1, 2011 through October 31 of the computation year.

The CRFC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer under the Company’s otherwise applicable rates and charges for wastewater service. The CRFC percentage may be added to the CGC percentage and the resulting composite percentage applied to customers’ bills as a single line item.

Issued: December 19, 2013
Effective: January 1, 2014
The formula for calculating the CRFC is as follows:

\[
\text{CRFC} = \frac{\text{Capacity Reservation Fee Revenue Requirement}}{\text{Total Base Rate Revenue}}
\]

Where:

- \(\text{Capacity Reservation Fee Revenue Requirement}\) = Capacity Reservation Fees received by the Company from and after January 1, 2011 through October 31 of the year in which the computation is made multiplied by the sum of (1) the applicable depreciation rate (1.94%) and (2) the pre-tax overall rate of return (8.36%).

- \(\text{Total Base Rate Revenue}\) = Revenue under Settlement Rates + Additional Revenue From Customer Growth.

- \(\text{Revenue Under Settlement Rates}\) = Shall have the same definition as under the CGC Adjustment.

- \(\text{Additional Revenue From Customer Growth}\) = Shall have the same definition as in the CGC Adjustment.

Contributions in aid of construction or grants or funds in the nature of contributions in aid of construction with respect to the Coatesville Wastewater Treatment Plant that are furnished to the Company by, or through the efforts of, one or more of its Bulk customers will be treated the same as Capacity Reservation Fees for purposes of applying the Capacity Reservation Fee Credit Adjustment except that, as to such amounts, the Capacity Reservation Fee Revenue Requirement will be calculated using the applicable depreciation rate of 2.09% and the cost rate for the Pennsylvania Economic Development Financing Authority loan that was issued to finance the Coatesville Wastewater Treatment Plant.
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (I)

In addition to the net charges provided for in this Tariff, a charge of 5.00% will apply to bills issued on or after January 1, 2016, consistent with the Commission Order dated December 4, 2014 at Docket No. P-2014-2431005, approving the DSIC.

This Charge will be applicable to:

Rate Zone 1 - Coatesville, Claysville and Clean Treatment
Rate Zone 2 - Clarion and Pocono
Rate Zone 3 - Lehman Pike, Winona Lakes and Blue Mountain

Issued: December 15, 2015 Effective: January 1, 2016
1. 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 Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional wastewater problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC eligible property to the extent of the PENNVEST funding or surcharge.

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 and 363)

- 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, 364 and 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 and 363)

- Collection main rehabilitation including inflow and infiltration projects; Accounts (360, 361 and 363)

- Unreimbursed costs related to highway relocation projects where a wastewater utility must relocate its facilities; and

- Other related capitalized costs.

Effective Date: The DSIC will become effective for bills rendered on or after January 1, 2015.

2. Computation of the DSIC

Calculation: The initial non-zero DSIC, effective April 1, 2015, shall 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 January 1, 2015 through February 28, 2015. 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:

<table>
<thead>
<tr>
<th>Effective Date of Change</th>
<th>Date to which DSIC-Eligible Plant Additions Reflected</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1</td>
<td>February 28</td>
</tr>
<tr>
<td>July 1</td>
<td>May 31</td>
</tr>
<tr>
<td>October 1</td>
<td>August 31</td>
</tr>
<tr>
<td>January 1</td>
<td>November 30</td>
</tr>
</tbody>
</table>

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

**Depreciation:** The depreciation expense shall be calculated by applying the annual accrual rates employed in the Utility’s most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC eligible property.

**Pre-tax return:** The pre-tax return shall 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 for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the 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 in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

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

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**Issued:** December 15, 2014  
**Effective:** January 1, 2015
Formula: The formula for calculation of the DSIC is as follows:

\[
\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep} + e}{\text{PQR}} 
\]

Where:

- **DSI** = Original cost of eligible distribution system improvement projects net of accrued depreciation.
- **PTRR** = Pre-tax return rate applicable to DSIC-eligible property.
- **Dep** = Depreciation expense related to DSIC-eligible property.
- **e** = Amount calculated under the annual reconciliation feature or Commission Audit, as described below.
- **PQR** = Projected quarterly revenues for wastewater service (including all applicable clauses and riders) 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 Commission’s Bureau of Investigation and Enforcement, Commission’s 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 update.

3. Customer Safeguards

**Cap:** The DSIC is capped at 5% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

**Audit/Reconciliation:** The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307 (e), over a one year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) and will be refunded in the same manner as an over-collection.

Issued: December 15, 2014

Effective: January 1, 2015


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

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.

All customer classes: The DSIC shall be applied equally to all customer classes.

Earning Reports: The DSIC 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 reports 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.

Issued: December 15, 2014  Effective: January 1, 2015
PART II: DEFINITIONS

The following words and phrases, when used in this tariff, shall have the meanings assigned below unless the context clearly indicates otherwise:

1. **Applicant:** A person, association, partnership, corporation, municipality, authority, state or federal governmental agency or other entity who applies to become a customer of the Company in accordance with Part III, Section A, of this tariff.

2. **B.O.D.** (Biochemical Oxygen Demand): The quantity of oxygen, expressed in milligrams per liter, utilized in the biochemical oxidation of organic matter under the standard laboratory procedure for five (5) days at twenty (20) degrees Centigrade. The standard laboratory procedure shall be that found in the latest approved edition of “Standard Methods for the Examination of Water and Sewage” published by the American Public Health Association.

3. **Capacity Reservation fee:** A fee charged by the Company for the allocation of capacity on a per EDU basis.

4. **Commission:** The Pennsylvania Public Utility Commission.

5. **Company:** Pennsylvania-American Water Company and its duly authorized officers, agents and employees, each acting within the scope of his authority and employment.

6. **Company Service Line:** Company owned wastewater service line from the sewer main of the Company which connects to the Customer Service Line at the edge of the right-of-way or actual property line.

7. **Customer:** A person 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.

8. **Customer Service Line:** Customer owned wastewater service line extending from the end of the Company Service Line or connection to and within the customer’s premise.

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Issued: December 19, 2013  Effective: January 1, 2014
9. Domestic Wastewater: The liquid waste or liquid borne waste: (1) resulting from the non-commercial preparation, cooking and handling of food: (2) consisting of human excrement; or (3) consisting of wastewater, non-commercial laundering water, domestic housekeeping wastewater, and similar types of wastes from sanitary uses, whether generated in residences or sanitary facilities in commercial or industrial facilities, but does not include any storm water or ground water introduced from facilities such as roof leaders, sump pumps, floor drains or industrial wastewater. Domestic Wastewater includes sanitary wastes having suspended solids (SS) less than 300mg/L, 5 day Biochemical Oxygen Demand (BOD%) less than 300 mg/L, and a chlorine demand less than 25mg/L.

10. Dwelling Unit: A structure or dwelling intended to be occupied as a whole by one family.

11. Equivalent Dwelling Units (EDU): The EDU is a measure based upon the estimated average daily wastewater flow for the type of business, as calculated by the PaDEP Regulation at 25 Pa Code: 73.17 divided by the typical estimated average daily wastewater flow from a current single-family unit (One EDU shall be equal to 225 gallons per day of sewage for a single-family unit, unless modified by the Company).

12. Garbage: The solid wastes from domestic cooking and dispensing of food, and from the handling and storage of produce.

13. Garbage Properly Shredded: The term “Properly Shredded Garbage”, as used herein, shall mean the wastes from the preparation, cooking, and dispensing of food that have been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half inch in dimension.

14. Grinder pump: Any mechanical or powered device, owned by the Customer, used to grind, macerate or fluidize garbage so that it can be discharged into the Sanitary Sewer.

15. Industrial/Commercial Wastes: Any liquid, gaseous or water borne wastes from industrial processes or commercial establishments, as distinct from domestic wastewater.

16. Industrial/Commercial Waste Permit: A wastewater permit issued as required by the Company to an Industrial/Commercial user which discharges Industrial/Commercial Waste.
17. **Industrial/Commercial Waste Pretreatment Program:** A program established by the Company that requires industrial and commercial dischargers to monitor, test, treat and control as necessary pollutants in their wastewater prior to discharge into the Sanitary Sewer.

18. **Line extension (for line extension purposes):** An addition to the Company’s main line which is necessary to serve the premises of a Customer. Refer to Section G.

19. **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.

20. **Meter:** Any device supplied by the Company or other for the purpose of measuring water consumption or wastewater discharge.

21. **Nonresidential Service:** Wastewater service supplied to a commercial or industrial building, including a hotel or motel, or to a master-metered trailer park or multi-tenant apartment building, or to any customer who purchases wastewater service from the Company for the purpose of resale.

22. **Pretreatment:** The application of physical, chemical and/or biological processes to reduce the amount of pollutants in, or alter the nature of the polluting properties of, an industrial/commercial process wastewater prior to discharging such wastewater into the Sanitary Sewer.

23. **Public Utility:** Persons or corporations owning or operating equipment or facilities in this Commonwealth for water, electric or wastewater collection, treatment, or disposal for the public for compensation.

24. **Residential Service:** Wastewater service supplied to an individual single-family residential dwelling unit.

25. **Regulatory Agency:** Agencies, including but not limited to the Commission, the Pennsylvania Department of Environmental Protection (DEP), U.S. Environmental Protection Agency (EPA), which have authority over the operations of and/or discharges into and/or from the Company’s treatment facilities.

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**Issued:** December 19, 2013  
**Effective:** January 1, 2014
26. **Sanitary Sewer:** A sewer which primarily carries sanitary wastewater, together with such storm, surface and ground water as may be present.

27. **Storm Sewer:** A sewer which carries surface, ground water, or storm water from the buildings, ground, streets, or other areas.

28. **Suspended Solids:** Solids that either float on the surface of, or are in suspension in water, wastewater, or other liquids, and which are largely removable by filtration.

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

30. **Toxic Substances:** Any substances where gaseous, liquid or solid waste which, when discharged to a public sewer in sufficient quantities, will be detrimental to any biological wastewater treatment process, constitute a hazard to human beings or animals, inhibit aquatic life, or create a hazard to recreation in receiving waters of the effluent from a wastewater treatment plant, or as defined pursuant to PL 92500 (Federal Water Pollution Control Act Amendments of 1972) or its amendments.

31. **Wastes:** Any liquid, gaseous, or solid substances or combination thereof which are discarded, leached, or spilled substances or combination thereof including sanitary wastewater but excluding storm-water.

32. **Wastewater:** The liquid and water-carried wastes from dwellings, commercial facilities, industrial facilities and institutions, together with any groundwater, surface water, and storm water that may be present, whether treated or untreated, in the Company’s sewer system.
PART III: RULES AND REGULATIONS

Section A - Applications for Service

1. **Service Application Required:** 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.

Non residential service customers which desire to discharge Industrial/Commercial Wastes into the Sanitary Sewer 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.

2. **Change in Ownership or Tenancy:** A new application must be made to the Company upon any change in ownership where the owner of the property is the Customer, or upon any change in the identity of a lessee where the lessee of the property is the Customer. The Company shall have the right to discontinue or otherwise interrupt wastewater collection service upon three (3) days notice if a new application has not been made and approved for the new customer.

3. **Acceptance of Application:** An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the applicant pending formal review and acceptance of the application.

4. **Temporary Service:** In the case of temporary service for less than a 12-month period, the Company may require the Customer to pay all costs of making the service connection and for its removal after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. If the actual costs differ from the estimate, the Applicant will pay to the Company any excess amount due or the Company will refund to the Applicant any excess amount paid.
Section B - Construction and Maintenance of Facilities

1. **Customer Service Line:** The Customer service line shall be furnished, installed, maintained and/or replaced, when necessary, by and at the sole expense of the Customer. The Company reserves the right to determine the size, type, quality, depth, and connection location of the customer service lines. Prior to connection to the Company service line, the Customer, at their sole cost, shall have the Customer service line air pressure tested and checked for alignment by a Company approved qualified person under the supervision of a Company representative.

2. **Separate Trench:** The customer wastewater 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 public utility service.

3. **Customer’s Responsibilities:** All service lines, connections and fixtures furnished by the customer shall be maintained by the Customer in good working order. All valves, meters and appliances furnished by the Company and on property owned or leased by the Customer shall be protected properly by the customer. All leaks in the Customer service line or any pipe or fixtures in or upon the customer’s premises must be repaired immediately by the Customer as determined solely by the Company.

4. **Customer Grinder Pump:** In areas of the collection 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 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 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 constitute 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.

5. **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.

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Issued: December 19, 2013            Effective: January 1, 2014
6. **Water Use Standards for Certain Plumbing Fixtures:** This rule establishes maximum water use criteria for certain plumbing fixtures installed in all new construction or renovation. Such standards have been implemented to achieve maximum efficiency of water use which the Commission has determined is technologically feasible and economically justified.

(a) Maximum permitted water usage levels shall be as follows:

<table>
<thead>
<tr>
<th>Plumbing Fixture</th>
<th>Maximum Water Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>water closets</td>
<td>1.6 gallons/flush</td>
</tr>
<tr>
<td>urinals</td>
<td>1.5 gallons/flush</td>
</tr>
</tbody>
</table>

(b) The Company may exempt particular customers, or classes of customers, when it is determined that the water use standards for plumbing fixtures listed above are unreasonable, cannot be accommodated by existing technology or are otherwise inappropriate.

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 Line, and that Customer Service Line shall not cross over the property of or serve any other customer or premise. The maximum service line length shall be two hundred and fifty (250) feet from the point of connections 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. **Connection to Company Mains:** No connection shall be made to the Company’s main, nor detachment from it, except under the direction and control of the Company. 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 service lines from the main to the property line or right-of-way.

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**Issued:** December 19, 2013  
**Effective:** January 1, 2014
Section C - Discontinuance, Termination and Restoration of Service

1. **Discontinuance by Customer:** Where a customer requests the Company to discontinue service, the following rules shall apply:

   (a) A customer who wishes to have service discontinued shall give at least three (3) days notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the Customer shall be responsible for all service rendered until the time that the Company shall have actual or constructive notice of the Customer’s intent to discontinue service. The Customer shall not begin to use nor cease to use wastewater service without the prior consent of the Company. A customer discontinuing service remains a customer for purposes of paying turn-on fees pursuant to Rule 3 of this Section for a period of nine (9) months.

   (b) Where a customer requests turn-on of service within six (6) months of disconnection, the Customer shall be subject to monthly minimum billing for the period of disconnection.

2. **Termination by Company:** Wastewater and/or water service to the Customer may be terminated for good cause, including, but not limited to, the following:

   (a) making an application for wastewater service that contains material misrepresentations;

   (b) failure to repair leaks in sewer pipes or fixtures;

   (c) tampering with any Company Service Line, or installing or maintaining any unauthorized connection;

   (d) theft of sewer service, which shall include taking service without having made a proper application for service under Part III, Section A;

   (e) failure to pay, when due, any charges accruing under this tariff;

   (f) discharge of any prohibited substance listed in Section F into the wastewater system;

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Issued: December 19, 2013  Effective: January 1, 2014
(g) receipt by the Company of an order or notice from the Department of Environmental Protection, a health agency, local plumbing inspector or other similar authority, to terminate service to the property served on the grounds of violation of any law or ordinance, or upon notice to the Company from any such authority that has ordered an existing violation on the property to be corrected and that such order has not been complied with or

(h) material violation of any provisions of the tariff;

(i) failure to properly install and maintain a grinder pump, including its replacement when improperly functioning as solely determined by the Company;

(j) any unauthorized, un-inspected, or improper connection, as herein defined, found to exist will be required to be disconnected within ten (10) days. The Company may require a plumber’s sworn statement or certificate as evidence that the connection has been discontinued.

(k) Not abiding by the provisions of the Company’s Industrial/Commercial Waste Pretreatment Program.

(l) Failure to remove direct connections to the Customer Service Line that allow surface, subsurface, storm water, or roof run off water into the Sanitary Sewer.

(m) Not complying with any part of this tariff.

(n) Supplying sewer service to other units, buildings or premises when Capacity Reservation Fees have not been paid for in accordance with tariff.

In order to terminate wastewater service, the Company can at its discretion install a shut off valve on the Company’s Service Line to terminate service. The cost for the installation of the shut off valve and all the other charges accruing under this tariff shall be paid to the Company before service is restored.

3. Turn-on Charge: Whenever service is discontinued or terminated pursuant to Rule 1 or Rule 2 of this Section, service shall be permitted by the Company only upon the payment by the Customer of a turn-on fee and the curing of the problem that gave rise to the terminations if under Rule 2. Refer to Schedule of Miscellaneous Fees and Charges; section C for Service Reconnection and Discontinuance Fee.

Issued: December 19, 2013  Effective: January 1, 2014
Section D - Billing and Collection

1. **Issuance of Bills:** The Company will bill each customer within fifteen (15) days of the last day of each billing period.

2. **Billing Due Date Prior to SAP CIS Implementation:** The due date for payment of a bill for nonresidential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. The Company may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.

   **Billing Due Date After to SAP CIS Implementation:** All bills shall generally be rendered monthly. The due date for payment of a bill for residential and non-residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. The Company may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.

3. **Late-Payment Charge:** All amounts not paid when due shall accrue a late-payment charge at the rate not to exceed one and fifty one-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in Rule 2 of this Section.

4. **Change in Billing Address:** Where a customer fails to notify the Company of a change in billing address, the Customer shall remain responsible to remit payment by the billing due date.

5. **Application of Payment:** Utility bills rendered by the Company shall include only the amount due for utility service. Where a customer remittance to the Company includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges.

6. **Return Check Charge:** The customer will be responsible for return check charge as provided in the Schedule of Miscellaneous Fees and Charges section of the tariff.

Issued: December 19, 2013    Effective: January 1, 2014
7. **Disputed Bills:** In the event of a dispute between the Customer and the Company with respect to any bill, the Company will promptly make such investigation as may be required by the particular case and report the result to the Customer. The Customer is not obligated to pay the disputed amount during the pendency of the Company’s investigation. When the Company has made a report to the Customer sustaining the bill as rendered, the Customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amount received by the Company in excess of the amount determined to be due by the Company’s investigation of the dispute shall be refunded to the Customer.

**Section E - Deposits**

1. **Residential Customers:**

   (a) New Applicants—The Company will provide service without requiring a deposit unless the applicant was terminated for nonpayment within the prior twelve (12) months or has an unpaid balance for prior service from the Company. Then the Company may require a deposit that will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month’s service.

   (b) Existing Customers—If a customer has paid late on two (2) consecutive occasions or a total of three (3) times within the prior 12-month period, the Company may send a letter informing the Customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing customer may be required to pay a deposit as a condition to having service restored after termination for non-payment or for failure to comply with a payment agreement. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month’s service.
(c) Deposit Refunds and Interest—A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the prior 12-month period without having been late on more than two (2) occasions and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one-year Treasury Bills for September, October and November of the previous year, payable annually without deductions for taxes thereon unless otherwise required by law. The applicable interest rate for each year shall be determined as of January 1 of that year.

2. Nonresidential Customers:

(a) New Applicants—A deposit may be required from any new applicant who does not have prior satisfactory credit history with the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month’s service.

(b) Existing Customers—Deposit requirements for existing nonresidential customers shall be as established for residential customers in Rule 1 of this Section.

(c) Deposit Refunds and Interest—A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

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Section F- Wastewater Control Regulations

1. General Prohibitions:

(a) No storm water from pavements, area ways, runoff basins, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company Sanitary Sewer.

(b) The discharge of garbage to the Sanitary Sewer is expressly prohibited. Properly shredded biodegradable garbage may be discharged into the Sanitary Sewer with no particle greater than one-half inch in dimension.

2. Sampling and Analysis:

(a) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in the Company’s rules may be determined in accordance with the latest DEP and EPA approved editions of “Standard Methods for the Examination of Water and Wastewater” under Act 252 as prepared by DEP and 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.

(b) All measurements, test, inspections and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulations of the Company, shall be done by the Company or its agents, employees or contractors. If the measurements, 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).
(c) Where the Company deems it advisable, it may require any customer 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 so discharged.

(d) In the event any person, firm or corporation producing any industrial wastes otherwise excluded from the Sanitary Sewer, desires to discharge the same into any portion of the Company’s sanitary sewer system, the Company may at its option, consent to such discharge at a charge in accordance with the Company’s established Schedule of Rates, Surcharges and discounts applicable to such Industrial/Commercial Wastes, as provided in Section K.8 entitled “Surcharge for Industrial Wastes.” Such consent may be made contingent upon the applicant providing and maintaining apparatus for regulating the rate of discharge and/or treating the wastes at his or its expense prior to discharge as the Company may deem necessary. Such consent will stipulate the location and type of metering device to be used for measuring the quantity of such wastes discharged to the sewage system, and will also stipulate the method and frequency of sampling such wastes. Each analysis will be made on a composite of twenty-four (24) hourly (or a larger number of more frequent) samples of wastes collected over a singly twenty-four (24) hour day; the volume of each of the samples will be proportional to the rate of Waste flow. The average suspended solid content or acid equivalent of the wastes for the quarter will be calculated in such a manner as to be as truly representative of the entire quarterly flow and composition of the waste as possible. Particular care will be exercised to insure that the difference in character or composition of the wastes during the week ends or nights when industrial operations are at a minimum, are properly considered in arriving at quarterly averages.
3. **Prohibited Discharges:** The Company reserves the right to refuse connection to its Sanitary Sewer and/or to compel the discontinuance of the use of any system, or to require pre-treatment of Wastes by any Customer, in order to prevent the discharge of any Wastes to the Sanitary Sewer system which may be deemed harmful to the Sanitary Sewer system, or to have an adverse effect on the sewage treatment processes. Except from the written consent of the Company, there shall be excluded from the sewage system but not limited to, any wastes having suspended solids (SS) in excess of 300 mg/L, 5 day Biochemical Oxygen Demand (BOD5) in excess of 300 mg/L, a chlorine demand in excess of 25 mg/L and Wastes having any or all of the following characteristics:

(a) Wastes containing any 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 wastewater system or its operation.

(b) Wastes having a temperature in excess of 120 degrees F. or less than 32 degrees F that enters the Sanitary Sewer or Wastes entering the plant that increase the temperature of the Wastewater at the headworks of the plant to exceed 104 degrees F.

(c) Wastes having a pH lower than 6.0 or higher than 9.0, or having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.

(d) Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage 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.

(e) Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, dairy products, 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 sewer system.

(f) Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
(g) Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.

(h) Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit.

(i) Wastes containing other matter detrimental to the operation of a sewage treatment plant or Sanitary Sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewage treatment plant.

(j) Wastes containing fats, wax, tar, grease or oil of petroleum origin, whether emulsified or not, in excess of one hundred mg/L, or petroleum oil, non biodegradable cutting oil or petroleum products of mineral oil origin in amounts that will cause interference or pass through at the wastewater treatment facilities.

(k) Wastes containing an average concentration of oils and greases, of the Hydrocarbon variety or any Freon extractables which are not biodegradable in excess of 10 mg/L.

(l) Wastes containing more than 10 mg/L of any of the following gases: hydrogen sulfide; sulfur dioxide; nitrous oxide; or any of the halogens.

(m) Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the sewer system operation. Toxic pollutants or substances shall include but not limited to Wastewater containing cyanide, chromium, cadmium, mercury, copper, nickel, or materials listed as hazardous materials.

(n) Any waste containing toxic substances in quantities sufficient to interfere with the biochemical/biological processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.

(o) Any waste containing radioactive isotopes or other radioactive materials.

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(p) Sludges resulting from the treatment of concentrated solutions that are not acceptable for discharge to the Sanitary Sewer.

(q) Effluent limitations promulgated as categorical standards, 40 C.F.R. Chapter 1, Subchapter N and 40 C.F.R. 403.6 shall apply in any instance where they are more stringent than those in this section.

(r) The local limits in this section may be supplemented with more stringent limitations if the Company determines that the limitations in subsection (a) through (p) above may not be sufficient to protect the operation of the sewerage system or to enable the water pollution control plant to comply with water quality standards or effluent limitations specified in the Company’s NPDES permit.

(s) Waste introduced into the Sanitary Sewer with any pollutants which cause pass through or interference; whether or not the customer is subject any other national, state, or local pretreatment standards or requirements.

(t) Waste containing any color which may not be removed in the wastewater treatment process.

4. 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 Sanitary Sewer, except as designated by the Company.

5. Penalties: The Company reserves the right to terminate water and/or wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.

6. Damages: In the event of any damage to the Company’s wastewater system caused by a Customer, or a Customer’s representative, such damage shall be immediately reported to the Company and said Customer shall reimburse the Company for the costs of such repairs, testing, consulting and all other costs associated with the damage.

Any user violating any of the provisions of these Rules and Regulations shall become liable to the Company for all expenses, losses, or damages occasioned by the Company by reason of such violation, whether incidental or consequential.
Section G- Line Extensions for Applicants other than Bona Fide Service Applicants

1. When an extension to serve a Customer is required or requested, such extension will be made under the terms of a “Sewer Main Extension Agreement” or a “Sewer Main Extension Deposit Agreement”.

2. Customer shall contribute all facilities required for the Company to directly connect the Customer to the Sanitary Sewer. This includes pumping stations, vaults, manholes, mains or any other apparatuses where applicable. The Company shall have the right to locate the facilities as required to meet the long term system needs of the Customers.

3. Customer shall also pay a capacity reservation fee to the Company for each proposed equivalent dwelling unit.

4. **Size of Main and Other Facilities:** The Company shall have the exclusive right to determine the type and size of mains and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Sewer Main Extension Agreement or Sewer Main Extension Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Sewer Main Extension Agreement or Sewer Main Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate.

5. **Length of Extension:** In determining the necessary length of an extension, the terminal point of such extension shall be at that point in the property line or right-of-way, which is equidistant from the side property lines of the last lot for which service was requested except where the Company, in its sole opinion, determines that it is necessary to extend beyond the last lot and connect to an existing main to provide adequate and reliable wastewater service. A street service connection will be provided only for customer service lines that extend at right angles from the curb line in a straight line to the premises to be served.

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6. Offsite Development Marketing Contracts: Where it is prudent, reasonable and in the public interest, the Company may, at its option enter into offsite development marketing contracts which depart from the standard terms of the “Sewer Main Extension Agreement” or “Sewer Main Extension Deposit Agreement”. These marketing agreements shall become effective 30 days after the Company has filed a copy thereof with the Pennsylvania Public Utility Commission, or in the event that the Commission institutes an investigation, at such time as the Commission grants its approval thereof.

Section H- Service Continuity

1. Regularity of Service: The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.

2. Liability for Damages:

(a) Limitation of Damages for Service Interruptions: The Company’s liability to a customer for any loss or damage from any excess or deficiency in the wastewater collection service due to any cause other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the Customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but cannot and does not guarantee that such will not occur.

(b) Responsibility for Customer Facilities: The Company shall not be liable for any loss or damage caused by reason of any break, blockage, leak or other defect in a Customer’s own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from a blockage of the customer’s service line or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.
(c) When the Company incurs costs and the blockage or defect is determined to be on the customer’s service line, the Company may request reimbursement and the Customer is responsible to reimburse the Company for associated costs.

Section I– Waivers

The Company may, at its sole discretion, waive any of the Rules 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 J– 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, this 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 K - Industrial and Commercial Service Limitations.

1. **Pretreatment:** All Industrial/Commercial Waste proposed for discharge into the Sanitary Sewer shall be categorized to determine the degree of pretreatment, if any, necessary in order that the Waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to regulate and set limitations on any Waste discharge into its Sanitary Sewer by regulating the rate of any Waste discharge into its Sanitary Sewer and/or by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company’s system.

2. **IPP:** At such time as an Industrial Pretreatment Program (IPP) is required by the United States Environmental Protection Agency (EPA), Pennsylvania Department of Environmental Protection (DEP), or the Company implements an IPP, the Company shall develop and enforce the IPP in accordance with applicable regulations.

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3. **Customer Limitations:** Customers specifically agree that service applies exclusively for Domestic Wastewater. If any Customer discharges Industrial or Commercial Waste that:

   (a) the existing wastewater treatment plant is unable to satisfactorily treat; or,

   (b) is not in compliance with any discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or,

   (c) is more costly to treat than typical Domestic Wastewater; or,

   (d) requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical Domestic Wastewater,

then the Customer shall provide, at the Customer’s own expense, such pretreatment deemed necessary by the Company before such Waste is discharged into the Sanitary Sewer. No Commercial or Industrial Waste, whether pretreated or not, may be discharged without prior written authorization from the Company. The Company reserves the right to set the applicable discharge limits on any waste stream entering its collection system. An Industrial/Commercial Waste Pretreatment Agreement will need to be executed prior to allowing the discharge to occur.

4. **Company Limitations:** The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate Industrial or Commercial Waste.

5. **Flow Limitations:** The Company reserves the right to control quantities and rate of discharge of such Industrial and Commercial Wastes on the basis of 24 hours per day and 7 days per week.

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Issued: December 19, 2013   Effective: January 1, 2014
6. **Grease, Oil, Sand Traps, and interceptors:** The Company reserves the right to require the installation of grease, oil, sand traps or interceptors at the Company’s discretion when necessary for the proper handling of liquid wastes containing grease in excessive amounts, any flammable wastes, sand, or other harmful ingredients. All traps/interceptors shall be of a type and capacity approved by the Company and shall be located as to be readily and easily accessible for cleaning and inspection. Grease, oil, sand traps or interceptors shall be installed in all new filling stations, garages, restaurants, and other new facilities wherein heavy discharge of grease, oil, sand is to be expected. Owners of grease, oil, sand traps or interceptors are required to clean out the device on a regular basis to maintain good operation of the trap. The Company reserves the right to require owners of grease, oil, sand traps or interceptors to submit records of cleaning to the Company at the Company’s discretion.

7. **Specific Dangers:** In general, any Waste provided by a Customer will be considered harmful to the Company’s Sanitary Sewer and any other facility if it may cause any of the following damaging effects:

   (a) chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;

   (b) mechanical action that will destroy the sewer structures;

   (c) restriction of the hydraulic capacity of the sewer structures;

   (d) restriction of the normal inspection or maintenance of the sewer structures;

   (e) danger to public health and safety; or

   (f) obnoxious condition contrary to public interest.

The Company may terminate service as per Section C if any of these specific dangers, or other dangers, as determined by the Company are caused by the Customer.

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Issued: December 19, 2013  
Effective: January 1, 2014
8. Surcharge for Industrial/Commercial Wastes:

(a) In the event that the Company consents to accept into the Sanitary Sewer system Industrial/Commercial Wastes containing more than 300 milligrams per liter by weight (mg/L) of suspended solids and/or 300 mg/L of 5 day biochemical oxygen demand, otherwise prohibited under this Section, there is hereby imposed for such service in addition to the sanitary sewage quantity, a surcharge for the Suspended Solids and 5 day Biochemical Oxygen Demand (BOD5) contained in said wastes in excess of 300 mg/L and a chlorine demand in excess of 25 mg/L in accordance with the following schedule:

(i) $0.10 per pound of BOD5 in excess of 300 mg/L.

(ii) $0.06 per pound of Suspended Solids in excess of 300 mg/L.

(iii) Actual chlorine cost per pound of chlorine demand in excess of 25 mg/L.

(b) In the event the Company elects to accept Industrial/Commercial Wastes having a pH below 6.0, the total acid equivalent of such wastes, expressed as 100% sulfuric acid shall be considered as one pound of Suspended Solids. For purposes of calculating Surcharges, the total sum computed by adding the acid equivalent so determined to the actual Suspended Solids content shall be considered to be the Suspended Solids content of the acidic wastes. The charges for treatment of such acidic wastes shall be subject to the same Surcharges as above set forth for wastes containing excessive solids.

Section L. Privilege to Investigate/Right of Access

The Company’s authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause.
Section M. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (C)

General Provisions

(A)(1) The Company will extend existing sewer mains for a Bona Fide Service Applicant making application for sewer service, other than temporary or seasonal service, under, and pursuant to, these Rules and Regulations, to commence immediately upon installation of the Street Service Connection.

(2) When the costs of the main extension exceed the Company Contribution as defined in Subsection (D), then such extension will be made under and pursuant to the terms of an Extension Deposit Agreement for Bona Fide Service Applicant, as hereinafter set forth, and subject to the applicable provisions of these Rules and Regulations. The construction of facilities to serve such Bona Fide Service Applicant will not commence until an Extension Deposit Agreement for Bona Fide Service Applicant has been executed and all applicable terms and conditions therein have been satisfied by the Applicant.

(3) When an extension is requested or required to serve a Bona Fide Service Applicant requiring Special Utility Service, construction of the extension or of any facilities needed to provide such Special Utility Service will not commence until a Special Utility Service Agreement has been executed and all applicable terms and conditions therein have been satisfied by the Applicant including, but not limited to, paying the requisite sum of money for construction of the facilities needed to furnish Special Utility Service, in accordance with the Preliminary Memorandum to such Special Utility Service Agreement.

(B) The Company shall have exclusive right to determine the type and size mains to be installed and the other facilities required to render adequate service. If a Bona Fide Service Applicant desires any facilities other than those facilities determined by the Company to be required to render adequate service, those other facilities will be installed by, owned by, maintained by, and will become the sole responsibility of the Bona Fide Service Applicant.
(C) In determining the length of and necessity for any extension required pursuant hereto, the terminal point of such extension shall, in all cases, be at the point in the curb line which is equidistant from the side property lines of the last lot for which sewer service is requested, except as provided in Paragraph B above wherein it may be necessary to extend beyond the last lot and connect to an existing main to provide adequate and reliable sewer service. A street service connection will be provided only when Customer service lines from the curb to the premises to be served are laid in a straight line at right angles to the curb line.

(D) For the purposes of this rule:

(1) "Bona Fide Service Applicant" shall mean a person or entity applying for General Sewer Service to an existing structure for which a valid occupancy permit has been issued if such structure is within the Company's certificated service territory and is either: (1) a primary residence of the Applicant; or (2) a place of business. An Applicant shall not be deemed a Bona Fide Service Applicant if such Applicant is requesting sewer service to: (1) a building lot or subdivision; or (2) a primary residence if such primary residence was constructed, or the request for sewer service was made, as part of a plan for the development of a residential subdivision; or (3) sewer service for temporary or seasonal services. To become a Bona Fide Service Applicant, a person or entity must file a signed application for a new Street Service Connection to qualifying premises, extend the necessary customer service line to the curb line of premises, and request sewer service to begin immediately following installation of the Street Service Connection. If the Company shall be delayed or prevented from installing the Street Service Connection for a period of one (1) year or more from the date of application, the Bona Fide Service Applicant shall have the right to withdraw the Application for Service.

(2) "Company Contribution" shall mean that portion of the main extension costs which the Company will fund based upon the following formula:

\[
\text{Company Contribution} = \frac{\text{Average Annual Revenue} - \text{Operation and Maintenance Expenses}}{\text{Depreciation Rate and weighted cost of debt}}
\]

Issued: December 19, 2013          Effective: January 1, 2014
The Bona Fide Service Applicant will be required to pay one-third of the Customer Contribution prior to the commencement of any work by the Company. The Customer Contribution will be an amount equal to the difference between the Company Contribution and the cost of the main extension and applicable interest charges. After the initial payment any remainder will be amortized over thirty-six (36) equal monthly installments beginning with the Bona Fide Service Applicant's first bill for sewer service. The Company will also provide information to the applicant on financial institutions that may offer financing to the Bona Fide Service Applicant for the line extension.

(a) The Average Annual Revenue for residential customers with a 5/8" meter shall be calculated based upon the average residential consumption for customers with a 5/8" meter used to determine rates approved by the Pennsylvania Public Utility Commission in the Company's last approved general rate increase. Consumption for residential customers with larger meters will be determined by selecting up to twenty (20) existing customers with similar meter sizes, as available, which have received service for at least twelve (12) months prior to the date of application, and applying the Company's latest approved rates to the annual average consumption of those customers.

(b) The Average Annual Revenue for Commercial, Industrial and Municipal customers shall be calculated by selecting up to twenty (20) existing, similar commercial, industrial or municipal ratepayers, as available, which have received service for at least twelve (12) months prior to the date of application, to determine the average consumption to be used in calculating the Company Contribution.

(c) Operation and Maintenance Expenses shall be the Company's average annual operation and maintenance costs associated with serving an additional customer.

(d) The depreciation rate shall be the Company's depreciation rate for the facilities to be installed as determined in the Company's last approved general rate increase filing.

(e) The weighted cost of debt shall be the Company's long-term debt costs as determined in the Company's last approved general rate increase.

(3) "General Sewer Service" shall mean basic residential sewer service or sewer service for general commercial or municipal purposes but excluding, without limitation, sewer service for seasonal or temporary uses and sewer service solely for sprinkler systems or for any other fire protection use.
(4) "Special Utility Service" shall mean any residential or business service which exceeds that required for ordinary residential purposes. By way of illustration but not limitation, Special Utility Service shall include: the installation of facilities such as oversized mains, lift stations, additional plant capacity or pretreatment facilities required as necessary to adequately treat or convey flows, or service to large sewer producing commercial and industrial applicants. An otherwise Bona fide applicant requesting service which includes a special utility service component is entitled to a Bona fide applicant status, including the corresponding contribution toward the costs of the line extension which do not meet the special utility service criteria.

(5) "Street Service Connection" shall mean a pipe with appurtenances used to conduct sewer from a collection main of the Company to the curb line of the premises.

(E) (1) Street service supplying a premise shall not pass through or across any premises or property other than that to be supplied, except as provided in (E) (2). No sewer pipes or plumbing in any premises shall be extended therefrom to adjacent or other premises. Street service connections will not be permitted to cross intervening properties unless there is no other way in which service can be provided and appropriate easements are obtained. Only service applicant(s) owning property in fee which directly abuts a street wherein there is an existing main of the Company will be permitted to attach to the Company's service line for the purpose of receiving sewer service therefrom, unless appropriate easements are obtained pursuant to Subsection(2) below. It is understood that such property owned in fee by the said service applicant(s) shall be a complete standard building lot which complies with the existing zoning laws and regulations of the municipality in which such property is located. It is further understood that if such property owned in fee by a service applicant(s) is subsequently sold, the purchaser of such property will be entitled to receive sewer service upon compliance with all of the provisions of this tariff, but that the seller of such property shall only be entitled to continue to receive service if such seller complies with all of the provisions of this tariff.

(2) A residential service applicant(s) may obtain a recorded easement or right-of-way that runs with the land, of at least fifteen (15) feet in width connecting the property to be served to the street wherein the Company's main is located. Such easement or right-of-way shall not cross multiple properties. The residential service applicant(s) shall present the Company with a certified copy of a duly recorded instrument which (a) describes the easement or right-of-way by metes and bounds, (b) gives the
Easeement in perpetuity to the heirs, successors and assigns of said residential service applicant(s), (c) grants access to the customer or company service line for purposes of repair and replacement, and (d) is recorded in the County Office of the Recorder of Deeds.

(F) Where substantial public need exists and the public health and safety may be compromised by the absence of a public sewer supply in a portion of the Company’s authorized service territory, the Company, subject to the Commission’s prior approval, may install main extensions and Special Utility Service facilities without the payment of the Customer Contribution that would otherwise be required under subparagraphs (A)(3) and (D)(2), respectively of Section M.

PENNSYLVANIA-AMERICAN WATER COMPANY
(Illustrative Purposes Only)
Calculation of Company Funded Portion of Main Extensions
Per Proposed Tariff Supplement Filed

Average Annual Revenue $340
Minus
Operation and Maintenance Expenses 102
Subtotal 238

Divided by
Depreciation Rate (Mains Only) and
Weighted Debt Costs 6.08%

Total $3,914

Issued: December 19, 2013 Effective: January 1, 2014
Section N. EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT (C)

THIS AGREEMENT entered into this__________ day of__________,20___ , by and between Pennsylvania-American Water Company hereinafter called the "COMPANY," and ______________ hereinafter called the "BONA FIDE SERVICE APPLICANT."

WHEREAS, the BONA FIDE SERVICE APPLICANT desires extension of the sewer mains of the COMPANY, as hereinafter described;

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: THE COMPANY contracts and agrees to lay the sewer main(s) (and other facilities, if any) as shown in red on the diagram hereto attached and made a part hereof described and located as follows:

(LEAVE SPACE FOR DESCRIPTION)

SECOND: It is expressly understood and agreed that if the COMPANY shall be delayed or prevented from installing the sewer main(s) (and other facilities, if any) hereinabove described because of its failure to secure pipe or other construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from the date thereof, the BONA FIDE SERVICE APPLICANT shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to the COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by the BONA FIDE SERVICE APPLICANT shall not be invoked if the COMPANY has received the construction material, in which event the COMPANY shall have the obligation to prosecute the work diligently to its completion.

THIRD: The BONA FIDE SERVICE APPLICANT hereby agrees, upon notice from the COMPANY that it is prepared and able to go forward with the work provided in Paragraph FIRST hereof, to pay for the actual costs of extending the facilities as provided in Paragraph FIRST hereof, by depositing an amount in cash equal to (1) the Estimated Cost less (2) the Company Contribution. Items (1) and (2) are to be determined as follows:

Issued: December 19, 2013   Effective: January 1, 2014
(1) The Estimated Cost shall be the estimated cost of the extension, including the estimated cost of said main(s) and the estimated cost of any other facilities which the COMPANY shall have determined are required to render adequate service.

(2) The Company Contribution shall be a credit as determined by the following formula:

\[
\text{Average Annual Revenue minus } \quad \text{$_{\text{________}}$} \\
\text{Operation and Maintenance Expenses} \quad \text{$_{\text{________}}$} \\
\text{Subtotal} \quad \text{$_{\text{________}}$} \\
\text{divided by} \quad \text{Depreciation Rate and Weighted Cost of Debt} \quad \text{$_{\text{_______\%}}$} \\
\text{Total} \quad \text{$_{\text{________}}$} \\
\text{multiplied by the number of bona fide service applicants who will be directly served by the extension.}
\]

The BONA FIDE SERVICE APPLICANT agrees to pay at least one-third of the deposit prior to the commencement of construction of the extension, and the remainder of the deposit plus applicable interest charges in thirty-six (36) equal monthly installments beginning with BONA FIDE SERVICE APPLICANT'S first bill for sewer service. Interest will be charged on the unpaid portion each month, equal to the monthly portion of the embedded cost of long-term debt recognized in the Company's last approved general rate increase.

Upon such written notice, a Preliminary Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required in accordance with foregoing provisions. Upon completion of the installation of the extension, a Final Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required based on the same calculations as set forth above but by using the actual cost of the extension, including the actual installation costs of the mains and other facilities, for the Estimated Cost and calculating the Applicable Credit. If the deposit shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the APPLICANT will deposit any additional amount shown to be due or the COMPANY will refund to the APPLICANT any excess amount shown to have been deposited. Any additional amount of required deposit must be made by the APPLICANT to the COMPANY before the granting of refunds to the APPLICANT.

Issued: December 19, 2013   Effective: January 1, 2014
FOURTH: The COMPANY hereby agrees to refund to the BONA FIDE SERVICE APPLICANT during the period of ten (10) years from actual date of deposit as shown on the Preliminary Memorandum a Per-Customer Refund Amount for each additional BONA FIDE SERVICE APPLICANT for whom a street service connection shall be directly attached to such main extension, as distinguished from extensions or branches thereof; provided however, that the total amount refunded shall not exceed the amount of the original deposit by the BONA FIDE SERVICE APPLICANT to the COMPANY as of the date of the refund, and further provided that, if there is an unpaid balance owed then the Per-Customer Refund Amount shall first be deducted from the unpaid balance. All or any part of the deposit not refunded within said 10-year period shall become the property of the COMPANY. The Customer Refund Amount shall be the Company contribution divided by the number of customers connected to the initial main extension.

FIFTH: The BONA FIDE SERVICE APPLICANT may request refunds under Paragraph FOURTH, once in each Calendar quarter, furnishing the COMPANY, at such time, a listing of additional bona fide service applicants; however, failure on the part of the BONA FIDE SERVICE APPLICANT to make such request shall not constitute a waiver of any rights hereunder or relieve the COMPANY of the obligation to make refunds with reasonable promptness.

SIXTH: The ownership of the sewer main(s) and other facilities installed hereunder shall at all times be with the COMPANY, its successors and assigns.

SEVENTH: This agreement shall be valid and binding on the COMPANY only when executed by its duly authorized representative.

EIGHTH: This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

NINTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to the COMPANY at

(Address of COMPANY)

and to the BONA FIDE SERVICE APPLICANT at

(Address of BONA FIDE SERVICE APPLICANT)

Issued: December 19, 2013    Effective: January 1, 2014
TENTH: This agreement is entered into pursuant to the legally established Rules and Regulations of the COMPANY, and the words, phrases, and terms hereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.

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

PENNSYLVANIA-AMERICAN WATER COMPANY

WITNESS: _____________________________

BY: _____________________________

Title: _____________________________

WITNESS: _____________________________

BONA FIDE SERVICE APPLICANT

Issued: December 19, 2013   Effective: January 1, 2014
PRELIMINARY MEMORANDUM

This Preliminary Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the __ day of ______________, 20__, for the installation by the COMPANY of certain sewer main(s) and other facilities therein described. It is, therefore, agreed and stipulated:

(a) Estimated Cost Main(s) $__________
(b) Estimated Cost of Other Facilities $__________
(c) Total $__________
(d) Company Contribution $__________
(e) Amount of Deposit (c) minus (d) $__________

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

Dated: ____________________________ PENNSYLVANIA-AMERICAN WATER COMPANY
Date

WITNESS:
__________________________________ BY: __________________________________
Title: _______________________________

WITNESS: BONA FIDE SERVICE APPLICANT

____________________________________

Issued: December 19, 2013 Effective: January 1, 2014
FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the ___ day of____________, 20___, for the installation by the COMPANY of certain sewer main(s) and other facilities therein described. It is, therefore, agreed and stipulated:

(a) Actual Cost of Main(s)     $__________
(b) Actual Cost of Other Facilities  $__________
(c) Total                       $__________
(d) Company Contribution        $__________
(e) Amount of Deposit           $__________
    (c) minus (d)                $__________

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

Dated:____________________________  PENNSYLVANIA-AMERICAN WATER COMPANY

WITNESS:
__________________________________ BY:________________________________
Title: _______________________________

WITNESS: BONA FIDE SERVICE APPLICANT

Issued: December 19, 2013      Effective: January 1, 2014
Section 0. SPECIAL UTILITY SERVICE (C)

THIS AGREEMENT entered into this ___ day of ____________, 20___, by and between Pennsylvania-American Water Company hereinafter called the "COMPANY," and _____________________ hereinafter called the "APPLICANT."

WHEREAS, the APPLICANT desires Special Utility Service, as defined in Section M(4) of the Company's tariff and as hereinafter described;

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: THE COMPANY contracts and agrees to construct the facilities needed to furnish Special Utility Service shown in red on the diagram hereto attached and made a part hereof and described and located as follow:

(LEAVE SPACE FOR DESCRIPTION)

SECOND: It is expressly understood and agreed that if the COMPANY shall be delayed or prevented from installing facilities hereinabove described because of its failure to secure construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from the date thereof, the APPLICANT shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to the COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by the APPLICANT shall not be invoked if the COMPANY has received the construction material and the APPLICANT has made the deposit as hereinafter required, in which event the COMPANY shall have the obligation to prosecute the work diligently to its Complete on.

THIRD: The APPLICANT hereby agrees to pay to the COMPANY, upon notice from the COMPANY that it is prepared and able to go forward with the work provided in Paragraph First hereof, an amount in cash equal to the Estimated Cost. The Estimated Cost shall be the estimated cost including material, labor and overheads of the facilities hereinabove described for providing Special Utility Service.

Upon such written notice, a Preliminary Memorandum in the form attached shall be prepared and signed by both parties showing the payment required in accordance with foregoing provisions. Upon completion of the
installation of the facilities, a Final Memorandum in the form attached shall be prepared and signed by both parties showing the payment required based on the same calculation as set forth above but by using the actual installation cost of the facilities, for the Estimated Cost. If the payment shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the APPLICANT shall pay any additional amount shown to be due or the COMPANY will refund to the APPLICANT, without interest, any excess amount shown to have been paid, it being the intent of this agreement that the payment required shall be based on actual installation cost. If the actual installation cost exceeds the payment required as shown on the Preliminary Memorandum, the additional amount of required payment must be made by the APPLICANT to the COMPANY before service to the APPLICANT commences.

FOURTH: The ownership of the facilities installed hereunder shall at all times be with the COMPANY, its successors and assigns.

FIFTH: This agreement shall be valid and binding on the COMPANY only when executed by its duly authorized representative.

SIXTH: This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

SEVENTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to the COMPANY at ____________________________________________________________

and to the Applicant at ____________________________________________________________

EIGHTH: This agreement is entered into pursuant to the legally established Rules and Regulations of the COMPANY, and the words, phrases, and terms thereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.

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

PENNSYLVANIA-AMERICAN WATER COMPANY

WITNESS: ________________________________________________________________

BY: ______________________________

Title: ______________________________

WITNESS: APPLICANT

______________________________________________________________

Issued: December 19, 2013 Effective: January 1, 2014
PRELIMINARY MEMORANDUM

This Preliminary Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the _____ day of __________, 20__, for the installation by the COMPANY of certain facilities therein described. It is, therefore, agreed and stipulated:

(a) Estimated Cost of Facilities $______________
   (exclusive of the cost of the main and appurtenances, street service connection and meter)

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

Dated:___________________ PENNSYLVANIA-AMERICAN WATER COMPANY
             Date of Payment

WITNESS:

_________________________ BY:_____________________________

Title:____________________________

WITNESS: APPLICANT:

__________________________ ________________________________

Issued: December 19, 2013 Effective: January 1, 2014
FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph THIRD of a certain agreement in writing between the parties entered into on the _____ day of __________, 20____, for the installation by the COMPANY of certain facilities therein described. It is, therefore, agreed and stipulated:

(a) Actual Cost of Facilities $__________________
   for Special Utility Service
   exclusive of the cost of the
   main and appurtenances, street
   service connection and meter)

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

Dated: __________________________ PENNSYLVANIA-AMERICAN WATER COMPANY

Date of Payment on Preliminary Memorandum

WITNESS:

_________________________ BY:_____________________________

Title:_____________________________

WITNESS:                        APPLICANT:

_________________________ ________________________________

Issued: December 19, 2013 Effective: January 1, 2014
Section P. CUSTOMER CONNECTION LOAN PROGRAM (C)

A. An applicant for a new single-family residential service connection under Rule 2.1 or for a main extension under Section M for a single family residential service may apply for a loan from the Company to cover Eligible Costs (as defined herein). Any such loan shall be subject to the terms and conditions set forth in this Rule.

(1) To be eligible for a loan, an Applicant must (a) own a single family residence which will take sewer service from the Company; (b) demonstrate intent to be the continuing Customer of the Company at the residence; and (c) enter into a financing agreement.

(2) For purposes of this rule, Eligible Costs include actual costs for (a) a sewer main extension in accordance with Section M; (b) the Customer Service Line; (c) grinder pump; (d) shut-off valves and/or backflow devices required under these Rules; (e) alterations of or additions to plumbing within the Customer’s residence which are necessary to permit the Customer to take service from the Company; (f) any other facilities necessary to permit the Customer to take sewer service from the Company. The maximum principal balance of a loan made under this Rule will be $10,000; (g) abandonment of septic system.

(3) Any such loan shall be subject to the following terms and conditions.

(a) The existence of a loan made under this Rule does not alter the responsibility of the customer for maintenance or replacement of the Customer Service Line or any other facilities as determined by the applicable provisions of the Company’s Rule(s).

(b) The initial principal balance of the loan shall be the amount of Eligible Costs which the Customer elects to borrow from the Company. The principal balance of the loan plus interest will be repaid to the Company on a monthly basis through a payment book or an invoice issued by the Company.

(c) The customer will enter into a financing agreement with the Company which specifies, inter alia, the initial principal balance of the loan, the applicable of interest rate determined in accordance with subsection 3(e) of the Rule, the term of the loan and the amount of the monthly payment. The customer will agree to repay the loan over a term selected by the customer, which is no less than three years (36 months) nor greater than 8 years (96 months). During the term of the loan, a lien may be placed on the residential property.
(d) Through the payment book or invoice, the customer will make equal monthly installments over the loan term to pay the principal amount of the loan together with daily simple interest on the unpaid balance of the principal amount from time to time outstanding at the applicable rate of interest determined in accordance with subsection 3(e) of this Rule. The customer’s payment schedule will amortize the unpaid balance over the loan term. Daily simple interest means that interest is charged each day after applying any payment the customer has made. All payments will be first applied to interest that is due and then to the principal. Prepayment of the loan will be permitted without penalty.

(e) The interest rate will be fixed for the term of a loan. For loans issued during a calendar month, the interest rate will be the Posted Short-Term Debt Rate as of the first business day of that month. The Posted Short-Term Debt will be the LIBOR rate as reported in the Wall Street Journal on the first business day of each month as of the date of posting plus 100 basis points.

(f) Notwithstanding the provisions of subsection 3(e), the interest rate shall not exceed 6% per annum. In the event that the Posted Short Term Debt Rate as calculated pursuant to subsection 3(e) exceed 6% per annum, the Company shall have the option to suspend the making of loans under this Rule.

(g) A customer account which includes a loan will not be transferred to any tenant or non-owner occupant of the residence for which a loan is made. During the loan term, the owner of the residence will remain the customer in whose name the bill for sewer service will be issued. If the residence is sold, the loan and accrued interest shall become immediately due and payable upon sale of the premise.

B. For accounting purposes, the Company will establish subaccounts in which loan payments shall be recorded. In one subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Company under the applicable Rules. In another subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Customer under the applicable Rules. Loan payments shall be allocated between the two subaccounts based upon the relative initial cost of the facilities covered by that subaccount as compared to the total amount of...
the loan. For each subaccount, amounts received as loan payments will be first applied to interest that is due and then to principal and other charges.

C. If a loan becomes uncollectible, the unpaid principal balance of the portion of the loan, if any, which relates to facilities owned and maintained by the Company will be recorded as a debit to Contributions-In-Aid-Of-Construction, and as a credit to Accounts Receivable. The unpaid balance of interest with respect to such portion of the loan (as of the time of the debt) shall be recorded as an uncollectible account. The unpaid balance of principal and interest for the portion of a loan, if any, which relates to facilities owned and maintained by the Customer shall be recorded as a non-utility expense.

D. The Company’s capital structure used for rate-making purposes will not include short-term debt issued by the Company to finance loans under this Rule.
Section Q. SEWER CAPACITY ALLOCATION POLICY FOR THE CLARION WASTEWATER OPERATIONS (C)

1. The Company shall maintain a “waiting list” of names of individuals requesting sewer capacity.

2. Individuals who wish to be placed on the list must make their request in writing indicating the following information:
   
   A. name
   B. address
   C. phone number
   D. location of proposed tap(s)
   E. number of edu’s required
   F. proposed use of building
   G. approximate date needed

3. Sewer capacity (tap) requests may be submitted any time after July 1st of the year preceding the year in which the tap is to be utilized.

4. Once the sewer capacity reservation (tap) fee and inspection fee is paid and the sewer permit issued the permittee has six (6) months to put the tap into service. At the time the tap is placed into service the following conditions must be met: 1) the building or structure must be substantially completed, 2) the lateral shall be constructed and tapped into the main sewer line, and 3) the permittee shall commence paying monthly sewer bills.

5. If the conditions outlined in item #4 are not met within the allotted six month period, the sewer permit shall be revoked and the sewer capacity reservation (tap) fee and inspection fee forfeited. The Company shall notify the permittee of such action, in writing.

6. Having one’s name on the waiting list shall constitute having an “option” to obtain sewer capacity in the subject year. After the 1st of each year the Company may sell sewer capacity to individuals not on the waiting list or to individuals not at the top of the waiting list to the extent that the sale of the sewer capacity when added to the total number of edu’s on the waiting list (or ahead of that individual on the list) does not exceed the total number of edu’s available to be added to the system during that year. If the sale of the sewer capacity (and resulting edu’s) would result in the potential of exceeding

Issued: December 19, 2013       Effective: January 1, 2014
total allowable edu’s, when considered in conjunction with the total edu’s requested on the waiting list (or ahead of the applicant on the list), the sale could not be made until those individuals on the waiting list (or ahead on the list) are contacted. At that point, the Company shall determine the availability of edu’s by contacting the individuals on the waiting list beginning with the first person and working down the list.

The individual will be asked if they wish to exercise their option to obtain sewer capacity.

If they would, they will have five (5) days to submit an application for sewer permit and pay the designated sewer capacity reservation (tap) fee and inspection fee, at which time the six month “clock” begins. If they elect not to exercise their option at the time of notification their name will be dropped from the waiting list. To place their name back on the waiting list for future consideration they will need to provide another written request (see item #3).
Section R. Grinder Pumps for Paint-Elk Wastewater

This section applies to those customers from the former Paint-Elk Joint Sewer Authority (PEJSA) whose service addresses are listed on updated Schedule 1.1 of the acquisition closing documents. Original Schedule 1.1 from the Purchase Agreement was included in PAWC’s Application filing on 12/6/2013, which was approved by the Public Utility Commission’s Order entered on July 24, 2014, at Docket Number A-2013-2395998.

1. Those customers within the Former PEJSA whose addresses do not appear on Schedule 1.1 of the Purchase Agreement own their Customer service line in its entirety, including the grinder pump on their Customer service line should one exist.

2. For those customers within the Former PEJSA whose addresses appear on Schedule 1.1 of the Purchase Agreement, PAWC shall own and maintain the grinder pump units for a period of three years from the date of Closing.

3. PAWC shall be responsible to repair/replace any malfunctioning grinder pumps during this three year period. The decision to repair/replace shall be made in PAWC’s sole discretion. Any customer may indicate to PAWC that it does not wish to have this service and such services shall cease upon notification from the customer and the ownership of the grinder pump unit shall revert to the customer.

4. The customer must agree to allow PAWC the necessary access to maintain the grinder pump unit or PAWC’s obligation as to that particular customer shall cease without any further obligation from PAWC.

5. Three years from the date of Closing, PAWC’s obligation to operate and maintain the grinder pump units shall cease. At that time, PAWC will provide written notification to the addresses listed on Schedule 1.1 that ownership of the grinder pump units has transferred to the customer and all responsibilities related to the grinder pump unit reside with the customer.

Issued: July 31, 2014                  Effective: July 31, 2014