

PENNSYLVANIA-AMERICAN WATER COMPANY
(hereinafter referred to as the "Company")
D/B/A
Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF
WATER SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,
BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,
CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,
LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,
NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,
UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES.

Issued: March 19, 2021

Effective: April 1, 2021

Issued by:
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Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

<https://www.amwater.com/paaw/>

NOTICE

**The tariff supplement decreases the Distribution System Improvement Charge.
(Refer to pages 1, 2, 4, 5 and 35.)**

LIST OF CHANGES

This tariff supplement decreases the Distribution System Improvement Charge (DSIC) on page 35 (13th Revision) from 0.00% to -0.11%, effective April 1, 2021, as approved by the Pennsylvania Public Utility Commission at Docket No. P-00062241.

PENNSYLVANIA-AMERICAN WATER COMPANY

LIST OF CHANGES

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PENNSYLVANIA-AMERICAN WATER COMPANY

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(C) means Change

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(D) means Decrease

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(C) means Change

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(C) means Change

THIS PAGE HELD FOR FUTURE USE

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Central Pennsylvania

Berwick District

Columbia County

The Boroughs of Berwick and Briar Creek and the Township of Briar Creek

Luzerne County

The Borough of Nescopeck and the Township of Salem

Frackville District

Schuylkill County

The Borough of Frackville and adjacent territory in West Mahanoy, Butler, New Castle Townships and portions of Mahanoy and Walker Townships.

Hershey/Palmyra District

Dauphin County

Portions of the Townships of Conewago, Derry (which includes the area commonly referred to as "Hershey"), Londonderry, and West Hanover; adjacent territory in South Hanover,

Lebanon County

The Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry

Lake Heritage District

Adams County

The Townships of Mount Joy, Mount Pleasant and Straban

Mechanicsburg District

Cumberland County

The Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown, West Fairview and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Silver Spring and portions of Upper Allen Township

York County

Portions of Townships of Fairview and Newberry

Milton/White Deer District

Northumberland County – Rate Zone 1 and Rate Zone 3 (McEwensville)

The Boroughs of McEwensville, Milton, Northumberland and Watsontown and portions of the Townships of Delaware, East Chillesquaque, Point, Turbot, Upper Augusta and West Chillesquaque

Union County

The Borough of Lewisburg and portions of the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer

Steelton District

Dauphin County – Rate Zone 5

The Borough of Steelton and a portion of Swatara Township.

(C)

Turbotville District

Northumberland County – Rate Zone 4

The Borough of Turbotville and portions of the Lewis Township.

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Northeastern Pennsylvania

Abington District – Rate Zone 1 and Rate Zone 2

(Winola)

(C)

Lackawanna County

The Boroughs of Clarks Green, Clarks Summit and Dalton and the Townships of Waverly and Glenburn and adjacent territory in South Abington and Abington Townships

Wyoming County

A portion of the Township of Overfield

(C)

Bangor Water District

Northampton County

(C)

The Boroughs of Bangor and Roseto and the Townships of Plainfield, Upper Mt. Bethel and Washington and portions of the Township of Lower Mt. Bethel.

Blue Mountain Lake District

Monroe County

The Townships of Smithfield and Stroud

Lehman Pike District

Pike County

(C)

Portions of the Townships of Delaware, Lehman and West Fall

Mid-Monroe District

Monroe County

Township of Middle Smithfield

Nazareth District

Monroe County

The Townships of Hamilton and Ross

Northampton County

The Boroughs of Nazareth, Pen Argyl, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield and Upper Nazareth

Poconos District

Lackawanna County

Portions of the Township of Jefferson

Monroe County

The Borough of Mount Pocono, the Township of Coolbaugh and the Village of Tobyhanna

Wayne County

Portions of the Township of Salem

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

**(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)**

Northeastern Pennsylvania (cont'd)

Scranton District

Lackawanna County

The Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, North Abington, Scott, South Abington and a portion of the Township of Roaring Brook and Fell

Susquehanna County

The Borough of Forest City

Wayne County

The Village of Browndale (Clinton Township)

Susquehanna District

Susquehanna County

The Boroughs of Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland

Wilkes-Barre District

Luzerne County

The Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laffin, Larksville, Laurel Run, Luzerne, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Fairview, Hanover, Hunlock, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Wilkes-Barre, Wright, and portions of the Townships of Conyngham, Jackson and Union.

(C)

Southeastern Pennsylvania

Coatesville District

Chester County

The City of Coatesville, Parkesburg and South Coatesville and portions of the Townships of Atglen, Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury

Lancaster County

The Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury

Glen Alsace District

Berks County

The Borough of St. Lawrence and the Townships of Amity and Exeter and portions of Earl and Ruscombmanor

Norristown District

Montgomery County

The Boroughs of Bridgeport and Norristown and portions of the Townships of East Norriton, East Pikeland, Lower Providence, Perkiomen, Plymouth, Upper Merion, West Norriton, Whitemarsh, Whitpain and Worcester and portions of Skippack

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Southeastern Pennsylvania (cont'd)

Penn Water District (C)

Berks County

The Boroughs of Sinking Spring, West Lawn and Wyomissing Hills and the Townships of Cumru, Lower Heidelberg, South Heidelberg and Spring

Royersford District (C)

Chester County

The Borough of Spring City and the Townships of East Pikeland, East Vincent, Schuylkill and West Vincent and portions of East Coventry

Montgomery County

The Borough of Royersford and the Townships of Limerick, Upper Providence and a portion of the Township of Lower Pottsgrove.

Yardley District

Bucks County

The Borough of Yardley and the Townships of Falls and Lower Makefield

Western Pennsylvania

Brownsville (C)

Fayette County

The Borough of Brownsville and portions of the Townships of Brownsville, Jefferson, Luzerne and Redstone

Washington County

The Boroughs of California, Coal Center and West Brownsville and the Township of East Pike Run

Butler District

Butler County

The City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit

Clarion District (C)

Clarion County

The Boroughs of Clarion, Shipperville, Sligo and Strattanville and the Township of Clarion and portions of the Townships of Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney

Connellsville District (C)

Fayette County

The City of Connellsville, the Borough of South Connellsville and the Township of Connellsville and portions of the Township of Bullskin.

Ellwood District (C)

Beaver County

The Boroughs of Ellwood City, Koppel and portions of the Borough of Big Beaver and the Townships of Franklin and portions of the Township of North Sewickley

Lawrence County

The Boroughs of Ellport and Ellwood City and portions of the Townships of Perry and Wayne

PENNSYLVANIA-AMERICAN WATER COMPANY**TERRITORIES SERVED**

(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania (cont'd)**Indiana District*****Indiana County***

The Borough of Indiana and the Township of White

Kane District***McKean County***

The Borough of Kane and the Township of Wetmore

Kittanning District***Armstrong County***

The Boroughs of Applewold and Kittanning and portions of the Townships of Manor and Rayburn

Mon-Valley District***Allegheny County***

The City of Clairton, the Boroughs of Dravosburg, Elizabeth, Glassport, Liberty, Lincoln, Jefferson and West Elizabeth and the Townships of Elizabeth and Forward

Washington County

The City of Monongahela, the Borough of New Eagle and the Township of Carroll

New Castle District***Lawrence County***

The City of New Castle and the Boroughs of New Beaver and South New Castle and the Townships of Hickory, Neshannock, Shenango, Taylor and Union; and portions of the Townships of Mahoning and North Beaver

Philipsburg District***Centre County***

The Boroughs of Philipsburg and South Philipsburg and the portions of Townships of Boggs, Rush and Walker

(C)

Clearfield County

The Boroughs of Chester Hill, Osceola Mills and Wallaceeton and the Townships of Boggs, Bradford, Graham and Morris and a portion of the Township of Decatur.

Clinton County

Portions of the Township of Porter

(C)

Pittsburgh District***Allegheny County***

The City of Pittsburgh [29th, 30th, 31st and 32nd wards and portions of the 16th, 18th, 19th, 20th and 28th wards], the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Green Tree, Heidelberg, Homestead, Ingram, Jefferson, Mount Oliver, Oakdale, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Mt. Lebanon, Scott, South Fayette, South Park, Union and Upper St. Clair and portions of Cecil, Peters, Robinson and Nottingham Townships.

Washington County

The Borough of Finleyville and the Township of Union

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

(By State Region and Company Water District)
(All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania (cont'd)

Punxsutawney District

Jefferson County

The Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young

Uniontown District

Fayette

County

(C)

The City of Uniontown and the Townships of Dunbar, German, Menallen, North Union and South Union

Warren District

Warren County

The Borough of Warren and portions of the Townships of Conewango, Glade, Meade and Pleasant

Washington/McDonald

Allegheny County

Portions of the Township of North Fayette

Beaver County

The Borough of Frankfort Springs and the Township of Hanover

Washington County

The City of Washington and the Boroughs of Burgettstown, Canonsburg, Claysville, East Washington, Houston, McDonald, Midway and West Middletown and the Townships of Amwell, Canton, Chartiers, Cross Creek, Hopewell, Independence, Jefferson, Mount Pleasant, North Franklin, North Strabane, South Strabane and portions of the Townships of Buffalo, Cecil, Donegal, East Finley, Fallowfield, Hanover, Morris, Nottingham, Peters, Robinson, Smith, Somerset and South Franklin

(C) means Change

THIS PAGE HELD FOR FUTURE USE

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE
FOR RESIDENTIAL RATE CLASS
(C)

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential Class.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For Residential Rate Class

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

<u>Size of Meter</u>	<u>Service Charge per Month</u>	
	<u>2021</u>	<u>2022</u>
5/8 inch	\$17.00 (I)	\$17.50 (I)
3/4 inch	\$17.00 (D)	\$17.50 (I)
1 inch	\$17.00 (D)	\$17.50 (I)
1-1/2 inch	\$17.00 (D)	\$17.50 (I)
2 inch	\$111.90 (I)	\$115.20 (I)
3 inch	\$208.70 (I)	\$214.90 (I)
4 inch	\$262.00 (I)	\$269.70 (I)
6 inch	\$392.10 (I)	\$403.70 (I)
8 inch	\$759.20 (I)	\$781.60 (I)

Consumption Charges For Residential Class:

The following rates shall apply per 100 gallons:

	<u>2021</u>	<u>2022</u>
All Usage:	\$1.2991 (I)	\$1.3100 (I)

(I) means Increase, (D) means Decrease and (C) means Change

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE
FOR COMMERCIAL, MUNICIPAL AND OTHER WATER UTILITY RATE CLASSES (C)

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the **Commercial, Municipal and Other Water Utility Classes**. (C)

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates. (C)

RATE

Service Charge For Commercial, Municipal and Other Water Utility Rate Classes (C)

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

<u>Size of Meter</u>	<u>Service Charge Per Month Except Other Water Utilities</u>				<u>Service Charge Per Month Other Water Utilities Group A & B</u>			
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
5/8 inch	\$17.00	(I)	\$17.50	(I)	\$24.70	(I)	\$25.50	(I)
3/4 inch	\$25.80	(I)	\$26.50	(I)	\$37.10	(I)	\$38.20	(I)
1 inch	\$42.90	(I)	\$44.10	(I)	\$61.90	(I)	\$63.70	(I)
1-1/2 inch	\$70.00	(I)	\$72.00	(I)	\$123.60	(I)	\$127.30	(I)
2 inch	\$111.90	(I)	\$115.20	(I)	\$197.90	(I)	\$203.70	(I)
3 inch	\$208.70	(I)	\$214.90	(I)	\$370.90	(I)	\$381.80	(I)
4 inch	\$262.00	(I)	\$269.70	(I)	\$618.30	(I)	\$636.50	(I)
6 inch	\$392.10	(I)	\$403.70	(I)	\$1,236.40	(I)	\$1,272.70	(I)
8 inch	\$759.20	(I)	\$781.60	(I)	\$1,979.20	(I)	\$2,037.40	(I)
10 inch	\$1,099.50	(I)	\$1,131.90	(I)	\$2,843.60	(I)	\$2,927.30	(I)
12 inch	\$1,574.80	(I)	\$1,621.10	(I)	\$4,080.00	(I)	\$4,200.00	(I)

Consumption Charges For Commercial, Municipal and Other Water Utilities Rate Classes: (C)

The following rates shall apply per 100 gallons:

	<u>2021</u>	<u>2022</u>
Commercial		
First 16,000 gallons	\$1.2991 (I)	\$1.3100 (I)
All in excess of 16,000 gallons	\$0.9543 (I)	\$0.9643 (I)
Municipal		
First 16,000 gallons	\$1.4742	\$1.4742
All in excess of 16,000 gallons	\$0.8705	\$0.8705
Other Water Utilities		
Group A All at	\$0.7219	\$0.7219
Group B All at	\$1.1300 (I)	\$1.1300 (I)

(I) means Increase and (C) means Change

SCHEDULE OF RATES

**RATE ZONE 1- GENERAL METERED SERVICE
 FOR INDUSTRIAL RATE CLASS**

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Industrial Class.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For Industrial Rate Class

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

<u>Size of Meter</u>	<u>Service Charge per Month</u>	
	<u>2021</u>	<u>2022</u>
5/8 inch	\$25.40 (I)	\$25.40 (I)
3/4 inch	\$38.10 (I)	\$38.10 (I)
1 inch	\$63.60 (I)	\$63.60 (I)
1-1/2 inch	\$127.10 (I)	\$127.10 (I)
2 inch	\$203.40 (I)	\$203.40 (I)
3 inch	\$381.40 (I)	\$381.40 (I)
4 inch	\$635.60 (I)	\$635.60 (I)
6 inch	\$1,271.20 (I)	\$1,271.20 (I)
8 inch	\$2,034.30 (I)	\$2,034.30 (I)
10 inch	\$2,923.40 (I)	\$2,923.40 (I)
12 inch	\$4,195.80 (I)	\$4,195.80 (I)

Consumption Charges For Industrial Rate Class

The following rates shall apply per 100 gallons per month:

	<u>2021</u>	<u>2022</u>
Industrial		
First 16,000	\$1.2129 (I)	\$1.2277 (I)
Next 584,000	\$0.9229 (I)	\$0.9341 (I)
All In Excess of 600,000	\$0.7259 (I)	\$0.7348 (I)
Industrial Curtailment*		
First 16,000	\$1.2129 (I)	\$1.2277 (I)
Next 584,000	\$0.9229 (I)	\$0.9341 (I)
Next 14,400,000	\$0.7259 (I)	\$0.7348 (I)
All In Excess of 15,000,000	\$0.4433 (I)	\$0.4487 (I)

* Subject to the availability criteria and terms and conditions of the Industrial Curtailment Rate of this tariff, the foregoing rates shall apply per 100 gallons per month for service provided under the Industrial Curtailment Rate.

(I) means Increase

SCHEDULE OF RATES

RATE ZONE 1 – GENERAL UNMETERED SERVICE
FOR THE RESIDENTIAL CLASS

APPLICABILITY

The rate under this schedule applies throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a customer in the Residential Class that is added to the Company's service territory through an acquisition and does not have a meter at the customer's service address on the date of closing of such acquisition.

UNMETERED SERVICE

All water supplied by the Company under this rate schedule will be unmetered. However, the Company may install a meter of appropriate size at the customer's premise based on the Company's meter installation schedule as determined by the Company. Upon installation of a meter at the customer's service address by the Company, a customer will no longer be eligible for this rate schedule and will be charged a service charge based on the size of meter required to render adequate service along with a charge for consumption usage based upon the applicable Rate Zone's metered rates in effect for the residential class.

RATE

The following monthly rate for service shall apply:

2021: \$61.93 per month (I)
2022: \$62.78 per month (I)

(I) means Increase

SCHEDULE OF RATES

RATE ZONE 2 – GENERAL UNMETERED SERVICE

(C)

APPLICABILITY

The rates as set forth below apply in the Winola service territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

UNMETERED SERVICE

All water supplied by the Company under this rate schedule will be unmetered. However, the Company may install a meter of appropriate size at the customer's premise based on the Company's meter installation schedule as determined by the Company.

RATE

Service Charge For All Rate Classes

The following monthly rate for service shall apply:

2021: \$33.23 per month

2022: \$33.23 per month

(C) means Change

SCHEDULE OF RATES

RATE ZONE 3 – GENERAL METERED SERVICE

APPLICABILITY

The rates as set forth below apply in the McEwensville service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in **the Residential, Commercial and Municipal Classes.** (C)

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

<u>Size of Meter</u>	<u>Residential</u>			<u>Commercial and Municipal</u>				
	<u>2021</u>		<u>2022</u>	<u>2021</u>		<u>2022</u>		
5/8 inch	\$17.00	(I)	\$17.50	(I)	\$17.00	(I)	\$17.50	(I)
3/4 inch	\$17.00	(D)	\$17.50	(I)	\$25.80	(I)	\$26.50	(I)
1 inch	\$17.00	(D)	\$17.50	(I)	\$42.90	(I)	\$44.10	(I)
1-1/2 inch	\$17.00	(D)	\$17.50	(I)	\$70.00	(I)	\$72.00	(I)
2 inch	\$111.90	(I)	\$115.20	(I)	\$111.90	(I)	\$115.20	(I)
3 inch	\$208.70	(I)	\$214.90	(I)	\$208.70	(I)	\$214.90	(I)
4 inch	\$262.00	(I)	\$269.70	(I)	\$262.00	(I)	\$269.70	(I)
6 inch	\$392.10	(I)	\$403.70	(I)	\$392.10	(I)	\$403.70	(I)
8 inch	\$759.20	(I)	\$781.60	(I)	\$759.20	(I)	\$781.60	(I)
10 inch					\$1,099.50	(I)	\$1,131.90	(I)
12 inch					\$1,574.80	(I)	\$1,621.10	(I)

Consumption Charges For Residential, Commercial and Municipal Rate Classes: (C)

The following rates shall apply per 100 gallons:

	<u>2021</u>		<u>2022</u>	
Residential				
All Usage	\$0.7000	(I)	\$0.8983	(I)
Commercial				
First 16,000 gallons	\$0.7000	(I)	\$0.8983	(I)
All in excess of 16,000 gallons	\$0.7000	(I)	\$0.8983	(I)
Municipal				
First 16,000 gallons	\$0.7000	(I)	\$0.8983	(I)
All in excess of 16,000 gallons	\$0.7000	(I)	\$0.8983	(I)

(I) means Increase, (C) means Change and (D) means Decrease

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE 4 – GENERAL METERED SERVICE

APPLICABILITY

The rates as set forth below apply in the Turbotville service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, shall be metered. All meters shall be read monthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

(C)

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

<u>Size of Meter</u>	<u>Residential</u>				<u>Commercial and Municipal</u>			
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
5/8 inch	\$17.00	(D)	\$17.50	(I)	\$17.00	(D)	\$17.50	(I)
3/4 inch	\$17.00	(D)	\$17.50	(I)	\$25.80	(D)	\$26.50	(I)
1 inch	\$17.00	(D)	\$17.50	(I)	\$42.90	(I)	\$44.10	(I)
1-1/2 inch	\$17.00	(D)	\$17.50	(I)	\$70.00	(I)	\$72.00	(I)
2 inch	\$111.90	(I)	\$115.20	(I)	\$111.90	(I)	\$115.20	(I)
3 inch	\$208.70	(I)	\$214.90	(I)	\$208.70	(I)	\$214.90	(I)
4 inch	\$262.00	(I)	\$269.70	(I)	\$262.00	(I)	\$269.70	(I)
6 inch	\$392.10	(I)	\$403.70	(I)	\$392.10	(I)	\$403.70	(I)
8 inch	\$759.20	(I)	\$781.60	(I)	\$759.20	(I)	\$781.60	(I)
10 inch					\$1,099.50	(I)	\$1,131.90	(I)
12 inch					\$1,574.80	(I)	\$1,621.10	(I)

Consumption Charges For Residential, Commercial and Municipal Rate Classes:

The following rates shall apply per 100 gallons:

	<u>2021</u>		<u>2022</u>	
Residential				
All Usage	\$1.1600	(I)	\$1.3100	(I)
Commercial				
First 16,000 gallons	\$0.7900	(I)	\$0.8983	(I)
All in excess of 16,000 gallons	\$0.7900	(I)	\$0.8983	(I)
Municipal				
First 16,000 gallons	\$0.7900	(I)	\$1.4742	(I)
All in excess of 16,000 gallons	\$0.7900	(I)	\$0.8705	(I)

(I) means Increase, (C) means Change and (D) means

Decrease

SCHEDULE OF RATES

RATE ZONE 5 - GENERAL METERED SERVICE (C)
FOR ALL RATE CLASSES

APPLICABILITY

The rates as set forth below apply in the Steelton service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers in all rate classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes except, Qualified Private Fire Hydrants and Public Fire Hydrants, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

(C)

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

<u>Size of Meter</u>	<u>Residential</u>		<u>Commercial, Municipal &</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
<u>Industrial</u>				
5/8 inch	\$19.51 (I)	\$20.69 (I)	\$19.51 (D)	\$20.69 (I)
3/4 inch	\$19.51 (I)	\$20.69 (I)	\$20.69 (D)	\$20.69 (I)
1 inch	\$19.51 (D)	\$20.69 (I)	\$42.73 (I)	\$45.32 (I)
1-1/2 inch	\$19.51 (D)	\$20.69 (I)	\$76.94 (I)	\$81.61 (I)
2 inch	\$111.14 (I)	\$117.88 (I)	\$111.14 (I)	\$117.88 (I)
3 inch	\$252.20 (I)	\$267.48 (I)	\$252.20 (I)	\$267.48 (I)
4 inch	\$329.37 (I)	\$349.33 (I)	\$329.37 (I)	\$349.33 (I)
6 inch	\$526.98 (I)	\$558.92 (I)	\$526.98 (I)	\$558.92 (I)
8 inch	\$765.56 (I)	\$811.96 (I)	\$765.56 (I)	\$811.96 (I)
16 inch	\$1,531.12 (I)	\$1,623.92 (I)	\$1,531.12 (I)	\$1,623.92 (I)
18 inch	\$1,722.51 (I)	\$1,826.90 (I)	\$1,722.51 (I)	\$1,826.90 (I)
20 inch	\$1,913.89 (I)	\$2,029.89 (I)	\$1,913.89 (I)	\$2,029.89 (I)

Consumption Charges For All Rate Classes:

The following rates shall apply per 100 gallons:

	<u>2021</u>	<u>2022</u>
All Customers		
First 1,700 gallons	Service Charge	Service Charge
Next 18,300 gallons	\$1.0903 (I)	\$1.1564 (I)
Next 30,000 gallons	\$1.2038 (I)	\$1.2768 (I)
All over 50,000 gallons per month	\$1.0402 (I)	\$1.1032 (I)

(I) means Increase, (C) means Change and (D) means Decrease

[Page held for future use]

(C)

(C) means Change

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES
FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of 150% based on the Federal Poverty Level. (C)

RATE

The rates for the service charge or minimum bill under this tariff will be 15% of the prevailing service charge or minimum bill in the rate zone where service is rendered.

The rate for water usage shall be billed at **90%** of the existing rates applicable to the rate zone where service is rendered. (D)

(C) means Change and (D) means Decrease

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

INDUSTRIAL CURTAILMENT RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a customer that:

- (1) purchases water from the Company for industrial purposes;
- (2) enters into a Service Agreement for a period of not less than one year;
- (3) purchased an average of 15 million gallons of water per month, determined on the basis of metered usage for the twelve months preceding the month in which the Service Agreement becomes effective;
- (4) purchases at least 15 million gallons per month each and every month during the term of the Service Agreement;
- (5) maintained a maximum hour to average hour ratio of 1.66 or less for the twelve months preceding the billing month; determined on the basis of demand-metered data or such equivalent data as the Company may otherwise agree to accept;
- (6) maintains a maximum hour to average hour ratio of 1.66 or less in each billing month during the initial term of the Service Agreement and any renewal terms thereof;
- (7) has fully operational non-fire protection water storage capability, available for use during periods of curtailment, equal to ten (10) times the customer's average hourly usage.

RATE

Service Charge

The Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for Industrial Rate Class.

Consumption Charges

The Consumption Charges for the Industrial Curtailment Rates are shown on the Schedule of Rates Applicable to Rate Zone 1 for Industrial Rate Class and separately identified as applicable only to service under the Industrial Curtailment Rate.

TERMS AND CONDITIONS

Curtailment. The Company may request the customer to curtail its water usage to assist the Company in addressing a system emergency, including insufficiency, for any reason, of the Company's source of supply, treatment/purification, pumping, transmission, storage or distribution capacity to serve customers' demands. However, the maximum continuous period of each requested curtailment may not exceed six (6) hours and the number of curtailments requested may not exceed three (3) in any one calendar month nor exceed a total of six (6) curtailments in any year, measured in twelve-month intervals commencing on the effective date of the Service Agreement. The customer will be provided not less than one hour's notice before a requested curtailment is expected to begin. Notice may be by telephone to the customer contact identified in the Service Agreement.

SCHEDULE OF RATES

INDUSTRIAL CURTAILMENT RATE (CONT'D)

TERMS AND CONDITIONS (CONT'D)

Amount of Curtailment. When a curtailment is requested, the customer shall curtail all usage of Company-supplied water for industrial purposes. Company-supplied water may continue to be used for sanitary purposes, fire suppression and boiler feed-water make-up, provided, however, that such permitted usage shall not exceed, in aggregate, 15% of the customer's average daily usage during the preceding month, prorated for the period of the requested curtailment.

Failure to Curtail When Requested. Failure to comply with the Company's request for curtailment shall result in all usage by the customer during the billing period in which such curtailment was requested being billed at the Company's otherwise applicable Industrial Class Rate plus \$0.05 per hundred gallons for all usage in excess of 15 million gallons per month. If the customer fails to comply with the Company's requests for curtailment three times during any one year-period, measured in twelve-month intervals commencing on the effective date of the Service Agreement, the customer shall cease to be eligible for service under the Industrial Curtailment Rate and shall thereafter be billed under the otherwise applicable Industrial Class Rate for service commencing on the first day of the billing period following the billing period in which the event of ineligibility occurred.

Metering. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgement, determines is necessary to properly implement the rate and to monitor the customer's compliance with the availability criteria and the terms and conditions hereof.

Inspection. The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours' notice and shall permit inspection thereof including, without limitation, the customer's water storage facilities, as requested by the Company, to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof.

Service Agreement Probation Period. Service Agreements entered into for service under this rate will provide a probation period of 60 days commencing on the effective date of the Service Agreement. Within 15 days of the end of the probation period, the customer may voluntarily terminate the Service Agreement by giving written notice to the Company. Thereafter, the customer will be furnished service under the Company's Industrial Rate. If the Service Agreement is terminated under this provision, then, for the probation period, the customer will be responsible for paying all amounts, if any due to the Company under this rate if the customer failed to curtail when requested.

Voluntary Discontinuance of Service Under This Rate. If a customer at the conclusion of the probation period or of the initial or any renewal term of a Service Agreement entered into under this rate voluntarily, and in accordance with the terms of such Service Agreement, elects not to continue to receive service under this rate such customer may not again request to receive service hereunder for a period of at least twelve months.

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a new industrial customer that has an alternative supply source or an existing industrial customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must execute a Service Agreement with the Company for a period of not less than two years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of supplement 49 to Tariff Water Pa. P.U.C. No. 4 (August 28, 1998).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis, an interruptible basis or combinations thereof. Customers electing to receive Standby Service on an interruptible basis will be subject to the same Terms and Conditions of curtailment as set forth in the Industrial Curtailment Rate.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The sum of the customer's nominated firm and interruptible Maximum Day Demands shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for the industrial rate classification.

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm and interruptible standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>				<u>Interruptible Standby Service</u>			
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
Average Day Demand	\$21.3886	(I)	\$22.9815	(I)	\$5.7193	(I)	\$5.9974	(I)
Maximum Day Demand	\$2.8460	(I)	\$3.0741	(I)	\$0.9174	(I)	\$0.9598	(I)
Maximum Hour Demand	\$31.6855	(I)	\$34.0885	(I)	\$5.4191	(I)	\$5.7385	(I)

(I) means Increase

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE (CONT'D)

RATE (cont'd)

Consumption Charges

In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event

Zone 1 Industrial Rates

Next gallons - Firm Average Day Demand Nomination multiplied by the days during the standby event

2021: \$0.0664 per hundred gallons (I)
 2022: \$0.0680 per hundred gallons (I)

Next gallons - Interruptible Average Day Demand Nomination multiplied by the days during the standby event

2021: \$0.9031 per hundred gallons (I)
 2022: \$0.9754 per hundred gallons (I)

All amounts above sum of previously described amounts

2021: \$1.3854 per hundred gallons (I)
 2021: \$1.4815 per hundred gallons (I)

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm and interruptible standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

(I) means Increase

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE (CONT'D)

TERMS AND CONDITIONS (CONT'D)

Use in Excess of Contractual Demands. If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a new customer that has an alternative supply or an existing customer that develops or obtains a new source of supply. To obtain service under this rate, the customer must purchase water from the Company for resale or electric generation purposes and execute a Service Agreement with the Company for a period of not less than ten years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of supplement 49 to Tariff Water Pa. P.U.C. No. 4 (August 28, 1998).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The customer's nominated firm Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for the customer's rate classification.

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>			
	<u>2021</u>		<u>2022</u>	
Average Day Demand	\$21.3886	(I)	\$22.9815	(I)
Maximum Day Demand	\$2.8460	(I)	\$3.0741	(I)
Maximum Hour Demand	\$31.6855	(I)	\$34.0885	(I)

(I) means Increase

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE (CONT'D)

RATE (cont'd)

Consumption Charges

In addition to the Service Charge and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event

Applicable Zone 1 Industrial Rates

Next gallons - Firm Average Day Demand Nomination multiplied by the days during the standby event

2021: \$0.0664 per hundred gallons (I)
 2022: \$0.0680 per hundred gallons (I)

All amounts above sum of previously described amounts

2021: \$1.3854 per hundred gallons (I)
 2021: \$1.4815 per hundred gallons (I)

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nomination of firm standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service. Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

Use in Excess of Contractual Demands. If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

(I) means Increase

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RIDER DIS - DEMAND BASED INDUSTRIAL SERVICE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available to a Customer or Applicant that:

- (1) purchases water from the Company for industrial purposes;
- (2) enters into a Service Agreement for a term of not less than 2 years;
- (3) during the original and any renewal terms of the Service Agreement, agrees to purchase an average of 20 million gallons of water per month at a daily load factor of not less than 0.60; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. The Company will require updates of competitive alternatives every five years. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

RATE

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with all new facilities added to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water.

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing with the Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within five (5) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 Pa. Code §1.74 and the Commission's Order entered June 6, 1996 at Docket No. R-00943231. However, as required by that Order, the Company shall provide copies of such Service Agreements to the Pennsylvania Office of Consumer Advocate ("OCA") contemporaneously with their filing with the Commission, subject to the OCA's execution of a Confidentiality Agreement.

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RIDER DRS - DEMAND-BASED RESALE SERVICE

APPLICABILITY

This rider applies throughout the territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available to a Customer or Applicant that:

- (1) purchases water from the Company for resale;
- (2) enters into a Service Agreement for a term of not less than 10 years;
- (3) during the original and any renewal terms of the Service Agreement, agrees to maintain a daily load factor of not less than 0.75; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

RATE

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with all new facilities added to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water.

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing with the Pennsylvania Public Utility Commission/ Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within five (5) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 Pa. Code §1.74 and the Commission's Order entered June 6, 1996 at Docket No. R-00943231. However, as required by that Order, the Company shall provide copies of such Service Agreements to the Pennsylvania Office of Consumer Advocate ("OCA") contemporaneously with their filing with the Commission, subject to the OCA's execution of a Confidentiality Agreement.

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RIDER DGS - DEMAND BASED GOVERNMENTAL SERVICE

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available to a Customer or Applicant that:

- (1) is a department, agency, bureau or instrumentality of the government of the United States or of the Commonwealth of Pennsylvania and agrees to purchase water from the Company;
- (2) enters into a Service Agreement for a term of not less than 10 years;
- (3) during the original and any renewal terms of the Service Agreement, agrees to purchase an average of 15 million gallons of water per month at a daily load factor of not less than 0.60; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. The Company will require updates of competitive alternatives every five years. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

RATE

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with all new facilities added to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water.

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing with the Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within five (5) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 Pa. Code § 1.74 and the Commission's Order entered June 6, 1996 at Docket No. R-00943231. However, as required by that Order, the Company shall provide copies of such Service Agreements to the Pennsylvania Office of Consumer Advocate ("OCA") contemporaneously with their filing with the Commission, subject to the OCA's execution of a Confidentiality Agreement.

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RIDER EGS - ELECTRIC GENERATION SERVICE

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available to the electric generating facilities of a Customer or Applicant that:

- (1) is engaged in the business of generating electric power for sale to the public or to public utilities;
- (2) enters into a Service Agreement for a term of not less than 10 years;
- (3) agrees to purchase at least 20 million gallons of water per month; and
- (4) has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

RATE

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent Rate EGS.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with all new facilities added to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water.

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing with the Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within five (5) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 Pa. Code §1.74 and the Commission's Order entered June 6, 1996 at Docket No. R-00943231. However, as required by that Order, the Company shall provide copies of such Service Agreements to the Pennsylvania Office of Consumer Advocate ("OCA") contemporaneously with their filing with the Commission, subject to the OCA's execution of a Confidentiality Agreement.

SCHEDULE OF RATES

PRIVATE FIRE SERVICE –UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page

AVAILABILITY

The rates under this schedule are available to any existing unmetered private fire service customer who continues to utilize the service connection solely for fire prevention purposes in connection with the customer's fire sprinkler system, standpipe connection, or any other emergency or fire protection facilities.

RATE

Service Charge

The following shall apply based on the size of service line connection required to render adequate service, as determined by the Company:

<u>Size of Connection with Main</u>	<u>Service Charge per Month</u>			
	<u>2021</u>		<u>2022</u>	
1 inch	\$4.71	(I)	\$4.79	(I)
1-1/4 inch	\$4.71	(I)	\$4.79	(I)
1-1/2 inch	\$6.78	(I)	\$6.90	(I)
2 inch	\$12.05	(I)	\$12.27	(I)
3 inch	\$27.40	(I)	\$27.90	(I)
4 inch	\$48.23	(I)	\$49.12	(I)
6 inch	\$109.59	(I)	\$111.61	(I)
8 inch	\$195.07	(I)	\$198.67	(I)
10 inch	\$304.66	(I)	\$310.28	(I)
12 inch	\$438.36	(I)	\$446.45	(I)

[Separate rate deleted]

(C)

Qualified Private Fire Hydrants

Service under this classification is subject to regulations set forth in Section 2.11 "Qualified Private Fire Hydrants".

Qualified Private Fire Hydrants \$26.87 per month

[Separate rate deleted]

(C)

(I) means Increase and (C) means Change

SCHEDULE OF RATES

PRIVATE FIRE SERVICE –UNMETERED (CONT'D)

TERMS AND CONDITIONS

Billing. Bills for unmetered private fire service and Qualified Private Fire Hydrants will be rendered monthly in arrears.

Inspection. The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours' notice and shall permit inspection thereof to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof. The Company shall have the right to install a consumption detection device on the service line or use other investigative measures to determine whether the service line is being utilized for purposes other than fire protection.

Metering Equipment. Whenever, inspection of consumption detection devices on the service line or other investigative measures, indicate the service connection is being utilized for purposes other than fire protection, the Company will require the installation of a meter of appropriate size, and shall charge for service at the rates set forth under the Company's metered private fire service.

[Paragraph deleted]

(C)

(C) means Change

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – METERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to a customer that has existing private fire services that were previously unmetered and subsequently became metered in accordance with the terms and conditions of the rate schedule “Private Fire Service – Unmetered”.

RATE

<u>Size of Connection with Main</u>	<u>Minimum per Month</u>	
	<u>2021</u>	<u>2022</u>
1 inch	\$38.52 (I)	\$39.23 (I)
1-1/4 inch	\$38.52 (I)	\$39.23 (I)
1-1/2 inch	\$55.02 (I)	\$56.03 (I)
2 inch	\$88.04 (I)	\$89.67 (I)
3 inch	\$165.07 (I)	\$168.12 (I)
4 inch	\$206.34 (I)	\$210.15 (I)
6 inch	\$309.52 (I)	\$315.23 (I)
8 inch	\$474.59 (I)	\$483.35 (I)
10 inch	\$667.18 (I)	\$679.49 (I)
12 inch	\$1,001.13(I)	\$1,019.60(I)
SPRINKLERED RISK – Minimum charge Including 200 Heads	2021: \$57.42 (I)	2022: \$58.48 (I)
SPRINKLERED RISK – Over 200 Heads Per Head	2021: \$0.15 (I)	2022: \$0.15 (I)
STANDPIPE SERVICE	2021: \$44.65 (I)	2022: \$45.47 (I)

TERMS AND CONDITIONS

Amount of Use. If the service is utilized as a general water service line as indicated by a continuing use of water in excess of 10,000 gallons per month for a period of three or more consecutive months, the customer shall be transferred to the Company's general service rate schedule and the minimum rate by size of meter will apply to this service in addition to the consumption charge.

(I) means Increase

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers with applications accepted by the Company under Section 8.5 of this tariff. Service under this classification is subject to regulations set forth in Section No. 8 "Public Fire Hydrants".

RATE

Replacement of existing public fire hydrants with Company owned public fire hydrants will in all circumstances be charged at a rate of \$240.00 per annum or \$20 per month unless stated otherwise below.

The annual charge for each public fire hydrant is \$240.00 per annum or \$20.00 per month except as noted below:

All hydrants added after January 1, 2000, will be billed at 25% of the cost of service or as follows:

\$16.87 per month in 2021 (D)
 \$16.87 per month in 2022. (I)

<u>Municipalities</u>	<u>Monthly Charge for Each</u> <u>Public Fire Hydrant</u>		
	<u>2021</u>	<u>2022</u>	
[Separate rate deleted]			(C)
Brownsville Area	\$17.55	\$17.55	(I)
California Area	\$18.05	\$18.05	
Reading Area	\$18.19	\$18.19	
[Separate rate deleted]			(C)
[Separate rate deleted]			(C)

(I) means Increase, (C) means Change and (D) means Decrease

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills rendered (I) on and after the Effective Date shown on the bottom on this page.

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.

(I) means Increase

SCHEDULE OF RATES

PENNVEST SURCHARGE

1. In Addition to the charges provided in this tariff, and pursuant to the Commission's Statement of Policy at 52 Pa. Code §§ 69.361 et seq., and Section 1307(a) of the Public Utility Code, a 0.00% surcharge will be uniformly applied to all classes of customers (with the exception of public fire protection customers) for service rendered on or after May 1, 1998. This percentage-based surcharge will be adjusted to conform to the principal and interest amounts payable pursuant to the final PENNVEST amortization schedule. The percentage is determined by:

$$\frac{\text{total yearly PENNVEST principal and interest amounts payable}}{\text{total yearly revenues (less the revenues associated with public fire protection)}}$$

2. The PENNVEST surcharge shall remain in effect if and until included in the general base rates of the Company; provided, however, that the surcharge may be continued or adjusted by the Company as additional PENNVEST loans, which have been approved for other PAWC regionalization projects, are closed.
3. The surcharge will be effective the first billing cycle immediately following final drawdown of a PENNVEST loan. The surcharge is solely designed to begin timely recovery of PENNVEST principal and interest loan obligation(s), and will remain in effect until included by the Company in the general base rates of the Company.
4. The surcharge will be reflected as a separate line item on each customer's bill and will be subject to reconciliation and refund.
5. The Company will segregate all revenues dedicated for PENNVEST repayment so long as the surcharge remains in effect.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

EXCEPT PUBLIC FIRE PROTECTION

In addition to the net charges provided for in this Tariff, a charge of -0.11% will apply to all bills rendered **(D)** with an ending read date on and after the Effective Date shown on the bottom of this page. This charge applies to all Rate Zones except Rate Zone 2 – Winola, Rate Zone 4 – Turbotville and Rate Zone 5 – Steelton.

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 36, 37 and 38 of this tariff.

(D) means Decrease

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

1. General Description

Purpose: To recover the fixed costs (depreciation and pre-tax return) of certain non-revenue producing, non-expense reducing distribution system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate case and to provide the Company with the resources to accelerate the replacement of aging water distribution infrastructure, to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act and to develop and implement solutions to regional water supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Also, Company projects receiving PENNVEST funding are not DSIC-eligible property to the extent that such PENNVEST funding is recovered via a PENNVEST surcharge.

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

- services (account 333000), meters (account 334100) and hydrants (account 335000) installed as in-kind replacements for customers;
- mains and valves (account 331800) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;
- main extensions (account 331800) installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting significant health and safety concern for customers currently receiving service from the Company or the acquired Company;
- main cleaning and relining (account 331800) projects and;
- unreimbursed funds related to capital projects to relocate Company facilities due to highway relocations.

Effective Date: The DSIC will become effective for bills rendered on and after January 1, 1997.

2. Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service between September 1, 1996, and November 30, 1996. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant addition 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:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
April 1	February 28
July 1	May 31
October 1	August 31
January 1	November 30

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

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

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (CONT'D)

2. Computation of the DSIC (cont'd)

Pre-tax return: The pre-tax return will be calculated using the 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 Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount: 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 service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for sales of water (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service and the STAS.

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

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR}) + \text{Dep}}{\text{PQR}} + \frac{e}{\text{PQR}}$$

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 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, will be based on the applicable three-month period, including any revenue from acquired companies that are now being charged the rates of the acquiring company.

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

PENNSYLVANIA-AMERICAN WATER COMPANY

**SCHEDULE OF RATES
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (CONT'D)**

3. Safeguards

Cap: The DSIC will be capped at 7.50% of the amount billed to customers under otherwise applicable rates and charges.

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

New Base Rates: The DSIC charge 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 theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions, that have not previously been reflected in the Company's rate base, would be reflected in the quarterly updates of the DSIC.

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

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

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any over collection to customers and is entitled to recover any under collections as set forth in Section 3 – Audit Reconciliation. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, The Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

Public Fire Protection: The DSIC of a water utility will not apply to public fire protection customers.

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

MISCELLANEOUS FEES

<u>Fee Description</u>	<u>Fee Amount</u>	<u>Tariff Reference</u>
1. Service Activation Fee (New Accounts)	\$30	See Section 3.4 of Rules and Regulations
2. Turn On Fee (Service Discontinuance or Service Reconnection Fee)	\$30	See Section 11.1 of Rules and Regulations
3. Return Check Fee	\$20	See Section 10.5 of Rules and Regulations

Negative Surcharge for Deferred Tax Credit

(C)

Pursuant to Paragraph No. 23 and Appendix D of the Joint Petition for Non-Unanimous Settlement of Rate Investigation that was approved by the Commission's Final Order entered February 25, 2021 at Docket No. R-2020-3019369 ("Rate Case Final Order"), a negative surcharge will apply as a credit to all customers' bills for bills rendered during the period January 28, 2021 through January 27, 2023 ("Application Period"). The negative surcharge will be distributed equally among the Company's customer classes, exclusive of State Tax Adjustment Surcharge revenues and automatic adjustment clause revenues. The negative surcharge is designed to provide the Company's customers credits totaling \$21 million over the Application Period, subject to reconciliation and recovery or refund, as set forth below.

For the period from January 28, 2021 through December 31, 2021, a negative surcharge of 1.56% will apply as a credit to customers' bills, on the terms set forth above. The negative surcharge for this period is designed to provide customers credits totaling \$9,560,000. On April 30, 2022, the Company will file: (1) data showing the total credits provided to customers for bills rendered through December 31, 2021; and (2) a reconciliation of the difference between the amount determined in accordance with (1) above and \$9,560,000, which, together with applicable interest, shall be deferred to the Company's next base rate case.

For the period from January 1, 2022 through January 27, 2023, a negative surcharge of 1.56% will apply as a credit to customers' bills, on the terms set forth above. The negative surcharge for this period is designed to provide customers credits equal to \$11,440,000. The negative surcharge of 1.56% will become effective for bills rendered for the period from January 1, 2021 through January 27, 2023.

The negative surcharge will cease to apply on January 28, 2023. No later than April 30, 2023, the Company will file (1) data showing the total credits provided to customers for bills rendered for the period January 1, 2022 through January 27, 2023; (2) a reconciliation of the difference between the amount determined in accordance with (1) above and the total credits that the negative surcharge was designed to provide to customers during that period, together with applicable interest. The reconciliation amount shall be deferred to the Company's next base rate case.

Applicable interest on over or under recoveries shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

(C) means Change

Recoupment Surcharge

(C)

Pursuant to Paragraph No. 73 of the Joint Petition for Non-Unanimous Settlement of Rate Investigation that was approved by the Commission's Final Order entered February 25, 2021 at Docket No. R-2020-3019369 ("Rate Case Final Order"), the Company is entitled to recoup the revenue increase not billed from January 28, 2021 through the effective date of new rates in the above-referenced proceeding (i.e. March 8, 2021). The Company will calculate the recoupment period as the base rate revenues not billed between January 28, 2021 and March 8, 2021, to be offset by Distribution System Improvement Charge and Tax Cuts and Jobs Act revenues billed during the same period.

This surcharge will apply to all customers' bills, excluding public fire protection service, for a six month period. The surcharge will be billed equally to the Company's customer classes, exclusive of amounts billed for public fire protection service, the State Tax Adjustment Surcharge revenues, Deferred Tax Credit and automatic adjustment clause revenues.

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

1. The Water Tariff

1.1 Filing and Availability

A copy of this Tariff, which is the rates, rules and regulations under which water service will be supplied by the Company to its Applicants and Customers in Pennsylvania, is on file with the Pennsylvania Public Utility Commission, and is available and open for inspection at the offices of the Company.

1.2 Revisions

This Tariff may be revised, amended, supplemented and otherwise changed from time to time in accordance with the Pennsylvania "Public Utility Code," and such changes, when effective, shall have the same force and effect as the present Tariff.

1.3 Applications of Tariff

The Tariff provisions apply to any party or parties applying for or receiving service from the Company, including Unauthorized Use of Service.

1.4 Amendment of Commission Regulations

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, the tariff is deemed to be amended 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.

(C)

(C) means Change

RULES AND REGULATIONS

2. Definitions

- 2.1 Activation of Service Connection:** Activation of service connection is the initiation of service in an Applicant's or a Customer's name. It may include, but is not limited to, physically turning water service on at the property, processing the Applicant's or Customer's application or request to transfer service, and an initial service call to the property, if necessary.
- 2.2 Applicant:** An Applicant shall mean any Residential Applicant or Non-Residential Applicant.
- 2.3 Customer:** A Customer shall mean any Residential Customer or Non-Residential Customer.
- 2.4 Creditworthiness:** An assessment of an Applicant's or Customer's ability to meet bill payment obligations for utility services.
- 2.5 Cross-Connection:** A cross-connection is any pipe, valve or other physical connection, or other arrangement or device connecting the pipelines of the Company, or facilities directly or indirectly connected therewith, to and with pipes or fixtures by which any contamination might be admitted or drawn from lines other than the Company's into the distribution system of the Company, or into lines connected therewith.
- 2.6 Flat Rate Service:** Any unmetered customer service connection except public fire service.
- 2.7 Multiple Premise:** A multiple premise is adaptable to subdivision and is used by more than one family or occupant. It shall then be construed to be a double premise, triple premise, etc., depending upon the number of families, occupants, or subdivision.
- 2.8 Non-Residential Applicant:** Any person other than a Residential Applicant who applies for water service. This term shall not include a person, who within sixty (60) days after termination or discontinuance of service, seeks to transfer service within the Company's service territory or to reinstate service at the same address.
- 2.9 Non-Residential Customer:** Any person other than a Residential Customer who is contracting for and/or receiving water service through a meter connection, and who is primarily responsible for the payment of all bills rendered for said service. This term includes a transfer of service from a previous account within the Company's service territory or a reinstatement of service at the same location within sixty (60) days following termination or discontinuance of the previous service.
- 2.10 Point of Sale:** The point of sale of water service or fire protection service contracted for by the customer is the Street Service Connection.
- 2.11 Qualified Private Fire Hydrant:** Any privately-owned fire hydrant located on a Service Line serving said hydrant exclusively. Said hydrant must be located in the open, be visible, and shall not be more than fifty (50) feet from the Company main servicing the hydrant.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

2. Definitions (cont'd)

- 2.12 Remote Meter Reading Device:** A device which by electrical impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside of a residence.
- 2.13 Residential Applicant:** A natural person at least 18 years of age not currently receiving service who applies for residential service provided by the Company or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. A Residential Applicant does not include a person who, within 30 days after service termination or discontinuance of service, seeks to have another service reconnected at the same location or transferred to another location within the Company's service territory.
- 2.14 Residential Customer:** A natural person at least 18 years of age in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. A Residential Customer includes a person who, within 30 days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within the Company's service territory.
- 2.15 Service Line:** The Company-owned piping and appurtenances which run between and are connected to the Company's main and its street service connection.
- 2.16 Service Pipe:** That portion of a water line not owned by the Company which transmits water from the Company-owned water main to the Customer's premise. The water service pipe begins at the Company-owned street service connection and continues into the structure on the premise to be supplied.
- 2.17 Single Premise:** A single premise is herein construed to cover a structure used by one family or occupant or where used by more than one family or occupant not adaptable to subdivision.
- 2.18 Street Service Connection:** A street service connection is hereby understood to include a connection to the main pipe to and including the control valve and control valve box, used to carry water from the main to the curb line. The control valve and box terminates the Company's responsibility for expense of the street service connection.
- 2.19 Temporary Service:** A water service connection which, at the time of application, is anticipated to be in service for less than a 12-month period.
- 2.20 Unauthorized Use of Service:** Unreasonable interference or diversion of service, including meter tampering (any act which affects the proper registration of service through a meter), by-passing unmetered service that flows through a device connected between a main or service line and customer-owned facilities, unauthorized service restoration, or the otherwise taking or receiving of water service without the knowledge or approval of the Company.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

2. Definitions (cont'd)

2.21 Water Use Standards: The maximum water use for certain plumbing fixtures installed in all new construction or renovation to achieve the maximum efficiency of water use which is technologically feasible and economically justified:

<u>Plumbing Fixture</u>	<u>Maximum Water Use</u>	
showerheads	2.5 gallons/minute	(C)
lavatory faucets	2.2 gallons/minute	(C)
kitchen faucets	2.2 gallons/minute	(C)
water closets	1.6 gallons/flush	
urinals	1.0 gallons/flush	(C)

The Company may, at any appropriate time, amend any of the water use standards listed above relevant to technological developments relating to the water use or water efficiency of any of the specified plumbing fixtures. Amendments will also apply only to new construction and renovation.

(C) means Change

RULES AND REGULATIONS

3. Application for Service and Street Service Connection

3.1 Application for Service

Any Applicant who wishes to receive water service from the Company under this Tariff must contact the Company and complete an application for service. Applications for service may be made by completing a written application, by telephoning the Company, or through application via the Company's website on the Internet.

Prior to providing utility service, the Company may require the Applicant to provide: (1) information that positively identifies him/her self; (2) the name of any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested; (3) the names of each adult occupant residing at the location, and proof of their identity; or (4) a cash deposit, as may be required in accordance with Section 7 of this Tariff.

In the case of Residential Applicants, the Company may ask for the combined gross income of all adult occupants at the time the application for service is made; however, the Residential Applicant is not required to provide the information as a condition of receiving water service, unless such applicant is seeking to enroll in the Company's *Help to Others Program*.

3.2 Application for Street Service Connection

Any applicant who wishes to receive street service connection from the company must complete, in writing, an application for service on a form provided by the company. Upon receipt of the proper application, the Company will install a street service connection and will maintain the same at its expense, provided that the property to be served abuts a public highway in which a main pipe of the distribution system of the Company is located at a point at least halfway across the portion of the property abutting said highway. Each applicant shall be entitled to receive one street service connection free of charge. Application for street service connection at a property shall be made in writing. Costs for the installation of additional or replacement connections and for the removal of existing facilities will be the responsibility of the applicant or customer.

3.3 Application for Temporary Service

A Temporary Service will be made after the applicant has paid the entire estimated cost of the installation and abandonment of said Temporary Service. If the actual cost, when determined, differs 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.

3.4 Activation of Service Connection

Whenever an Applicant requests activation of a service connection, the Applicant shall pay a charge as shown on the Miscellaneous Fees rate schedule. The Company may require that the Applicant, or a responsible designee, be present at the time service is activated. For non-regularly-scheduled working hours, the fee is equivalent to the cost incurred by the Company.

3.5 Right to Reject

The Company may limit the amount or character of service it will supply, or may reject applications for service for the following reasons: requested service is not available under a standard rate; requested service may affect service to other customers; for a Non-Residential Applicant's or Non-Residential Customer's failure to establish Creditworthiness; for failure to address prior Company debts; for the Applicant's failure to provide identifying documentation of the Applicant and each adult occupant residing at the location; when identifying documentation cannot be verified; for the reasons set forth in Section 4.1, or for other good and sufficient reasons.

RULES AND REGULATIONS

4. Service Pipes

4.1 Right to Reject

The Company may refuse to connect with any piping system or furnish water through one already connected if such system is not properly installed and maintained. The Company may also refuse to connect, etc., if lead base materials as defined in the Safe Drinking Water Act have been used after June 19, 1988, in any plumbing beyond the Company's curb stop. It shall be the Customer's responsibility to provide the Company with such certification.

4.2 Stop and Waste Valve

The Customer shall install a stop and waste valve on the service pipe immediately inside of the foundation wall of the building supplied and also on the outlet side of the meter. A double check valve shall also be installed on the outlet side of the meter. Such valves should be so located as to be easily accessible to the occupants and to provide proper drainage for the pipes in the building.

4.3 Service Pipe Limitation

No fixture shall be attached to or any branch made in the service pipe between the meter and the street main. No extension of service shall be made by the Customer to provide water service to another premise.

4.4 Trench Restriction

No service pipe shall be laid in the same trench with gas pipe, sewer pipe, electric cable, telephone cable or any other facility of a public service company, nor within three (3) feet of any open excavation or vault.

4.5 Service Pipe Specifications

The Company may specify the size, kind, quality and depth of the materials which shall be laid between the curb valve and the structure on the premise to be supplied. The Company may also disapprove any plumbing materials used within the premise to be supplied.

4.6 Check Valve, Backflow Prevention Device and Service Pipe Strainers

A minimum of an approved American Society of Sanitary Engineering 1024 (ASSE 1024) dual check valve shall be installed on all service pipes for residential service. Residential accounts having a lawn irrigation system or fire sprinkler system will be required to install a reduced pressure zone backflow prevention device on the line which services this part of the customer's system. Reduced pressure zone devices are to be tested and/or repaired annually. On service pipes for commercial or industrial service, a backflow prevention device of a type approved by the Company shall be installed. The location of the double check valve or backflow prevention device shall be approved by the Company. Service pipes used for fire protection must in addition have an approved fire service pipe strainer. The double check valve and backflow prevention device shall be owned and maintained by the Customer. Non-residential Customers shall certify annually, in writing to the Company, that these devices have been maintained and are in working order. This is to include a test and /or repairs performed by an inspector who is a certified backflow prevention device tester. They are also subject to Company inspection at reasonable times. A backflow prevention device tester must be certified by an entity that performs training to test and repair Check valves and backflow prevention devices which meet or exceed American Society of Sanitary Engineering (ASSE), American Backflow Prevention Association (ABPA) or equivalent standards and provides certification that such training has been completed in accordance with these requirements.

4.7 Pressure Regulators

When the static pressure is 100 lbs. or more at the Customer's premise, the Customer shall be responsible for the installation and maintenance of a pressure regulator or valve, which shall be installed on the inlet side of the meter.

RULES AND REGULATIONS

4. Service Pipes (cont'd)

4.8 Water use Standards for Plumbing Fixtures

The Company may refuse to connect with any piping system or furnish water through one already connected in any new construction or renovation which does not comply with the Company's water use standards for plumbing fixtures.

4.9 Customer Responsibility for Service Pipe

The Customer shall have full responsibility for the installation, repair, replacement, and maintenance of all Service Pipes, including full responsibility for metered water usage attributable to a leak in the Service Pipe; The failure of a Customer to properly install and maintain a Service Pipe, 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 Service Pipe. Where an undetected, non-surfacing, underground leak is found in a Customer's Service Pipe, the Company shall credit the Customer with a one-time bill adjustment equal to forty percent (40%) of that portion of one month's consumption that exceeds the average monthly usage, based on the prior twelve month period, upon proper verification that the leak has been repaired. The Company shall require documentation to establish, to the Company's satisfaction, the existence of such repaired leak at the Customer's premises. Such bill adjustment will be provided only to the extent the Customer has not received a bill adjustment for an undetected, non-surfacing, underground leak at the same premises in the past five (5) years.

RULES AND REGULATIONS

4. Service Pipes (cont'd)

4.9.1 Replacement of Lead Service Pipes

4.9.1.1

Notwithstanding Rules 2.11, 2.12, 2.14 and 4.9, the Company shall, provided that the customer consents, replace lead Service Pipes pursuant to Parts 1 and 2 of its lead Service Pipe replacement plan (Replacement Plan), subject to the budgeted allotment of \$6.0 million per year for all lead Service Line replacements under its Replacement Plan. Pursuant to its Replacement Plan – Part 1, the Company will replace lead Service Pipes it encounters when replacing its mains and/or Service Lines up to 1,800 lead Service Pipe replacements per year within a maximum amount of approximately \$6.0 million per year. Pursuant to its Replacement Plan – Part 2, the Company will replace a lead Service Pipe at a Customer's request subject to the following conditions: (1) verification that the Customer has a lead Service Pipe; (2) the time when the replacement occurs will be determined by the Company based on factors determined by the Company including, without limitation, the number of customer requests for Service Pipe replacements in Company-designated geographic areas; (3) the annual cap of 1,800 lead Service Pipe; and (4) availability of funds not used for Part 1 replacements under the Company's budgeted allotment of \$6.0 million per year. Lead Service Pipe replacements performed pursuant to Replacement Plan – Part 1 will have priority on the use of funds under the annual budget allotment and, therefore, in any year, funds will be used for lead Service Pipe replacements under Replacement Plan – Part 2 only to the extent that funds are available within the budget allotment and are not allocated to Part 1 replacements planned for that year. Portions of the annual budget allotment of \$6.0 million that are not expended on lead Service Pipe replacements under Part 1 or Part 2 of the Replacement Plan in a year will roll-over to the next subsequent year, but use of the roll-over funds will still be subject to the requirement that priority be given to Part 1 replacements. If the Company does not use the excess budgetary allotment in the subsequent year, the excess budgetary allotment will not carry forward into the following year, i.e. excess budgetary allotments will not carryforward on a cumulative basis, subject to the cap on the number of lead Service Pipe replacements per year. The Company may, but shall not be required, to petition the Commission for approval to modify its annual budget allotment of \$6.0 million if the Company, in its sole discretion, determines that its annual budget allotment no longer meets the future needs of administering both Parts of the Replacement Plan. However, no change may be made without prior Commission approval. Costs the Company incurs to replace lead Service Pipes under the Company's Replacement Plan shall be subject to the accounting and rate treatment approved by the Order of the Pennsylvania Public Utility Commission (Commission) entered October 3, 2019 and Settlement at Docket No. P-2017-2606100 (Approval Order). After a lead Service Pipe is replaced by the Company, the Customer shall own the Service Pipe and shall have full responsibility for the repair, replacement and maintenance of the new Service Pipe, which, upon installation, shall thereafter be subject to the terms of Rules 2.12, 2.14 and 4.9.

4.9.1.2

The Customer shall enter into an Agreement for Replacement of Lead Service Pipe, in a form provided by the Company, prior to the initiation of any work by the Company to replace a Customer's Service Pipe. The Company will provide a two-year warranty on workmanship and materials for any Customer lead Service Pipes it replaces.

RULES AND REGULATIONS

4. Service Pipes (cont'd)

4.9.1.3

The Company will verify whether the property for which a Replacement Plan - Part 2 replacement was requested has a lead Service Pipe, and if so, will test water from the tap of the dwelling within four weeks after receiving such a request from a Customer or property owner, as applicable. The Company will notify the Customer occupying such property within three days of obtaining the test results.

4.9.1.4

The Company will provide a 10-cup filtered water container to low-income residential Customers who request (or if the Customer occupies a rental property, the property-owner has made, or has authorized the Customer to make, such request) that the Company replace their LSPs under Part 2 of the Company's Replacement Plan, provided that:

1. The Customer's household income is at or below 150% of the Federal Poverty Income Guidelines as determined by the Dollar Energy Fund, which the Company will engage to make this determination based on information available to, or obtained by, Dollar Energy Fund in the same manner Dollar Energy Fund determines a residential Customer's low-income status for other low-income programs of the Company;
2. The Company has verified that the Customer has a lead Service Pipe; and
3. The Company's testing of water from the Customer's tap shows that the water has a lead level above the action level established by the Pennsylvania Department of Environmental Protection under the Environmental Protection Agency's Lead and Copper Rule.

4.9.1.5

If the Company, at the request of a Customer or property-owner (as applicable), visits a Customer's site and determines that the Service Pipe has been replaced at or within one-year of the date the Company commenced a project to replace lead Service Pipes and the Customer or property-owner (as applicable) provides the Company with a paid invoice, a certification from a certified plumber, and other documentation determined by the Company to be appropriate to verify the replacement, the Company will reimburse the Customer's or property-owner's (as applicable) reasonable costs up to an amount not to exceed 125% of the costs the Company would have incurred to perform the replacement of a similarly-sized Service Pipe in the project area. A lead Service Pipe project will commence on the date the Company begins physical main replacement work in the project area that includes the Customer's site or when the Company deploys a contractor crew to the geographic area of a Replacement Plan – Part 2 project to perform grouped work activity, whichever is sooner.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

5. Meters and Meter Installations

5.1 Meter Installations

The Company will furnish and install for each Customer, without charge, a suitable meter and will keep the same in repair. All Company meters will be owned by the Company and remain the property of the Company and shall be accessible to the Company and subject to its control. The Customer, however, shall properly protect the meter from damage by frost or other causes and shall be held responsible for repairs or replacement of the meter made necessary by the negligence or intentional act of the Customer.

5.2 Meter Space and Location

(a) The Customer shall provide a safe, readily-accessible, and protected location for the installation of a meter at such point as will control the entire supply to the premise. The location must be acceptable to the Company as most convenient for its service so that the meter may be easily examined, read, or removed. For new construction, the meter shall be required to be installed outside the building in a meter box/vault unless otherwise approved or specified by the Company. The location of the meter box/vault shall be subject to the express approval of the Company; in most cases, the meter box/vault shall be located inside the property line by the Customer. For existing premises and circumstances, subject to the Company's approval, a meter may be set within the structure to be served, at a location approved by the Company, after the Customer has had the plumbing arranged (including the installation of special devices if required by the Company) to receive the meter at a convenient point inspected and approved by the Company so as to control the entire supply of water to the property.

(b) In addition, at the Company's option, the Customer shall also provide a safe and readily accessible location outside of his residence for the installation of a remote meter reading device. If the Customer does not maintain ready access to the meter and the remote meter reading device, the Company may install an outside meter setting at the Customer's expense.

5.3 Automatic Meter Reading

The Company, without charge to the Customer, may install meters capable of being read automatically from a central location using telephone lines. To install this automatic meter reading equipment, the Company will require access to a telephone line of the premise receiving water service. If installation is denied, the Company may impose a meter reading fee equal to the cost of manually reading the meter or terminate service. If the automatic meter reading equipment can be installed, the Customer must provide the Company with the telephone number of the line to which the equipment will be connected and immediately advise the Company of any changes in the number.

RULES AND REGULATIONS

5. Meters and Meter Installations (cont'd)

5.4 Outside Meter Installations (Meter Box/Vaults)

Meter boxes/vaults shall be owned, furnished, installed and maintained by the Customer which meets the Company's specifications, at Customer's expense, unless otherwise agreed to by the Company. At the Company's discretion the Company has the right to install a meter box/vault for a Customer's property. The meter box or vault shall be placed immediately inside the Customer's property line or at such other location as may be ordered by the Company. The size and dimensions of the meter box or vault shall be as approved by the Company, give adequate access to the meter, and permit its installation or removal. When a concrete vault is used, a 10 foot wide (minimum) paved surface from the road to the vault, including curb depression, must be provided and maintained for vehicle access.

The Company has the authority to require a Customer or property owner, at their expense, to install a meter box/vault prior to restoration of service where there has been a termination of service by Company due to Unauthorized Use of Service.

5.5 Meter Service

All service provided by the Company except public fire and qualified private hydrant protection shall be metered.

5.6 Meter Installations for Flat-Rate Accounts and Unmetered Private Fire Services

Within 45 calendar days of notification by the Company, a flat-rate or unmetered private fire service Customer will provide a suitable meter setting at his own expense. The Company will provide the Customer with standard specifications for the meter setting. Any Customer who does not provide a suitable meter setting within the 45-day period will be subject to termination of service; or, at the option of the Company in the case of an unmetered fire service Customer, the installation will be made by the Company and a surcharge applied to the Customer's bill. The surcharge will be an annual fee equal to 17% of the total actual cost of installation.

5.7 Tampering with Meters or other Utility Equipment

When a meter or other utility equipment on a Customer's premises has been tampered with and the customer enjoys the use of or receives benefit from the water service intended to be metered, it may be reasonably inferred that the Customer tampered with the meter or other utility equipment. The penalties for tampering include but, are not limited to, termination of service, recovery by the Company of all costs related to the tampering, including payment for such water service as the Company may estimate from available information has been used but not registered by the Company's meter, and criminal sanctions pursuant to the laws of the Commonwealth. In addition, the Company has the authority to require a Customer or property owner, at their expense, to install a meter box/vault prior to restoration of service where there has been a termination of service by Company due to tampering with a meter or other utility equipment.

RULES AND REGULATIONS

6. Meter Tests

6.1 Meter Tests

The Company may at any time remove any meter for routine tests, repairs or replacement and may, at its option and expense, test any meter when it has reason to believe that the meter is registering inaccurately.

6.2 Request Tests

Any Customer may request the Company to make a special test of the accuracy of a meter, which test will be made in accordance with 52 Pa. Code § 65.8. The test of a meter requested by a Customer may be witnessed by the Customer or his duly authorized representative.

6.3 Meter Test Fees

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When the Company makes a special test of the accuracy of a meter at the Customer's request and the meter is found upon said test to be inaccurate according to the standard percentage variable set forth in 52 Pa. Code § 65.8, there shall be no meter test fee paid by the Customer and the Customer's bill shall be adjusted in accordance with 52 Pa. Code § 65.9. When for the Company makes a special test of the accuracy of a meter at the Customer's request and the meter is found upon said test to be accurate according to the standard percentage variable set forth in 52 Pa. Code § 65.8, the following meter fees shall apply in accordance with 52 Pa. Code § 65.8.

Size of Meter

Fee for Test

5/8" to 1" inclusive

As currently in effect

1-1/4" to 2"

As currently in effect Larger than 2" As currently in effect

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

7. Credit

7.1 Customer's Liability for Charges

The Customer who has made application for water service to any premise shall be held liable for all water service furnished to such premise until such time as the Customer properly notifies the Company to discontinue the service for this account.

7.2 Prior Company Debts

(a) Service will not be furnished to former Customers until any indebtedness to the Company for previous service of the same or similar classification has been satisfied or a payment arrangement has been made on the debt. This rule does not apply to the disputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; and (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed.

(b) The Company may utilize means in accordance with applicable law of determining an Applicant's or Customer's liability for any indebtedness to the Company for previous service, including, but not limited to, the following: (1) use of Company records that containing confidential information previously provided to the Company for service; (2) information contained on a valid mortgage, lease or deed; (3) other information contained in the Company's records that indicate that the Applicant was an adult occupant during the time the prior debt accrued; (4) use of commercially available skip tracing software that contains records of names and addresses; and (5) use of information contained in credit reporting data utilized by the Company.

7.3 Customer's Deposit

(a) Non-Residential: The Company may charge deposits to Non-Residential Applicants and Non-Residential Customers if they have bad credit, lack Creditworthiness, or for other reasonable grounds determined by the Company, and as permitted by Federal Bankruptcy Law.

(c) Residential: The Company may charge deposits to Residential Applicants and Residential Customers as permitted by Commission statutes, rules regulations, and as permitted by Federal Bankruptcy Law.

(1) Deposits may be required from a Residential Applicant who is unable to establish Creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that falls within the range of general industry practice and specifically assess the risk of public utility bill payment.

(2) Deposits may be required from a Residential Customer who fails to comply with the material terms or conditions of a settlement or payment arrangement or is delinquent in the payment of two consecutive bills, or three or more bills within the preceding twelve months.

RULES AND REGULATIONS

7. Credit (cont'd)

7.3 Customer's Deposit (cont'd):

(c) Residential (cont'd):

(3) Prior to reconnection of service, deposits may be required from a Residential Applicant or Residential Customer whose service was terminated for any of the following reasons: (a) nonpayment of an undisputed delinquent account; (b) failure to complete payment of a deposit, providing a guarantee or establish credit; (c) failure to permit access to meters, service connections or other property of Company for the purpose of replacement, maintenance, repair or meter reading; (d) Unauthorized Use of Service on or about the affected dwelling; (e) failure to comply with the material terms of a settlement or payment arrangement; (f) fraud or material misrepresentation of identity for the purposes of obtaining utility service; (g) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment; or (h) violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's water distribution system.

7.4 Deposit Amount

For Residential Applicants or Customers, the cash deposit required shall be in an amount equal to 1/6 of an Applicant's or Customer's estimated annual bill at the time the Company determines the deposit is required. For Non-Residential Applicants or Customers, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule.

7.5 Return of Deposit for Current Service

Deposits secured from Non-Residential Customers will be returned when the Customer discontinues service and has no unpaid bills or at the Company's discretion. Deposits secured from Residential Customers shall be returned to the depositor when the Customer has paid all bills for service in full and on time for twelve (12) consecutive months.

7.6 Interest on Deposits for Current Service

Interest on deposits will be accrued until is returned to the Customer. Interest for all Customer deposits shall be computed at the rate governed by 66 Pa. C.S. §1404(c)(6). On deposits held for more than a year, the Company will pay to the depositor, at the end of each calendar year, the interest accrued thereon. Deposits shall cease to bear interest upon termination or discontinuance of the service covered by the deposit.

7.7 Payment Period for Deposits

Any Non-Residential Applicant or Customer shall pay the required deposit in full prior to the provision of service. Any Residential Applicant or Customer shall have up to 90 days to pay the deposit in full and may elect to pay the required deposit in three installments: 50% billed upon the determination that the deposit is required; 25% billed 30 days after the determination; and 25% billed 60 days after the determination. The Residential Applicant or Customer may elect to pay the deposit in full before the due date.

7.8 Landlord Assumption of Responsibility

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

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(C) means Change

RULES AND REGULATIONS

7. Credit (cont'd)

7.9 Denial of Service

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(a) If the Company denies service, the Company will inform the Applicant in writing of the reasons for the denial within 3 business days of the denial. With the Applicant's consent, the Company may provide to the Applicant the information electronically. The written denial statement will include the reason for the denial and information on the Applicant's ability to challenge the denial. If the Company is requiring payment of an unpaid balance, the Company will specify in writing the amount of the unpaid balance, the dates during which the balance accrued and the location and customer name at which the balance accrued. The statement will inform the Applicant of the right to furnish a third-party guarantor in accordance with Commission regulations and the Applicant's right to contact the Commission.

(b) The written denial statement will inform the Applicant that if he or she is, based upon household income, confirmed to be eligible for a customer assistance program a deposit is not required. The Company will inform the Applicant of the procedures and documentation necessary to qualify for an exemption from a security deposit requirement.

(c) The written denial statement will include information informing victims of domestic violence with a protection from abuse order, or a court order issued by a court of competent jurisdiction in this Commonwealth which provides clear evidence of domestic violence, that there are special protections available. The Company will not shut off your water service during the winter without PUC permission. Depending on your income, a special payment arrangement may be available. Your service may not be terminated on a Friday. You may not be held responsible for a bill in someone else's name. You may not be required to pay a security deposit. If you are required to pay a security deposit, you may be able to pay it over three payments. You will receive additional 48-hour notice prior to termination.

8. Public Fire Hydrants

8.1 Ownership and Maintenance

All public fire hydrants furnished, installed, and paid for by the Company shall be inspected and maintained by the Company.

8.2 Use Restricted

The use of fire hydrants, whether owned by the Company or by the Customer, will be restricted to the taking of water for the extinguishing of above-ground fires. Water shall not be taken from any fire hydrant for construction purposes, extinguishing underground fires, sprinkling streets, flushing sewers or gutters or for any other use unless specifically permitted by the Company for the particular time and occasion. If the Company grants permission to use fire hydrants for purposes other than the extinguishment of fires, such use will be applied only if an approved backflow prevention device is attached to the hydrant. Said device shall be furnished by the Customer.

8.3 Change in Location

Whenever a change in location of a fire hydrant is ordered by a municipality, such change will be made at the expense of the municipality.

8.4 Public Hydrants Installed on Main Lines Installed After December 31, 1988

Whenever a hydrant is ordered subsequent to the completed installation of a new main installed after December 31, 1988, a NON REFUNDABLE charge of \$1000 per hydrant along with any applicable state and federal tax liabilities, plus any local permit/occupancy fees will be required with the application. The fee for any hydrant installed on mains installed prior to January 1, 1989 or installed during construction of new mains installed after December 31, 1988 will be limited to only the pertinent local permit or occupancy costs imposed by the ordering party.

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

8. Public Fire Hydrants (cont'd)

8.5 Application for Public Fire Hydrant Service

Service No. _____

This Application made in triplicate this _____ day of _____, 20____,
by _____ (Applicant) (a Municipal corporation of the Commonwealth of
Pennsylvania), hereinafter called the "Applicant", to the **Pennsylvania-American Water
Company** (a corporation of the Commonwealth of Pennsylvania), doing business in the
of _____, hereinafter called the "Water Company."

The Applicant, upon the terms and conditions hereinafter set forth, hereby applies to the
Water Company for the installation of (a) public fire hydrant(s) to be located at:

In consideration for which the Applicant agrees to be bound by all the terms and conditions
of this application, and the Water Company's tariff as amended from time to time, and to pay the
Water Company for service at the schedule of rates in effect from time to time during the rendition
of such service.

The further terms and conditions upon which this application may be accepted by the
Water Company are as follows:

First: The public fire hydrant shall be furnished, installed, inspected, and maintained by
the Water Company.

Second: The use of the public fire hydrant will be restricted to the taking of water for the
extinguishing of above-ground fires. Water shall not be taken from any fire hydrant for
construction purposes, extinguishing underground fires, sprinkling streets, flushing sewers or
gutters, or for any other use unless specifically permitted by the Water Company for the
particular time and occasion. If the Water Company grants permission to use the fire hydrant
for purposes other than the extinguishment of fires, such use will be applied only if an approved
backflow prevention device is attached to the hydrant. Said device shall be furnished by the
Applicant.

RULES AND REGULATIONS

8. Public Fire Hydrants (cont'd)

8.5 Application for Public Fire Hydrant Service (cont'd)

Third: Whenever a change in location of a fire hydrant is ordered by the Applicant, such change will be made at the expense of the Applicant.

Fourth: The Water Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur. The extent of the rights of the Applicant under this application is to receive, but only at times of fire, such supply of water as shall then be available and no other or greater. The Applicant agrees that the Water Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fires or to protect any persons or property against loss or damage by fire, or otherwise. The extent of the Company's liability for any and all claims for damages on account of any injury to property or persons by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever, shall be subject to the limitations set forth in Section 15.1 of its Tariff.

Fifth: The Applicant will indemnify, save harmless, and defend the Water Company from all claims, loss, costs, or damage on account of injury to persons or property occurring as a result of its use or operation, or the existence of said public fire hydrant(s) including but not limited to injury or damage to persons or property by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever, to the extent that the injury to persons or property is the result of the intentional acts or negligence of the Applicant, its employees or agents, and only to the extent that the Applicant could be held directly liable under the Pennsylvania Political Subdivision Tort Claims Act set forth in 42 Pa.C.S. § 8541 et seq. Nothing in this paragraph shall be deemed a waiver, contractual or otherwise, of the protections afforded the Applicant at 42 Pa. C.S. § 8541 et seq.

Sixth: The Applicant will notify the Water Company of each occasion on which a public fire hydrant is used so that the Company may be able to make a follow-up inspection.

Seventh: The rights and obligations of the Applicant hereunder shall be further subject at all times to the rates, rules and regulations of the Water Company that now exist or which may hereafter be adopted.

RULES AND REGULATIONS

8. Public Fire Hydrants (cont'd)

8.5 Application for Public Fire Hydrant Service (cont'd)

Eighth: The Applicant agrees to provide any permits required by the Applicant relative to this application for public fire hydrant(s) contracted for or its future replacement.

IN WITNESS WHEREOF the Applicant through a duly authorized official has hereunto signed this Application the day and year first above written.

WITNESS APPLICANT

_____ By _____

IN WITNESS WHEREOF the Water Company hereby accepts the foregoing Application this day of

_____, 20__.

WITNESS PENNSYLVANIA-AMERICAN WATER COMPANY

_____ By _____
Authorized Representative

(C)

[End of Application]

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

9. Sales for Resale

9.1 Water Supply Agreement

When the Company enters into an agreement with another public water supply agency to sell water to said agency pursuant to the Company's metered rates as filed and effective from time to time, any condition of said agreement with respect to service thereunder shall be incorporated by reference to these rules and regulations. Said water supply agreement must be filed with the Public Utility Commission pursuant to the Public Utility Code (66 C.S.A. § 507) when the public water supply agency is a municipal corporation, as defined in said Code.

RULES AND REGULATIONS

10. Payment Terms

10.1 Billing Period

The Company shall render a bill once every billing period to every Customer in accordance with approved rate schedules. The due date for payment of a bill for service to Residential and Non-Residential Customers shall be no less than twenty (20) days from the date of transmittal. Payment received by the Company more than five (5) days after the due date will be charged a penalty of 1.50%, and such penalty will be calculated monthly thereafter only on the overdue portion of the bill. In no event shall the penalty charged exceed 18% annually.

10.2 Service Termination

If a bill is not paid on or before its due date, service will be terminated. If a bill for service to a Qualified Private Fire Hydrant is not paid on or before its due date, service will be terminated upon written notice given fifteen (15) days in advance by the Company to the Customer.

10.3 Consumption not Combined

The use of water by the same Customer in different premises or localities will not be combined, and each installation shall stand by itself.

10.4 Disputed Bills

In the event of a dispute between the Customer and the Company respecting any bill, the Company will forthwith make such investigation as may be required by the particular case and report the result thereof to the Customer. When the Company has made such 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, it will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be returned to the Customer if the error arose from any cause other than the incorrect estimating of a Customer's consumption for the period in dispute.

10.5 Return Check Fee

The Customer will pay a fee as shown on the Miscellaneous Fees rate schedule, per incident where a check or automatic transfer of funds, which has been presented to the Company or its agent for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, no account, drawn against uncollected funds, and unauthorized signature. This fee is in addition to any and all charges assessed by the bank.

10.6 Payment Arrangement

(C)

A Customer must first contact the Company to request a payment arrangement. The Company will take into consideration the size of the unpaid balance, the ability of the Customer to pay, the payment history of the Customer and the length of time over which the bill accumulated. A Customer has the right to decline the Company's payment arrangement. If a Customer breaks a Company payment arrangement, the Commission may establish a payment arrangement.

(C) means Change

RULES AND REGULATIONS

11. Turn-On Fee

11.1 Turn On Fee

A Turn On Fee shall be paid by the Customer prior to the reconnection of service to any premise at which service has been terminated due to non-payment of a bill or other violation of the tariff or discontinued at the Customer's request. For reconnection of service performed during regularly-scheduled working hours, the fee is as shown on the Miscellaneous Fees rate schedule. For restoration of service performed during non-regularly-scheduled working hours, the Company reserves the right to bill the Customer for the cost incurred by the Company (relating to overtime and holiday hours) in addition to the Turn On Fee shown on the Miscellaneous Fees rate schedule. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, the Customer must reimburse the Company for those expenses in addition to the Turn On Fee on prior to service reconnection.

RULES AND REGULATIONS

12. Termination and Discontinuance of Water Service

12.1 Termination by Company

The Company may terminate service upon prior notice for any of the following reasons:

- (A) For willful or indifferent waste of water due to any cause;
- (B) For failure to protect from injury or damage the meter and connections or for failure to protect and properly maintain the service pipe or fixtures on the property of the Customer;
- (C) For molesting or tampering by the Customer, or others with the knowledge of the Customer, with any meter, connections, service pipe, curb valve, seal or any other property of the Company controlling or regulating the Customer's water supply;
- (D) Failure to permit access to meters, service connection or other property of the Company for the purpose of replacements, maintenance, operation or repair after proper notice.
- (E) For non-payment of water service when due;
- (F) For termination of wastewater service by Company in accordance with the Company's wastewater tariff on file with the Commission;
- (G) For violation of any rule of the Company except as covered in Section 12.2 below.

12.2 Grounds for Immediate Termination by Company

The Company may terminate service immediately and without prior notice for any of the following reasons:

- (A) Unauthorized Use of Service delivered on or about the affected dwelling;
- (B) Fraud or material misrepresentation of the Customer's identity for the purpose of obtaining service;
- (C) Tampering with meters or other Company equipment;
- (D) Violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's delivery system;
- (E) For existence of a cross connection in violation of Rule 22;
- (F) For Customer's tendering payment for reconnection of service that is subsequently dishonored, revoked, canceled or otherwise not authorized and which has not been cured or otherwise made in full payment within three business days of the Company's notice; or
- (G) After receiving a written termination notice from the Company, for Customer's tendering payment which is subsequently dishonored under 13 Pa. C.S. § 3502, or, in the case of an electronic payment, that is subsequently dishonored, revoked, canceled or otherwise not authorized and which has not been cured or otherwise made in full payment within three business days of the Company's notice.

RULES AND REGULATIONS

12. Termination and Discontinuance of Water Service (cont'd)

12.3 Service Restoration Following Termination of Service

When water service to any premise has been terminated by Company for any reason, it will be restored only after the conditions, circumstances, or practices which caused the water service to be terminated are corrected and all applicable prior debts, deposits and fees paid.

12.4 Discontinuance of Service by Customer

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 water service without the prior consent of the Company.

12.5 Termination of Service for Nonpayment of Bills

(C)

Before termination of service, the Company will take the following steps:

- (A) Provide a written notice of termination to the Customer at least 10 days prior to the scheduled shut off and the notice shall be in the form required by the Commission;
- (B) Attempt to make personal contact with the Customer at least three days prior to the shut off date;
- (C) During winter months (December 1 through March 31), if the Company cannot reach the Customer at the time of termination, the Company will leave a 48-hour notice at the residence;
- (D) After complying with paragraphs (B) and (C), the Company will attempt to make personal contact with the Customer or responsible adult at the time service is terminated. Termination of service will not be delayed for failure to make personal contact;
- (E) Upon termination, the Company will make a good faith attempt to provide a post termination notice.

12.6 Landlord Ratepayer Termination of Service for Nonpayment of Bills

(C)

Before termination of service to a Landlord Ratepayer that has tenants, the Company will take the following steps:

- (A) Provide a written notice of termination to the Landlord Ratepayer at least 37 days prior to the scheduled shut off;
- (B) Provide written notice of termination to each dwelling unit reasonably likely to be occupied by affected tenant at least 30 days prior to the scheduled shut off;
- (C) Upon termination, the Company will post the termination notice at the dwelling, including common areas when possible.

12.7 Protection from Abuse Order

(C)

If you are a victim of domestic violence and have a Protection from Abuse Order or other court order that shows clear evidence of domestic violence, there are special protections available. The Company will not shut off your water service during the winter months (December 1 through March 31), without PUC permission. Depending on your income, a special payment arrangement may be available. Your service may not be terminated on a Friday. You may not be held responsible for a bill in someone else's name. You may not be required to pay a security deposit. If you are required to pay a security deposit, you may be able to pay it over three payments. You will receive additional 48-hour notice prior to termination.

(C) means Change

RULES AND REGULATIONS

13. Abatements and Refunds

13.1 Meter Registration

The quantity of water recorded by the meter shall be accepted as correct by both the Customer and the Company except when the meter has been found to be registering inaccurately or has ceased to register. If a meter is found not to have registered for a period or not to have fully measured the entire flow due to meter interference, the Company shall compute the water used by taking the average of the water used for the nearest meter reading period immediately preceding and the meter reading period immediately following the date when the meter was found to be not registering or interfered with. This amount shall be the amount of water used by the Customer during the billing period in which the meter was found not to have registered. Exceptions may be made only if the facts clearly show that the stated method does not give the correct consumption for the period.

RULES AND REGULATIONS

14. Service Continuity

14.1 Regularity of Supply

The Company may, at any time, shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes or for other reasons, and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it. The Company will, so far as circumstances permit, notify Customers to be affected by any interruptions in the water service.

RULES AND REGULATIONS

15. Liability of Company

15.1 Liability for Damages

The liability of the Company for any loss or damages due to any negligent act of omission or commission, by the Company, shall be limited to and in no event exceed an amount equivalent to 1/4 the average charge of 4 billing periods to the Customer for the period of service during which such deficiency has occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred.

The Company has limited liability for a service termination performed at the request of a municipality or municipal authority conducted pursuant to 53 P.S. § 3102.501 et seq. or any agreement executed thereunder; all such requests shall be deemed reasonable and proper by the Company without further inquiry. If the Company is found liable for any damages caused by terminating service pursuant to an agreement executed under the law, liability shall be limited to the customer charge for the period in question.

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

The Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or condition in the Customer's own service line, meter vault, pressure reducing valve, back flow prevention device, check valve, pressure relief valve, or any other control valve, internal plumbing or fixture, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or other person or event.

15.2 Defect in Customer's Service or Customer-Owned Meter

The Company shall in no event be liable for any loss or damage caused by reasons of any break, leak or defect in the Customer's own service pipe, line or fixtures or Customer-owned meter not caused by any negligent act of omission or commission of the Company.

15.3 Responsibility for Repair and Replacement of Private Water Service Pipe

The maintenance, repair or replacement of a private water service pipe is the responsibility of the Customer served by the pipe. The Company reserves the right to require the Customer served by a private water service pipe to repair or replace the pipe, or enter into a main extension deposit agreement, at the Customer's option, if the pipe is leaking, can no longer be used for whatever reason, or is otherwise endangering the public's safety. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or enter into said main extension deposit agreement immediately after receiving notice from the Company that the private water service pipe is endangering the public safety or within ten days after receiving notice from the Company that the pipe is leaking or can no longer be used. The Company reserves the right to terminate water service to the Customer after legal notice if such required action is not taken within the time indicated above.

RULES AND REGULATIONS

16. General

16.1 Interference with Facilities

No person shall turn the water on or off at any street valve, corporation stop, curb valve or other street connection or disconnect or remove any meter without the consent of the Company. The control of the water supply by the Customer shall be by means of a separate stop and waste valve.

16.2 Inspection of Premises

All service pipes, meters and fixtures, including any and all fixtures within the premise receiving the supply of water, shall, at all reasonable hours, be subject to inspection by any duly authorized employee of the Company.

16.3 Construction of Company Facilities

Water used for construction of Company Facilities (for example flushing a new water main installation), where water service is temporarily furnished or utilized for the construction of Company facilities, shall wherever practical, be supplied through a meter at a rate equal to the production cost of water established in the most recent rate filing of the Company.

16.4 Company 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, including meters, service connections and other property owned by it on the premises of the Customer, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, for disconnecting service for any proper cause, or for purposes of replacement, maintenance, operation or repair thereof.

RULES AND REGULATIONS

17. Multiple Meters

17.1 Meters Treated Separately

When more than one meter is installed upon a Customer's premise at the request of a Customer or due to conditions existing upon the premise of the Customer, then each meter shall be treated separately as if it belonged to a separate Customer.

17.2 Registration Combined

In all other instances where more than one meter is installed on a Customer's premise that supplies through a battery metering station, then the registration of all meters shall be combined (other than residential use), and the minimum/service charge shall be the sum of the individual minimum/service charges for all such meters.

18. Separate Meter and Service Line

18.1 Independent Service

Each meter serving a premise or multiple premise shall be supplied through an independent service pipe from a separate control valve or valve box unless specifically approved and authorized by the Company.

RULES AND REGULATIONS

19. Lawn Sprinkler System

19.1 Special Service Connection

Upon request of the Customer, the Company may install a service connection, meter tile and meter to supply an underground lawn sprinkler system. The Customer will be responsible for the entire cost including taxes of this installation, excluding the cost of the meter. Should it be necessary to remove or reinstall the meter on a lawn sprinkler system on a seasonal basis, the cost for this service shall be paid for by the Customer. Upon request of the Customer to turn the water on or off for a lawn sprinkler system on a seasonal basis, the cost of this service shall be paid for by the Customer. The Customer shall be charged \$30.00 each time he requests the meter to be set or removed, or the water to be turned on or off.

RULES AND REGULATIONS

**20. Termination of Free Service
Under Certain Contracts and
Other Instruments**

20.1 Terms and Conditions

Notwithstanding any contrary provision contained in any deed, grant, contract, franchise, permit, consent or other instrument (other than an instrument expressly set forth in and constituting a part of this tariff) made, executed or delivered between the Company or any predecessor in interest and a Customer of the Company or any predecessor in interest:

- (A) Every person who takes water shall pay for all water taken as provided in the applicable schedule of rates set forth herein and subject to the Rules and Regulations of the Company.
- (B) No credit, off-set or other allowance shall be allowed by the Company against any water bill on account of the making, execution, or delivery of, or pursuant to any provisions of, any such instrument.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

21. Qualified Private Fire Hydrant

21.1 Terms and Conditions

Qualified Private Fire Hydrants will be installed under the terms and conditions of the Application for Qualified Private Fire Hydrant.

21.2 Application for Qualified Private Fire Hydrant

Service No. _____

This Application made in triplicate this __ day of __, 20__, by _____ (a corporation of (Applicant) the State of _____), hereinafter called the "Applicant," to the Pennsylvania-American Water Company (a corporation of the Commonwealth of Pennsylvania), doing business in the _____ of _____, hereinafter called the "Water Company."

The Applicant, upon the terms and conditions hereinafter set forth, hereby applies to the Water Company for a __ inch service line connected to the street main of the Water Company on Street between _____ Street and _____ Street in the _____ of _____, for the purpose of attaching to said service line the following Qualified Private Fire Hydrant:

such hydrant to be located within or upon the premise of the Applicant abutting the street on which the said main of the Water Company is located.

In consideration for which, the Applicant agrees to be bound by all the terms and conditions of this application, and the Water Company's tariff as amended from time to time, and to pay the Water Company for service at the schedule of rates in effect from time to time during the rendition of such service.

The further terms and conditions upon which this application may be accepted by the Water Company are as follows:

RULES AND REGULATIONS

21. Qualified Private Fire Hydrant (cont'd)

21.2 Application for Qualified Private Fire Hydrant (cont'd)

First: The service connection from the street main to the curblineline shall be installed by the Water Company following its receipt of a deposit from the applicant and compliance with such further terms and conditions as set forth hereafter in this paragraph. The Applicant shall deposit with the Water Company, upon notice from the Water Company that it is prepared and able to go forward with work requested by the Applicant, an amount in cash equal to the Estimated Cost. The Estimated Cost shall be all costs to install the service connection, as such costs are determined by the Water Company.

Upon such written notice as described above, 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 service connection, a Final Memorandum in the form attached shall be prepared and signed by both parties showing the deposit required based on the same calculation as set forth above but by using the actual cost of the service connection, including the actual installation cost of the service and other 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 will deposit any additional amount shown to be due or the Water Company will refund to the Applicant any excess amount shown to have been deposited. The amount held by the Water Company in accordance with the Final Memorandum shall be the property of the Water Company. The service connection will be maintained by the Water Company at its expense.

Second: The service control valve shall be under the control of the Water Company, except during times of fire, when it shall be under the control of the Chief of the Fire Department of said municipality and the Applicant agrees to obtain approval of said Chief of this application.

Third: All fixtures and openings (other than control valves) shall be kept closed and sealed, and not opened or used except during time of fire or for test of the system by Fire or Insurance Inspector. Applicant shall notify the Company, prior to conducting all tests and immediately upon extinguishing each fire or on completion of the test so said fixtures and openings can again be closed and sealed.

RULES AND REGULATIONS

21. Qualified Private Fire Hydrant (cont'd)

21.2 Application for Qualified Private Fire Hydrant (cont'd)

Fourth: The Water Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur. The extent of the rights of the Applicant under this application is to receive, but only at times of fire on said premises, such supply of water as shall then be available and no other or greater. The Applicant agrees the Water Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise, and that the extent of the Water Company's liability for any and all claims for damages on account of any injury to property or persons by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever, shall be subject to the limitations set forth in Section 15.1 of its Tariff as may be amended from time to time.

Fifth: The Applicant will indemnify, save harmless, and defend the Water Company from all claims, loss, costs, or damage on account of injury to persons or property occurring as a result of the installation, operation, performance, or existence of said fire hydrant(s) including but not limited to injury or damage to persons or property by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever, to the extent that the injury to persons or property is the result of the intentional acts or negligence of the Applicant, its employees or agents.

Sixth: This application does not contemplate uses of fixtures other than herein stated. If a supply of water for use other than extinguishment of fire is desired by the Applicant, then same shall be taken only through a service pipe, separately connected with the street main of the Water Company and not connected directly or indirectly with the service line contemplated by this application. Any waste of water or use of water for purposes other than the extinguishment of fire through this connection shall be deemed a violation of the terms and conditions of this application and the rules and regulations of the Water Company.

Seventh: The Applicant shall furnish, attach and make a part hereof, an accurate sketch showing the pipes, valves, hydrant, and appurtenances contemplated in this application. Such sketch must also show any other water supply system and pipe lines and appurtenances which may exist on the premises.

RULES AND REGULATIONS

21. Qualified Private Fire Hydrant (cont'd)

21.2 Application for Qualified Private Fire Hydrant (cont'd)

Eighth: The rights and obligations of the Applicant hereunder shall be further subject at all times to the rates, rules and regulations of the Water Company that now exist or which may hereafter be adopted.

Ninth: The Applicant agrees to obtain in advance the approval of the Water Company for any change or alteration.

Tenth: Upon acceptance by the Water Company and the completion of the service connection herein contemplated, this application shall be in force as a contract and shall continue as such until the hydrant is removed by the Applicant and this application is cancelled by written notice fifteen (15) days in advance, given by the Applicant, to the Water Company.

Eleventh: The Water Company has the right to discontinue or disconnect said service line and terminate this application, upon written notice given fifteen (15) days in advance by the Water Company to the Applicant for failure to pay any bill when due, or for any violation of any of the terms and conditions of this application, or for any violation of the Water Company's rules. In emergencies, the Water Company also has the right, without notice, to shut off all or any part of its facilities and discontinue the service when deemed necessary.

Twelfth: The acceptance of this application by the Water Company must be executed by its Manager and/or Operations or Business Manager before same becomes effective as a contract.

RULES AND REGULATIONS

21. Qualified Private Fire Hydrant (cont'd)

21.2 Application for Qualified Private Fire Hydrant (cont'd)

IN WITNESS WHEREOF the Applicant _____ has _____ hereunto signed
name _____ the day and year first above written.

WITNESS:

(Applicant)

APPROVED

WITNESS:

(Chief of Fire Department)
_____ of _____

IN WITNESS WHEREOF the Water Company hereby accepts the foregoing application this
day of _____, 20__.

WITNESS: PENNSYLVANIA-AMERICAN WATER COMPANY

Authorized Representative (C)

[End of Application]

(C) means Change

RULES AND REGULATIONS

22. Cross-Connections

22. Prohibition of Cross-Connection

No cross-connection shall be installed or continued. A cross-connection shall be considered to be eliminated if the method of backflow prevention is approved in writing by the Company. The cost of installation, material, and maintenance of the backflow prevention device shall be paid for by the Customer. Thereafter, it is the responsibility of the Customer to have an annual test and/or repairs of the device performed by an inspector who is a certified backflow prevention device tester. A backflow prevention device tester must be certified by an entity that performs training to test and repair Check valves and backflow prevention devices which meet or exceed American Society of Sanitary Engineering (ASSE), American Backflow Prevention Association (ABPA) or equivalent standards and provides certification that such training has been completed in accordance with these requirements.

22.2 Right of Company to Terminate Water Service

The Company shall have the right to terminate water service under any of the following circumstances:

- (A) Violation by a Customer or by a property owner or occupant of these Rules and Regulations regarding Cross-Connections;
- (B) Failure to have the annual test and /or repairs of the backflow prevention device performed.
- (C) Receipt by the Company of an order from DER, health authorities, plumbing inspectors or another similar agency to discontinue service to premises on the grounds of violation of any federal, state or local law, ordinance, rule or regulation or of these Rules and Regulations regarding Cross-Connections, or because of danger to health because of the existence of Cross-Connections, or upon notice to the Company from any such agency that it has ordered a Cross-Connection existing on the premises to be discontinued and that such order has not been complied with.

RULES AND REGULATIONS

23. MAIN EXTENSIONS FOR NON BONA FIDE SERVICE APPLICANTS

23.1 General Provisions

- (A) When an extension to serve an applicant other than a Bona Fide Service Applicant (i.e Non Bona Fide Applicant) is required or requested, such extension will be made under the terms of an "Water Facilities Line Extension Agreement" which can be viewed on the Company's website at www.pennsylvaniaamwater.com.
- (B) The Company shall have exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service. Should it be necessary, in the Company's opinion, to extend beyond the last lot in a street to connect to an existing main thus to provide more adequate and reliable service, this additional extension shall be part of the total main extension whenever the last lot in the street does not exceed 150 feet to make such connection. All estimated or actual cost figures referred to in the "Water Facilities Line Extension Agreement" shall include a reasonable allowance for overhead costs.
- (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 water 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 for more adequate and reliable water 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:

"Bona Fide Service Applicant" shall mean a person or entity applying for General Water 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 be deemed a "**Non Bona Fide Service Applicant**" if such Applicant is requesting water service to: (1) a building lot or subdivision; or (2) a primary residence if such primary residence was constructed, or the request for water service was made, as part of a plan for the development of a residential subdivision. To become an Applicant, a person or entity must file a signed application for a new Street Service Connection to qualifying premises and request water 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.

"Street Service Connection" shall mean a pipe with appurtenances used to conduct water from a distribution main of the Company to the curb line of the premises.

RULES AND REGULATIONS

23. MAIN EXTENSIONS FOR NON BONA FIDE SERVICE APPLICANTS (cont'd)

23.1 General Provisions (cont'd)

- (E) If there is no other way in which service can be provided, the prospective residential Customer 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 prospective residential Customer 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 easement in perpetuity to the heirs, successors and assigns of said prospective Customer, (c) grants access to the service pipe for purposes of repair and replacement, and (d) is recorded in the County Office of the Recorder of Deeds.
- (F) The Non Bona fide Service Applicant shall be required to install water mains, service lines, hydrants and appurtenances thru a Company pre-qualified contractor retained by the applicant and to pay all costs associated related thereto. The Company has the sole right to accept or reject the proposed contractor. Additionally, the Company may undertake construction of all or part of the facilities otherwise subject to this section, in which event the Non Bona Fide Service Applicant will retain financial responsibility for the installation of mains, services, hydrants and appurtenances as specified in an Offsite Marketing Agreement.
- (G) All costs related to construction, materials, installations, permits, engineering, franchise applications, legal fees, inspections, relocations of facilities as required, and overheads, whether initially incurred by the Applicant or the Company, related to the water main shall be the responsibility of the Non Bona Fide Applicant.
- (H) The Non Bona Fide Service Applicant shall provide an estimate of the cost of construction to the Company, which must be acceptable to the Company. Estimates which appear to be inaccurate may be rejected by the Company.
- (I) The Non Bona Fide Service Applicant shall obtain all necessary permits from federal, state, and local authorities. If any of these authorities require the Company to obtain such permits, the Applicant shall provide all engineering, design, research and complete the application for the Company's signature and submission.

RULES AND REGULATIONS

23. MAIN EXTENSIONS FOR NON BONA FIDE SERVICE APPLICANTS (cont'd)

23.1 General Provisions (cont'd)

(J) **Customer Refunds:** The cost of design, construction, and installation of the Water facilities shall be advanced in aid of construction subject to refunds by the Company to the Applicant. The Company hereby agrees to refund to the Applicant, during the period of ten years from the execution date of the Agreement, a per customer refund amount for each additional customer for whom a street service connection shall be directly connected to the Water Facilities. The per customer refund, for a residential customer, shall be determined as follows: for each street service connection made for a residential customer, the refund will be three times the average annual revenue of a residential customer. The average annual revenue for residential customers will be based upon the calculation set forth in the Company's last approved base rate case. For non-residential customers, the refund shall be equal to the actual revenue the Company receives for the first twelve months of water sales to that specific customer. In order to be entitled to refunds, Applicant must be in compliance with the terms and conditions of this Water Facilities Line Extension Agreement. The Company may refuse to provide earned refunds where Applicant owes additional dollars to the Company for the project in this Agreement or any other Water Facilities Extension Agreement. Notwithstanding the foregoing, however, the total amount refunded shall not exceed the final construction costs of the Water Facilities. The Applicant may request refunds once in each calendar quarter, furnishing the Company, at such time, a listing of additional customers. However, the failure on the part of the Applicant to make such a request shall not constitute a waiver of any rights hereunder to relieve the Company of the obligation to make refunds with reasonable promptness.

(K) Additional terms and conditions pertaining to transfer of ownership of facilities, "as built" information, etc. are contained in the "Water Facilities Line Extension Agreement" as indicated in section 23.1 (A).

RULES AND REGULATIONS

23. MAIN EXTENSIONS FOR NON BONA FIDE SERVICE APPLICANTS (cont'd)

23.2 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 extension deposit agreement. These marketing agreements shall become effective thirty (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.

RULES AND REGULATIONS

24. Water Conservation Contingency Plan

24.1 Conservation Measures

(a) General

If the Company is experiencing a short term supply shortage, the Company may request general conservation of inside water uses and may impose mandatory conservation measures to reduce or eliminate nonessential uses of water.

(b) Voluntary Conservation

The Company shall first request voluntary curtailment of all nonessential uses of water.

(c) Mandatory Conservation

If voluntary cooperation does not achieve satisfactory results, mandatory compliance will be imposed. If any Customer refuses to comply with such mandatory measures, the Company may either adjust the outside water valve connection in a manner which will restrict water flow or otherwise restrict flow such as by the insertion of a plug device. Prior to taking such action, an authorized Company employee shall make a bona fide attempt to deliver notice of the valve adjustment or other flow restriction to a responsible person at the affected premise and fully explain the reason for the proposed flow restriction and the means by which the Customer may eliminate the grounds for such flow restriction. Actual cost associated with restricting, terminating and restoring said service shall be paid by the Customer.

RULES AND REGULATIONS

24. Water Conservation Contingency Plan (cont'd)

- (d) Nonessential uses of water include
- (1) The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, gardens, vegetables, flowers, or other vegetation.
 - (2) The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
 - (3) The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
 - (4) The operation of any ornamental fountain or other structures making a similar use of water.
 - (5) The use of water for filling swimming or wading pools.
 - (6) The operation of any water-cooled comfort air conditioning which does not have water-conserving equipment.
 - (7) The use of water from fire hydrants shall be restricted to extinguishing of fires only.
 - (8) The use of water from fire hydrants to flush a sewer line or sewer manhole.
 - (9) The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.

24.2 Drought Emergency

In the event of a drought emergency, as declared by a Basin Commission and by a proclamation of executive order issued by the Governor, the Company is authorized to collect fines set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency.

RULES AND REGULATIONS

**25. Residential Structures Equipped with
Automatic Fire Protection Systems**

25.1 Prohibition

The Company will not impose a standby charge upon owners of residential structures solely because said structure is equipped with an automatic fire protection system. After installing the necessary metering equipment as set forth in 25.2, the customer will be billed at rates applicable to any residential customer with a 5/8" meter. Customers whose service was supplied through meters larger than 5/8" prior to installing metering equipment necessary to equip an automatic fire protection system, will continue to be billed at the rate for the meter that existed prior to the installation.

25.2 Definitions

For purposes of this section, a "residential structure" is any building which contains only individually metered dwelling units intended for human habitation. "Standby charges" are charges for the availability of water supply during fire emergency in addition to the regular rates, but do not include costs for the upsizing of company-owned service lines and meters, costs for the installation of additional lines, or the cost of backflow prevention devices for purposes of residential sprinkler systems. Any such charges, together with any and all applicable taxes, shall be borne by the owner of a residential structure on a one-time basis.

RULES AND REGULATIONS

26. Classification of Revenue (Classes of Service)

26.1 Residential

Sales to single premises residences or to multiple premises residences, including apartment houses, apartment buildings, detached houses, rowhouses, townhouses, condominiums and mobile homes, where each unit or premises is served through a separate meter.

26.2 Commercial

- A. Sales to multiple premises residence served through a single meter or battery of meters.
- B. Sales to all private institutions and organizations.
- C. Sales to manufacturing or processing establishments where the water is not used principally in the manufacturing or processing functions.
- D. Include sales to residences such as apartment and boarding houses, hotels, offices, office buildings, retail and wholesale commercial establishments, laundries, churches, private schools and colleges, private hospitals, private cemeteries, etc., where water is not used primarily for industrial purposes.

26.3 Industrial

- A. Sales to manufacturing or processing establishments where the water is used principally in the manufacturing or processing functions.
- B. Sales of water to manufacturing and industrial consumers such as steel works, automobile manufacturers, breweries, public utilities (other than sales to Other Water Utilities), stock yards, packing houses, grain elevators, bottling works.

26.4 Municipal

- A. Sales to governmental agencies (other than sales of water for resale).
- B. Sales of water for municipal and other public purposes, other than public fire protection. Include sales for sewer and street flushing, also for street and sidewalk construction when done by the municipality. Also include sales such as the filling of public swimming pools, drinking and display fountains, parks, schools, hospitals, cemeteries, buildings. Sales of water for City, County, State and Federal uses are to be included in this classification.

RULES AND REGULATIONS

26. Classification of Revenue (Classes of Service) (cont'd)

26.5 Other Water Utilities (Sales for Resale)

Sales to private or public water utilities, municipal corporation or water authority where the water is to be resold to customers of the utilities.

Group A: Customers purchasing water as a primary source of supply as evidenced by their relationship of maximum day use to average day use.

Group B: Customers purchasing water for emergency or peak shaving purposes as evidenced by their relationship of maximum day use to average day use.

26.6 Private Fire Protection

Covers all unmetered and metered charges for private fire protection service, including Qualified Private Fire Hydrants.

26.7 Public Fire Protection

Charges rendered to municipalities for public fire hydrant (rental) stand-by charges.

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS

27.1 General Provisions

(A) (1) The Company will extend existing distribution mains for a Bona Fide Service Applicant making application for water 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 water 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 water 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.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.1 General Provisions (cont'd)

(D) For the purposes of this rule:

1) "Bona Fide Service Applicant" shall mean a person or entity applying for General Water Service to an existing structure for which a valid occupancy permit has been issued or lot for which a building permit has been issued if such structure or lot 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 water service to: (1) a building lot or subdivision; or (2) a primary residence if such primary residence was constructed, or the request for water service was made, as part of a plan for the development of a residential subdivision; or (3) water 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 service line to the curb line of premises, agree to separate any existing private well system from the public water system in accordance with the Cross Connection provisions of the Company's tariff, and request water 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:

Average Annual Revenue	\$ _____
Minus	
Operation and Maintenance Expenses	\$ _____
Subtotal	\$ _____
Divided by	
Depreciation Rate and Weighted Cost of Debt	_____ %
Company Investment	\$ _____

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 water 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.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.1 General Provisions (cont'd)

(b) The Average Annual Revenue for Commercial and Municipal customers shall be calculated by selecting up to twenty (20) existing, similar commercial 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 Water Service" shall mean basic residential water service or water service for general commercial or municipal purposes but excluding, without limitation, water service for seasonal or temporary uses and water 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, booster pumps and storage tanks as necessary to provide adequate flows or to meet specific pressure criteria, or service to large water consuming commercial and industrial facilities. 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 water from a distribution main of the Company to the curb line of the premises.

(E) (1) Street service supplying a premises shall not pass through or across any premises or property other than that to be supplied, except as provided in (E) (2). No water pipes or plumbing in any premises shall be extended therefrom to adjacent or other premises. Street service connections shall not be connected to hydrant branch lines and they 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 a street-service connection to the Company's main for the purpose of receiving water 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 water service upon compliance with all of the provisions of this tariff, but that the seller of such property shall only be entitled to continue to receive service if such seller complies with all of the provisions of this tariff.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.1 General Provisions (cont'd)

(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 easement in perpetuity to the heirs, successors and assigns of said residential service applicant(s), (c) grants access to the service pipe 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 water 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 the Rule 27.1.

PENNSYLVANIA-AMERICAN WATER COMPANY

Calculation of Company Funded Portion of Main Extensions
(For Illustrative Purposes Only)

Average Annual Revenue	\$340
minus	
Operation and Maintenance Expenses	\$102
<u>Subtotal</u>	<u>\$238</u>
Divided by	
Depreciation Rate (Mains Only) and Weighted Debt Costs	6.08%
<u>Total</u>	<u>\$3,914</u>

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.2 EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT

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 water mains of the COMPANY, as hereinafter described;

NOW, THEREFORE, this agreement WITNESSETH:

FIRST: THE COMPANY contracts and agrees to lay the water 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 water 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.

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.2 EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT (cont'd)

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:

(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:

Average Annual Revenue	\$ _____
Minus	
Operation and Maintenance Expenses	\$ _____
Subtotal	\$ _____
Divided by	
Depreciation Rate and Weighted Cost of Debt	_____ %
Company Investment	\$ _____

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 water 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.

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.2 EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT (cont'd)

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.

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 water main(s) and other facilities installed hereunder shall at all times be with the COMPANY, its successors and assigns.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.2 EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT (cont'd)

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)

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.

WITNESS: PENNSYLVANIA-AMERICAN WATER COMPANY

BY: _____

Title: _____

WITNESS: BONA FIDE SERVICE APPLICANT:

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.2 EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT (cont'd)

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 water 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: _____
Date of Payment

WITNESS:

PENNSYLVANIA-AMERICAN WATER COMPANY

BY: _____

Title: _____

WITNESS:

BONA FIDE SERVICE APPLICANT:

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.2 EXTENSION DEPOSIT AGREEMENT FOR BONA FIDE SERVICE APPLICANT (cont'd)

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 water 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: _____
Date of Payment

WITNESS:

PENNSYLVANIA-AMERICAN WATER COMPANY

BY: _____

Title: _____

WITNESS:

BONA FIDE SERVICE APPLICANT:

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.3 SPECIAL UTILITY SERVICE

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 27.1D(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 completion.

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.3 SPECIAL UTILITY SERVICE (cont'd)

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.

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.3 SPECIAL UTILITY SERVICE (cont'd)

SEVENTH: 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 Applicant at _____
(Address of APPLICANT)

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.

WITNESS:

PENNSYLVANIA-AMERICAN WATER COMPANY

BY: _____

Title: _____

WITNESS:

APPLICANT:

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.3 SPECIAL UTILITY SERVICE (cont'd)

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 \$ _____
for Special Utility Service
(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: _____
Date of Payment

WITNESS:

PENNSYLVANIA-AMERICAN WATER COMPANY
BY: _____

WITNESS:

Title: _____
APPLICANT:

PENNSYLVANIA-AMERICAN WATER COMPANY

RULES AND REGULATIONS

27. MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)

27.3 SPECIAL UTILITY SERVICE (cont'd)

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: _____
Date of Payment on
Preliminary Memorandum

WITNESS:

PENNSYLVANIA-AMERICAN WATER COMPANY

BY: _____

Title: _____

WITNESS:

APPLICANT:

PENNSYLVANIA-AMERICAN WATER COMPANY**RULES AND REGULATIONS****28. FLAT RATE SERVICE**

28.1 Every Individual Dwelling, Apartment, Flat, Store, Shop, Office, etc. either in the same building or otherwise, occupied as a dwelling or business place either by the same party or different parties, shall be considered a separate occupancy and shall be charged for accordingly, for flat rate service.

28.2 No addition to or alteration of any pipe or fixture changing or affecting the use of water by flat rate consumer shall be made by any person without notice in writing to the Water Company.

28.3 The use of the hose or pave wash, except where metered, either from a pave wash or screw nozzle or spigot for sprinkling street, pavements, lawns and gardens or for window and porch washing, shall be permitted upon payment of the specified rate, for the season from the first of April to the first of November only and between the hours from **6 A.M. to 8 A.M.** and **6 P.M. to 8 P.M.** and must be confined to the premises on which it is located, and one-half of the width of the street in front thereof. Sprinkling without a nozzle will not be permitted. A screw nozzle or spigot on any hydrant or fixture located on any premises or on the ground floor in any building, except as a drain on a hot water boiler, will be considered a pave wash unless a pave wash is charged to the premises.

The charges for the use of the hose are for one season and no allowance or rebate will be made for portions of a season. The rate is based on a frontage of fifty (50) feet or less.

All hose must be held in the hand. AUTOMATIC sprinklers are subject to a special agreement. Setting hose in a stationary position or letting it run shall be considered AUTOMATIC SPRINKLING.

28.4 Where no meter is used, every fixture, whether used or not, will be deemed and held as used, and will be charged for at the established rate so long as it shall remain connected with the service pipes. Parties desiring to discontinue the use of any fixture must have the same disconnected, so that it cannot be used again without the aid of a plumber, and then the charge for their use (except for hose used for sprinkling, which is charged for by the season) will cease from the time when written notice of the same is left at the Company's office.

28.5 Flat rate consumers desiring a reduction from water bills for vacancies shall report in writing at the Offices of the Company at the beginning of and again at the end of each vacancy. Then an allowance may be made for the period reported, provided this period is continuous and not less than 30 days. A vacancy is defined to be premises from which the household goods, stock, equipment, etc., have been removed.

**29. TAXES ON DEPOSITS FOR CONSTRUCTION, CUSTOMER ADVANCES
AND CONTRIBUTIONS IN AID OF CONSTRUCTION****(C)**

29.1 The Company will pay income taxes on any deposit, advance, contribution or other like amounts received from an applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service. Such income taxes shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income tax associated with a deposit, advance or contribution will not be charged to the specific depositor / contributor of the capital.