



Exhibit "A"

Leak Adjustment Policy

Purpose:

In accordance with the Rate Schedule, Ratepayers are responsible for the metered water usage at a Property. The purpose of this Policy is to provide a basis and procedure to adjust Ratepayer bills caused by water leaks that may not be detected with reasonable diligence.

This Policy replaces and supersedes any prior policy on this subject.

Background:

Leaks on the Service Line, including curb stops, shut-off valves, corporation stops, connectors and appurtenances, are the responsibility of the Ratepayer. Ratepayers are also responsible for leaks that occur beyond the meter and are recorded as metered usage. These leaks may include leaks associated with malfunctioning toilets, leaking faucets, cracked plumbing lines resulting from frozen conditions, mechanical malfunctions of plumbing fixtures, and claims of vandalism or theft of service by a third party. In these circumstances, there is generally no basis to make an adjustment to the resulting water bill, which reflects the actual quantity of water delivered to the property.

Nonetheless, Capital Region Water may consider an adjustment to an elevated bill that is caused by an unexpected pipe break or a situation where undetectable usage has accumulated over a period of time when estimated charges were issued through no fault of the Ratepayer.

Definitions:

1. "Application for Leak Adjustment" shall mean the form attached hereto as Appendix A. Such a form is required to gather the necessary information from a Ratepayer in order for Capital Region Water to consider a billing adjustment request.
2. "Capital Region Water" means Capital Region Water, a Pennsylvania municipal authority.
3. "Owner" means any person or entity having an interest, whether legal or equitable, sole or partial, in any Property.
4. "Property" means the property or area, including improvements thereto, to which water service is provided and, as used herein, shall be taken to designate each of the following:
 - A. A building under one roof owned or leased by one Ratepayer and occupied as one residence or one place of business; or

- B. A group or combination of buildings owned by one Ratepayer, in one common enclosure, occupied by one family or one organization, corporation or firm as a residence or place of business or for manufacturing or industrial purposes, or as a hospital, church, public or private school or similar institution, except as otherwise noted herein; or
 - C. Each part of a house or building occupied by one Dwelling Unit; or
 - D. Each apartment, office or suite of offices, and/or place of business located in a building or group of buildings, even though such buildings in a group are interconnected by a tunnel or passageway, covered areaway, or patio or by some similar means or structure; or
 - E. A public building devoted entirely to public use, such as a town hall, schoolhouse, fire engine house; or
 - F. A single vacant lot or park or playground; or
 - G. Each Dwelling Unit; or
 - H. Each individual and separate place of business and/or occupancy located in one building or group of buildings commonly designated as shopping centers, strip malls and by such other terms; or
 - I. Each Dwelling Unit in a public housing development owned and operated by the United States of America, a municipal subdivision of the Commonwealth of Pennsylvania, or an agency or instrumentality of the United States or the Commonwealth of Pennsylvania; by a philanthropic foundation or organization or some such similar body or organization; or operated under private ownership; or
 - J. Each modular unit or mobile Dwelling Unit situated for steady occupancy, whether located on owned or leased land.
5. "Ratepayer" means a person or entity receiving water service from Capital Region Water or that is otherwise connected to the Water System or is required to connect.
6. "Rate Schedule" means the entire body of effective rates and other charges, as adopted and published from time-to-time by Capital Region Water.
7. "Service Line" means the pipe that connects from the water main to the Property, including appurtenant facilities (as the context allows) such as the curb stop, valves, and Backflow Prevention Devices, through which water is conducted from the Distribution Main to the Property being served.

Policy Statement:

Leak adjustments will cover no more than two (2) consecutive months of metered consumption. Only one (1) financial adjustment associated with billed usage is permitted every two (2) years per Property.

A possible and appropriate adjustment could include an adjusted bill based on the historic and regular usage at the property plus a billing charge for the registered excess water. The historic or regular usage normally is calculated as the average of 12 months actual usage during the period prior to any documented leakage, or for the season or seasons during which the leak occurred. This average will exclude bills that have been estimated, have fewer than the normal 28-33-day billing cycle, or for periods of zero usage and/or non-occupancy of the property. For Ratepayers who do not have 12 full months of usage history, a minimum of two (2) months' usage history may be used where Capital Region Water, in its discretion, deems reasonable.

If a series of estimated bills is issued at a Property over a period of time, the actual usage may differ from that reflected by the estimated bills. This difference will be evidenced when Capital Region Water obtains an actual meter reading to compare to an actual reading from the period prior to the estimation. In this scenario, there is typically no justification to make a billing adjustment and the Ratepayer will be expected to pay any such "true-up" bill reflecting actual usage over the subject time period calculated at the appropriate billing rates (less the amount previously paid toward the estimated bills).

However, if an unusually high bill is generated due to undetectable leakage at the Property over the subject time period, Capital Region Water may adjust the bill. The adjustment may be calculated to reflect either the cost of producing the lost water or a multiple of the normal level of consumption, reflecting prior actual consumption in the absence of leakage. The multiple shall generally be no less than 1.5 (or 150 percent) of the normal consumption.

To be effectively implemented, these types of adjustments may be proposed by the Customer Service Manager or Collections Supervisor and then approved by either the Chief Financial Officer or Chief Executive Officer in the course of reviewing unresolved billing issues. An Application for Leak Adjustment must be submitted within 90 days of receipt of a Capital Region Water notice or issuance of the bill in question. Applications not submitted within this timeframe will be waived.

In proposing an adjustment, the Customer Service Manager and/or Collections Supervisor may consider various factors including, but not limited to, the following:

- a. Cause of water loss;
- b. Ratepayer opportunity, if any, to detect the water loss and notify Capital Region Water;

- c. Whether the property was vacant or unoccupied;
- d. Any negligence or fault of the Ratepayer in connection with ignoring the leak;
- e. Any negligence or fault of the Ratepayer in failing to protect the meter against freezing temperatures, and other conditions of the meter location;
- f. Whether the Ratepayer became aware of the leak from a leak notice or high bill issued by Capital Region Water;
- g. If Capital Region Water notified the Ratepayer of suspected high usage (either via letter, door hanger, or other means), whether the Ratepayer took prompt and reasonable action to ascertain and correct the cause of the excessive usage;
- h. The promptness with which the water loss was discovered, stopped and repairs made, with verifiable receipts;
- i. Water consumption that exceeds the Ratepayer's average monthly usage or twice the average monthly usage over a previous 12-month period (dependent upon the type of leak); and
- j. Ratepayer account status.

An adjustment shall not be granted when any of the following conditions is met:

- a. Usage above the Ratepayer's average usage is due to seasonal usage such as watering of grass, gardening, washing vehicles, filling swimming pool or whirlpools, etc.;
- b. Leak was caused by a third party from whom the Ratepayer is able to pursue the recovery of cost. This may include, but not be limited to, theft, vandalism, negligence or construction damage, unoccupied or vacant Property;
- c. When a leak continues for three (3) or more consecutive months, there will be no adjustment for the third or subsequent months;
- d. The meter has been interfered with by anyone other than Capital Region Water and this action results in water loss; or
- e. A leak adjustment was granted within the past two (2) years for the same Property.

While an Application for Leak Adjustment is being processed, the Ratepayer is responsible for payment of the amount due within the normal payment period or the Ratepayer should request to enter into an agreed-upon payment arrangement. If this does not occur, the Ratepayer is subject to all current and applicable collection processes for delinquent accounts.

If the leak is assessed and determined not to have entered the wastewater system, an adjustment may also be made to the corresponding wastewater charges. If the leak is assessed and determined to have entered the wastewater system, the wastewater charge may be adjusted to reflect a multiple of the prior actual usage.

Appendix

- Appendix A – Application for Leak Adjustment



CAPITAL REGION[™]

WATER

Appendix A

Application for Leak Adjustment



capitalregionwater.com
888-510-0606

Water Leak Adjustment Request

Ratepayer Account Name: _____ Date: _____

Service Address: _____

Mailing Address: (If Different from Service Address): _____

Contact Person: _____ Phone: _____

Email Address: _____

Type of Account: [] Residential [] Commercial [] Institutional/Govt.

[] Industrial [] Other (Specify): _____

Is this property a rental? [] Yes [] No Number of units: _____

Length of tenant occupancy per unit: _____

Property/Account Number: _____

Date leak was discovered: _____ Date leak was repaired: _____

How was leak detected? _____

Cause of water leak? _____

Location of leak? _____

Has repair been made? [] Yes [] No

If yes, attach verifiable documentation/receipt of a licensed plumber.

By signing this Request, the Ratepayer acknowledges that while this Request is under review, any outstanding invoices must be paid by the due date to avoid disruption of service and/or additional charges. All required documentation has been provided and all of the above information is true and complete to the best of my knowledge.

Signature of Ratepayer

Date

Submit form and verifiable documentation/receipt of a licensed plumber in-person or by mail to:

Capital Region Water
Customer Service Center
3003 North Front Street
Harrisburg, PA 17110

Capital Region Water Use Only

Date Request Received: _____

Date of Inspection (if necessary): _____

Inspection/Documentation Review Results:

Authorized Signature: _____ Approved: [] Yes [] No Date: _____



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Water Leak Adjustment Request

Additional Space: