

ORIGINAL

Commissioner	Yes	No	Not Participating
Huston	√		
Freeman	√		
Krevda	√		
Ober	√		
Ziegner			√

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF THE BOARD OF)
DIRECTORS FOR UTILITIES OF THE)
DEPARTMENT OF PUBLIC UTILITIES OF)
THE CITY OF INDIANAPOLIS, AS TRUSTEE) CAUSE NO. 45599
OF A PUBLIC CHARITABLE TRUST FOR)
THE WATER SYSTEM D/B/A CITIZENS) APPROVED: MAR 02 2022
WATER FOR APPROVAL OF A LEAD)
SERVICE LINE REPLACEMENT PLAN)
PURSUANT TO IND. CODE CH. 8-1-31.6)**

ORDER OF THE COMMISSION

Presiding Officers:

Sarah E. Freeman, Commissioner

Jennifer L. Schuster, Administrative Law Judge

On August 19, 2021, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as Trustee of a Public Charitable Trust for the Water System, d/b/a Citizens Water (“Citizens Water” or “Petitioner”) filed its Verified Petition with the Indiana Utility Regulatory Commission (“Commission”) requesting certain approvals relating to its Lead Service Line Replacement Plan (the “LSLR Plan” or “Plan”) for the replacement of the customer-owned portions of the lead service lines within or connected to Citizens Water’s system. On August 20, 2021, Citizens Water filed the direct testimony and attachments of the following witnesses:

- Dan Moran, Director of Water Quality, System Control, and Planning of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group (“Citizens Energy Group”);
- Andy Lutz, Director of Program and Technical Services at Citizens Energy Group; and
- Debi Bardhan-Akala, Director of Regulatory Affairs at Citizens Energy Group.

On October 20, 2021, Citizens Water filed a Notice of Corrections to the direct testimony and attachments of Mr. Moran and Mr. Lutz.

On October 21, 2021, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief, consisting of the direct testimony and attachments of Carl N. Seals, Assistant Director of the Water/Wastewater Division of the OUCC. On November 3, 2021, Citizens Water filed the rebuttal testimony of Mr. Lutz.

On November 18, 2021, Citizens Water filed a Submission of Revised Attachment AL-1 and Notice Regarding Evidence to Be Offered at Evidentiary Hearing, which included revisions to Petitioner’s Exhibit 2, Attachment AL-1. This filing also provided notice that the OUCC intended to strike portions of Mr. Seals’s direct testimony and that Citizens Water would not be

offering its prefiled rebuttal testimony into evidence. On November 19, 2021, the OUCC filed its Notice of Substitution of Testimony of Mr. Seals.

The Commission held an evidentiary hearing in this Cause at 9:30 a.m. on November 22, 2021 in Room 222 of the PNC Center, 101 W. Washington Street, Indianapolis, Indiana. Citizens Water and the OUCC appeared and participated in the hearing, and the evidence of both parties was admitted into the record without objection.

Based on the applicable law and evidence of record, the Commission now finds:

1. Notice and Jurisdiction. Notice of the hearing in this Cause was given and published by the Commission as required by law. Citizens Water also published notice of the filing of the Petition. Pursuant to Ind. Code § 8-1-31.6-4, Citizens Water is a municipally owned utility (as defined in Ind. Code § 8-1-2-1(h)) that provides water service to the public and is subject to the Commission’s jurisdiction with respect to rates and charges. Citizens Water’s rates, charges, terms, and conditions for water service are subject to Commission approval under Ind. Code § 8-1-11.1-3(c)(9). Accordingly, the Commission has jurisdiction over Petitioner and the subject matter of this Cause.

2. Citizens Water’s Characteristics. Petitioner owns and operates certain water utility assets acquired from the City of Indianapolis, Indiana (the “City”) and the Department of Waterworks (the “DOW”) of the City pursuant to an Asset Purchase Agreement approved by the Commission’s July 13, 2011 Order in Cause No. 43936. By means of the foregoing water utility plant, properties, equipment, and facilities, Citizens Water provides water utility service to the public in Indianapolis and surrounding communities in central Indiana. Its principal office is located at 2020 North Meridian Street, Indianapolis, Indiana.

3. Applicable Law and Relief Requested. Ind. Code ch. 8-1-31.6 authorizes the Commission to approve a water utility’s plan for the replacement of the customer-owned portion of the lead service lines within or connected to the water utility’s system. The statute allows a municipal water utility to recover through the utility’s rates the costs for customer-owned lead service line improvements, provided that the Commission approves its plan for doing so. Customer lead service line improvements are defined as expenditures: (1) related to a lead service line owned by a customer of a water utility, (2) made by a water utility, and (3) related to a water utility’s plan to replace lead service lines within or connected to the water utility’s system, including lines owned by the customer and lines owned by the water utility. Ind. Code § 8-1-31.6-2.

Upon the Commission’s approval of a water utility’s plan to replace lead service lines under Ind. Code § 8-1-31.6-6, and subject to the limitations of Ind. Code § 8-1-31.6-6(c), a municipally owned water utility may include in the utility’s rates the costs for customer lead service line improvements that: (1) are made, or are to be made, by the utility; (2) do not increase revenues by connecting to new customers, even though the plant or equipment may provide the municipally owned utility with available capacity greater than the available capacity provided to the customer before the line improvements; (3) are or will be an extension or replacement; and (4) were not included on the utility’s balance sheet as plant in service in the utility’s most recent general rate case. Ind. Code § 8-1-31.6-8.

Pursuant to Ind. Code § 8-1-31.6-6, Citizens Water developed its LSLR Plan to address the legacy of lead service lines serving its customers. Citizens Water’s LSLR Plan includes processes for: (1) replacing customer-owned lead water service lines along with scheduled water main replacement and relocation projects and completing unscheduled or emergency service line replacements; (2) proactive prioritized replacement of non-leaking lead service lines connected to mains not at the end of their useful life and not scheduled for replacement; (3) completing property owner initiated lead service line replacements; and (4) identifying and disconnecting/removing lead service lines where a wrecking order is issued or the property is abandoned with no serviceable structure.

In this case, Citizens Water presented the LSLR Plan along with a description of the process and timing for obtaining cost recovery to implement the Plan in accordance with Ind. Code § 8-1-31.6-10 and requested that the Commission approve its LSLR Plan.

4. Citizens Water’s Case-in-Chief.

A. Mr. Moran. Mr. Moran sponsored Petitioner’s LSLR Plan as Petitioner’s Exhibit 1, Attachment DM-2. He testified that Citizens Water’s LSLR Plan is being submitted pursuant to Ind. Code ch. 8-1-31.6, which was originally codified in 2017 and amended in 2020 to include municipal utilities. Mr. Moran testified that Citizens Water’s LSLR Plan meets the requirements for approval under Ind. Code § 8-1-31.6-6(a). If the municipal utility’s plan is approved, the utility may then petition the Commission for a rate adjustment to recover costs of the plan under Ind. Code § 8-1-31.6-9.

Mr. Moran stated that Citizens Water is proposing its LSLR Plan in order to proactively align itself with policies and regulations of Indiana and the federal government. He summarized the U.S. Environmental Protection Agency’s (“EPA”) Lead and Copper Rule, which requires utilities to take certain actions if 0.015 milligrams per liter (mg/L) of lead is measured in more than ten percent of tap sample lead results. Mr. Moran testified that the new revisions include a variety of new requirements and a new “trigger level” for lead of 0.010 mg/L in ten percent of samples. Mr. Moran testified that the compliance date for the new revisions originally was set for January 16, 2024, but has been extended for additional time for public input and consideration.

Mr. Moran opined that the implementation of the LSLR Plan is in the public interest, noting that the only way to eliminate the risk of lead exposure from lead service lines is to eliminate the lead service line entirely. He also stated that the concentration of lead service lines is in older homes, which typically have a higher concentration of low-income customers.

Mr. Moran testified that there are no lead mains in Petitioner’s water system. Of the approximately 370,000 service line connections in the water system, an estimated 55,000 service lines contain at least some portion of lead pipe. He indicated that, due to incomplete historic service line material records, Citizens Water may need to inspect as many as 75,000 service lines to verify material types.

Mr. Moran testified that the LSLR Plan includes four primary components designed to achieve the goal of eliminating lead service lines: (1) capital improvement projects and emergency

repair lead service line replacements, (2) proactive lead service line replacements, (3) property owner-initiated lead service line replacements, and (4) abandoned/inactive service line termination.

Regarding the first component, Mr. Moran testified that, through the course of Citizens Water's normal work on service lines during capital improvement projects and emergency repairs, Citizens Water will expand its current process to include the full replacement of lead service lines, including the portion of the lead service line on private property, subject to property owner approval.

Mr. Moran testified that the second component of the Plan involves proactive lead service line replacement of non-leaking service lines or service lines that are connected to mains that are not at the end of their useful life or planned for repairs. Mr. Moran testified that this component is expected to be the largest component of the Plan, and like each component, will be subject to property owner approval. Mr. Moran testified that, under the proactive component of the Plan, Citizens Water will prioritize areas based on factors, including utility asset data, water quality and health risks, neighborhood economic impacts, and coordination with other infrastructure work, such as road or public improvement projects. Mr. Moran stated that property owners in areas that have not yet been prioritized will be eligible for partial assistance in replacing their lead service line.

Mr. Moran stated that, as a part of the property owner-initiated component of the Plan, property owners can either hire a contractor to replace the portion of the lead service line on private property and Citizens Water will replace the portion in the public right-of-way, or Citizens Water can replace the entire service line under an agreement that the property owner pay for the cost of the portion on private property. Mr. Moran testified that, with either option, Citizens Water will fund the portion of the replacement in the public right of way, and the property owner will fund the portion of the replacement of the service line on private property.

Regarding the fourth component of the Plan, Mr. Moran stated that Citizens Water will terminate existing service lines if a property wrecking order is issued or if the property is abandoned with no identified serviceable structure.

Mr. Moran testified that Citizens Water anticipates the average cost of replacing a service line will be approximately \$7,475, including the costs of planning and scheduling the replacement; installing a new water service line and retiring the lead service line, coordinating the flushing and sampling of the property owner's water after construction, restoring the construction site, and general coordination and administration. He stated that Citizens Water anticipates its performance of the work will result in a savings of up to 25 percent as compared to the property owner completing the work. This estimated savings amount was determined based on estimates from Petitioner's maintenance crews that perform the work, as well as discussions with contractors having extensive experience conducting lead service line replacements in other communities. Mr. Moran explained the savings are primarily due to reduced mobilization and demobilization efforts, bulk material purchasing, crew efficiencies in completing replacements, and administrative efficiencies.

B. Mr. Lutz. Mr. Lutz described how replacements will be made as part of Citizens Water's proposed LSLR Plan and the process Citizens Water will use in replacing lead service lines, including communications with property owners and water sample testing following the service line replacement.

Mr. Lutz testified that Citizens Water anticipates spending \$2.5 to \$5 million annually on lead service line replacements, resulting in approximately 120 to 560 full-service line replacements per year. He stated that the total LSLR Plan cost is currently estimated at \$490 million in 2020 dollars. The budget for the expected 33-year term of the LSLR Plan is set forth in the Plan. Mr. Lutz testified that Citizens Water will monitor the availability of grants and low-interest loans that could help offset the total cost of the LSLR Plan or allow Citizens Water to increase the rate of annual replacements in the community.

Mr. Lutz stated that the \$7,475 estimated average cost of replacing each service line may change as the Plan continues, based on factors such as local codes and ordinances, new or changed laws or construction standards, competitive market prices, construction technology improvements, additional EPA regulations, and property site conditions. Mr. Lutz testified that any unusual site restoration costs will be assessed by Citizens Water's staff prior to the lead service line replacement and that an estimate will be provided to the property owner for review. He stated that the property owner will have the option of choosing to have Citizens Water complete the unusual site restoration or to perform the work independently. Mr. Lutz stated that if the property owner chooses to have Citizens Water complete the restoration on their property, Citizens Water will complete the work at no cost up to a cap established in the Plan.

According to Mr. Lutz, Citizens Water will communicate with its customers and property owners through the Citizens Energy Group website, which will provide up-to-date information and include frequently asked questions about lead service lines. Mr. Lutz testified that Citizens Water also will communicate directly with property owners, customers, associated neighborhood groups, and community leaders in the project scope. As service lines are identified for replacement, Citizens Water staff and its contractors will coordinate replacement with the property owners, and, following the replacement, Citizens Water will provide water flushing and sampling packets to the customers. Mr. Lutz stated that Citizens Water staff will coordinate with the property owner to pick up the water samples for testing, the results of which will be communicated to the property owners verbally or in writing, and additional testing will be conducted if needed.

Mr. Lutz testified that, in order to participate in the Plan, the property owner must sign Citizens Water's Right of Entry Agreement, which he sponsored as Petitioner's Exhibit 2, Attachment AL-1 (Revised). He stated that the Right of Entry Agreement provides the legal framework for completion of the lead service line replacement by Citizens Water at no cost to the customer or property owner, while allowing right of entry for Citizens Water's staff or contractors to perform the work. Mr. Lutz stated that property owners can decline replacement of their lead service line by signing an alternative form acknowledging awareness of a service line containing lead material. Mr. Lutz explained that replacement of the customer-owned portion of the service line does not change the ownership of the line, and thus, any future repairs to the service line would remain the responsibility of the property owner.

C. **Ms. Bardhan-Akala.** Ms. Bardhan-Akala testified that, following approval of the LSLR Plan, Citizens Water plans to file a petition under Ind. Code § 8-1-31.6-10 setting forth rate schedules establishing an adjustment to the utility's basic rates and charges to provide for recovery of lead service line replacement costs. Ms. Bardhan-Akala testified that the adjustment will be calculated as a monthly fixed charge based on meter size and will be determined in accordance with Ind. Code § 8-1-31.6-9. She stated that the first filing will set forth adjustments necessary to recover the cost of replacements made in the upcoming years, as well as the costs incurred to date to implement the Plan. She testified that this approach is consistent with the manner in which the extensions and replacements revenue requirement is determined in Citizens Water's rate cases.

Ms. Bardhan-Akala stated that Citizens Water will file a petition under Ind. Code § 8-1-31.6-10 every 12 months, to the extent necessary. She testified that the petition will include a reconciliation of the difference between the approved adjustment amount and the actual costs incurred for the LSLR Plan, and Citizens Water will recover or refund the difference through additional adjustments to the rider under Ind. Code § 8-1-31.6-14. During Citizens Water's next general rate case, the adjustment rider will be set to zero upon approval of new basic rates and charges in which the customer lead service line improvements are included in Petitioner's base rates.

Ms. Bardhan-Akala testified that, assuming that 100 percent of the costs are recovered through rates, the first-year impact on customer rates is calculated to be approximately \$1 per month, and the second- through fifth-year rate impacts are estimated to be approximately \$2 per month.

5. **OUC's Evidence.** Mr. Seals recommended Commission approval of Petitioner's LSLR Plan in its entirety, noting that lead can cause a wide range of health problems. He testified that the EPA identifies lead plumbing materials, such as lead pipes, faucets, and fixtures, as a common source of lead in drinking water. He stated that Citizens Water complies with the EPA's current Lead and Copper Rule.

Mr. Seals stated that Citizens Water provided support for the statutory requirements of Ind. Code § 8-1-31.6-6(a) in its Plan and concluded that the Commission should approve Petitioner's proposed LSLR Plan.

6. **Commission Discussion and Findings.**

A. **Lead Service Line Replacement under Ind. Code § 8-1-31.6-6.** Before a municipally owned utility may include in the utility's rates the costs for customer lead service line improvements, the Commission must first approve the utility's plan for the replacement of the customer-owned portion of the lead service lines within or connected to the water's utility system. Ind. Code § 8-1-31.6-6. In accordance with Ind. Code § 8-1-31.6-6(a), the plan must address the following:

- (1) The availability of grants or low interest loans and how the water utility plans to use available grants or low interest loans to help the water utility finance or reduce the cost of the customer lead service line improvements

for the water utility and the water utility's customers, including any arrangements for the customer to receive available grants or financing directly.

- (2) A description of how the replacement of customer owned lead service lines will be accomplished in conjunction with distribution system infrastructure replacement projects.
- (3) The estimated savings in costs per service line that would be realized by the water utility replacing the customer owned portion of the lead service lines versus the anticipated replacement costs if customers were required to replace the customer owned portion of the lead service lines.
- (4) The number of lead mains and lead service lines estimated to be part of the water utility's system.
- (5) A range for the number of customer owned lead service lines estimated to be replaced annually.
- (6) A range for the total feet of lead mains estimated to be replaced annually.
- (7) The water utility's proposal for addressing the costs of unusual site restoration work necessitated by structures or improvements located above the customer owned portion of the lead service lines.
- (8) The water utility's proposal for:
 - (A) communicating with the customer the availability of the water utility's plan to replace the customer owned portion of the lead service line in conjunction with the water utility's replacement of the utility owned portion of the lead service line; and
 - (B) documenting the customer's consent or lack of consent to replace the customer owned portion of the lead service line.
- (9) The water utility's proposal concerning whether the water utility or the customer will be responsible for future replacement or repair of the portion of the new service line corresponding to the previous customer owned lead service line.
- (10) The estimated total cost to replace all customer owned portions of the lead service lines within or connected to the water utility's system and an estimated range for the annual cost to be incurred by the water utility under the water utility's plan.

The Commission shall approve a water utility's lead service line replacement plan if it finds the plan to be reasonable and in the public interest. Ind. Code § 8-1-31.6-6(b). Therefore, we first assess whether Citizens Water's Plan includes each of the ten statutory criteria under Ind. Code § 8-1-31.6-6(a) and find that it does, as explained further below.

i. **Availability of Grants or Low-Interest Loans.** Petitioner's Plan indicates that Citizens Water will monitor the availability of grants, low-interest loans, and funding options through federal, state, and local agencies, such as the Indiana Finance Authority, the State Revolving Fund, and the State Water Infrastructure Fund. Mr. Lutz testified that additional funding through grants, if available, would be used to help reduce the overall cost of the LSLR Plan or to increase the rate of annual replacements in the community.

ii. **Description of How the Replacement Plan for Customer-Owned Lead Service Lines Will Be Accomplished.** Petitioner's Plan describes four primary components for elimination of lead service lines: (1) replacement of customer-owned lead service lines in conjunction with regular capital improvement projects and emergency repairs that are part of normal utility operations; (2) proactive identification and replacement of non-leaking service lines or service lines that are not at the end of their useful life or planned for repairs; (3) property owner-initiated lead service line replacements; and (4) termination of abandoned or inactive service lines. Mr. Moran discussed each of these categories of lead service line replacements. Citizens Water also provided additional detail regarding each of these components in its Plan.

iii. **Estimated Service Line Replacement Savings using Citizens Water's Replacement Plan Compared to Individual Customer Replacement.** Petitioner's Plan estimates the cost of replacing a service line will be \$7,475, which it anticipates will be up to 25 percent savings as compared with the property owner managing the work. The estimate of savings is based on reduced mobilization and demobilization efforts, bulk material purchasing, crew efficiencies, and administrative efficiencies.

iv. **Estimated Number of Citizens Water's Lead Mains and Service Lines.** Citizens Water indicates that it has no lead mains in its distribution system, so there are no lead main replacements included in the Plan. However, Citizens Water estimates there are approximately 55,000 service lines with some portion of the pipeline containing lead, although that number could be as high as 75,000.

v. **Estimate of Annual Customer-Owned Lead Service Line Replacements.** Petitioner anticipates spending approximately \$2.5 to \$5 million each year on lead service line replacements in the first five years of the Plan, resulting in an estimated 120 to 560 annual line replacements.

vi. **Estimate of Annual Lead Main Replacements.** Petitioner's Plan indicates that there are no lead mains in the Citizens Water distribution system.

vii. **Proposal for Unusual Site Restoration Costs.** Petitioner's Plan includes a proposal for addressing the costs of unusual site restoration, which Citizens Water defines as anything beyond activities such as backfilling, compaction, re-seeding lawn areas, and minor sidewalk and driveway repairs. Mr. Lutz testified that Citizens Water's staff will assess any unusual site restoration before the replacement of the service line and provide an estimate to the property owner. The property owner will have the option of authorizing Citizens Water to complete the site restoration or performing the work independently. If the property owner authorizes Citizens Water to complete the restoration on their property, Citizens Water will complete the work at no cost to the customer up to the \$500 cap established in the Plan. Any costs exceeding \$500 must be paid to Citizens Water or completed by the property owner independently.

viii. **Proposal for Communication and Documentation of Customer Consent.** The Plan states that Citizens Water will publish communications to the public on its website (CitizensEnergyGroup.com), which will include updated information and frequently asked questions about lead and service lines. In addition, once a service line is identified for replacement, Citizens Water staff and its contractors will contact the property owner to coordinate

replacement and avoid inconvenient service interruptions. After service is restored, Citizens Water staff will provide water flushing and sampling materials, instructions, and follow-up information. Laboratory results of water sampling will be provided verbally or in writing to the property owner.

Petitioner provided a copy of its Right of Entry Agreement as Petitioner's Exhibit 2, Attachment AL-1 (Revised). This agreement will be provided to each property owner prior to work on private property and outlines the legal framework for completion of the work. A property owner can agree to permit Petitioner to replace their lead service line or decline by acknowledging awareness of a service line containing lead material. Citizens Water will retain all signed agreements.

ix. Future Ownership of the New Service Line. Replacement of the service line by Citizens Water will not change ownership of the current or future service lines. Ownership of the service lines will continue to remain with the customer and/or property owner.

x. Estimated Plan Total Cost and Annual Cost Range. The total Plan cost is estimated to be \$490 million in 2020 dollars. Petitioner's Plan includes an estimated breakdown of the range of annual costs during the first year, the second through fifth years, and future years of the Plan. The Plan anticipates completion of lead service line replacements over 33 years.

B. Public Interest Considerations. Both Citizens Water and the OUCC provided testimony regarding the negative health effects of lead exposure. Lead can enter drinking water through contact with plumbing materials and pipelines that contain lead, and the only way to eliminate the risk of lead exposure from lead service lines is to remove the lead service line entirely. The EPA's impending revisions to its Lead and Copper Rule and the Indiana General Assembly's passage of Ind. Code § 8-1-31.6-6 demonstrate that eliminating lead exposure is a public health priority both of Indiana and the federal government. There are a significant number of customer-owned lead service lines in Petitioner's water system. However, the cost of replacing such lead service lines is not insignificant and, therefore, may be cost prohibitive for some property owners. Other property owners may be unaware of the health effects of lead service lines or lack knowledge that their service line includes lead. Citizens Water's LSLR Plan may increase the pace of elimination of lead service lines in the areas in which Citizens Water provides water service. Citizens Water has developed its LSLR Plan with the goal of eliminating all lead service lines in its water system and reducing any potential health risks they present.

We find that Citizens Water's proposed LSLR Plan is in alignment with the federal and state public health policies aimed at eliminating risk of lead exposure in our environment. Accordingly, pursuant to Ind. Code § 8-1-31.6-6(b), we find Citizens Water's LSLR Plan to be reasonable and in the public interest.

C. **Cost Recovery.** Petitioner indicated that, following Commission approval of the LSLR Plan, it intends to file a petition under Ind. Code § 8-1-31.6-10 setting forth rate schedules establishing an adjustment to the utility’s basic rates and charges to provide for recovery of lead service line replacement costs. Implementation of cost recovery to support the LSLR Plan shall be done in accordance with Ind. Code ch. 8-1-31.6.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Citizens Water’s Plan for customer-owned lead service line replacements, a copy of which is attached hereto and incorporated by reference, is approved.

2. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of this Order into the Commission public utility fund account described in Ind. Code § 8-1-6-2, through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges	\$ 1,608.14
OUCC Charges	\$ 3,261.08
Legal Advertising Charges	<u>\$ 31.08</u>
TOTAL	\$ 4,900.30

3. This Order shall be effective upon and after the date of its approval.

HUSTON, FREEMAN, KREVDA, AND OBER CONCUR; ZIEGNER ABSENT:

APPROVED: MAR 02 2022

I hereby certify that the above is a true and correct copy of the Order as approved.

Dana Kosco
Secretary of the Commission



Lead Service Line Replacement Plan

Lead Service Line Replacement Plan

TABLE OF CONTENTS

Section	Description	Page
I	Purpose and Background	1
II	Where We Are Now: Lead Service Lines	3
III	Citizens' LSLR Plan	3
IV	Citizens' LSLR Plan Anticipated Timeline and Cost	6
V	Citizens' LSLR Plan: Statutory Requirements under Indiana Code § 8-1-31.6-6	8

Section I Purpose and Background

The Lead Service Line Replacement Plan (“LSLR Plan” or “Plan”) described herein was developed by Citizens Water (“Citizens”) to provide a holistic approach to address the legacy of lead service lines. This Plan includes multiple components that work toward the goal of eliminating identified or known customer owned lead service lines, both in the right-of-way and on private property.¹ Achieving the goal of eliminating these lead service lines requires a multi-decade approach, as outlined by the Plan in this document.

In 1991, the U.S. Environmental Protection Agency (“U.S. EPA”) issued the Lead and Copper Rule (“LCR”) as a federal regulation that limited the concentrations of lead and copper allowed in public water supplies, as measured at the customer’s tap. This regulation marked an important milestone in addressing lead exposure because it accounted for the fact that lead and copper concentrations often are present due to the customer’s service line and plumbing materials on the customer’s property, not the utility’s source water, distribution system or treatment processes.

The existing LCR has an action level for lead of 0.015 milligrams (mg) / Liter (L), based on the 90th percentile of tap sample lead results. Specific high risk locations are identified for monitoring and sampling, and if more than 10% of samples exceed the action level, then the rule requires utilities to take additional specific actions, including investigation of the cause of the exceedance, water treatment options, public education, and the removal of lead service lines.



Numerous tap sampling surveys have been conducted on the Indianapolis water system since 1991. In each survey, the results for the 90th percentile lead concentration were below the action level. As such, Indianapolis was never triggered into a mandatory lead service line replacement program under the existing LCR.

In October 2016, the U.S. EPA published updated guidance in "Lead and Copper Rule Revisions White Paper," which acknowledged the substantial economic, legal, technical, and environmental justice challenges surrounding lead service line replacement (“LSLR”):

¹ Under Citizens’ Terms and Conditions for Water Service, the service line (defined therein as the Service Pipe) “shall be installed and owned by the Customer” and once installed, the Customer (or property owner) remains responsible for maintaining, repairing or replacing the portion of the service line from the right-of-way to their premises, while Citizens is responsible for maintaining, repairing or replacing only the portion in the right-of-way.

Potential costs may be disproportionately borne by specific low-income localities, such as Detroit, which has an estimated 100,000 LSLs and where 40 percent of the population is below the poverty line. . . . LSLs are often partially or totally owned by private homeowners. . . . To the extent water systems rely on homeowners to pay for replacement of privately owned portions of lines, there are concerns about consumer's ability to pay and the possibility that lower-income homeowners will be unable to replace lines, resulting in disparate levels of protection.

Revisions to the LCR were proposed in November 2019, which would require all utilities to develop LSLR programs. This Plan is designed to align with requirements of the proposed LCR revisions and will be adapted as necessary to ensure compliance with final LCR revisions once published.²

In response to growing awareness about the need for LSLR programs, the Indiana General Assembly enacted legislation in 2017, which was amended in 2020, to allow municipally owned utilities to include the costs for customer lead service line improvements in rates under Indiana Code § 8-1-31.6. Both a public water utility and a municipally owned water utility must obtain Indiana Utility Regulatory Commission (“IURC”) approval of the LSLR plan. If the plan is approved, the water utility may undertake LSLRs at no direct cost to the customer or property owner and take a proactive approach to eliminate service line lead exposure risk for all customers.

² After receiving extensive public comment on a draft LCR, and consistent with the increased emphasis on reducing potential exposures to lead in drinking water, the U.S. EPA published a final version of the LCR revisions on January 15, 2021. However, after changes in the Administration, the U.S. EPA subsequently announced two extensions to the rule implementation date to allow additional time for public input into the rule and consideration of potential modifications.

Section II

Where We Are Now: Lead Service Lines

The Citizens distribution system has approximately 370,000 active and inactive service line connections. The majority of these service lines were added to the system after lead piping was banned in 1948, and therefore, have no potential to contain lead. Prior to 1948, service lines were made of lead, iron, and copper, or some combination of these materials. Analysis of utility service line records indicates the presence of approximately 75,000 service lines in Center Township and surrounding areas with the potential to contain at least some portion of lead pipe, and which therefore, can be classified as a potential lead service line. Based on the same analysis, Citizens expects approximately 55,000 of these 75,000 service lines will be found to actually contain lead pipe and require a LSLR or termination.

One of the challenges facing many water utilities, including Citizens, is incomplete or inaccurate service line location information, especially for the segments on private property. The entirety of the service line is owned by the customer, as opposed to the utility. Therefore, the utility's historical records often lack material details regarding service lines. In addition, service lines that have been in service for decades may have had repairs or replacements of lead service lines, resulting in hybrid material service lines with partial lead pipe remaining. As additional information on service line materials is gained through implementation of this Plan, it is expected that the accuracy of the total estimated number of lead service lines will be improved, and the estimate of 55,000 may increase or decrease.

Section III

Citizens' LSLR Plan

This Plan outlines Citizens' process for replacing customer owned lead water service lines in accordance with Ind. Code §§ 8-1-31.6-5(a) and 8-1-31.6-6. This Plan integrates the replacement of such service lines into Citizens' existing utility line maintenance and replacement processes and establishes other means to achieve the goal of full LSLR for affected property owners.

A. Primary Components of the LSLR Plan

The primary components of the Plan include: (1) Capital Improvement Projects and Emergency Repair LSLRs; (2) Pro-Active LSLRs; (3) Property Owner-Initiated LSLRs; and (4) Abandoned/Inactive Service Line Termination.

1. Capital Improvement Projects and Emergency Repair LSLRs

The first component of the Plan is to replace customer owned lead service lines in concert with scheduled water main replacement and relocation projects performed during the course of Citizens' planned maintenance and replacements of utility owned facilities. Historically, work has been limited to the portion of the service line in the public right-of-way, but it sometimes included service line replacements associated with capital improvement projects (such as main replacements or relocations), service line replacements associated with emergency repairs (i.e., main breaks or service leaks in the right-of-way), curb stop repairs, and water meter relocations. Citizens will expand its current processes to include the replacement of customer

owned lead service lines. This would include replacement of any lead/galvanized iron components from the water main to the home with no incremental cost to the property owner. Replacements under this component will include work on lead service lines disrupted by projects undertaken by other agencies.

In all cases, LSLRs will include the entire service line (the portion located in the right-of-way and the portion located on private property), assuming the property owner agrees to replacement of the line on their property. If a property owner refuses to allow Citizens to replace the portion of the service line on their property, the refusal will be documented, and Citizens will replace the portion of the service line in the right-of-way and connect the new service to the existing customer owned service line at the property line.

Citizens regularly conducts emergency repairs as part of its normal operations. Under the Plan, when completing emergency repairs, Citizens may conduct unscheduled service line replacements for service lines that have lead material, or a complete replacement may be rescheduled for a later time with the property owner. The goal of this component of the Plan is to achieve a full service line replacement on all lead service lines that are encountered as a part of Citizens' ongoing operation and maintenance work activities.

Service line replacements on private property require a Right of Entry Agreement signed by the property owner. All new service lines will be flushed and sampled to maintain water quality in accordance with established practices and guidance for work on lead service lines. Citizens will provide information to the property owner about lead and drinking water, including health effects, exposure to lead, flushing recommendations, ways to minimize exposure to lead, testing for lead, frequently asked questions, and further contact information. Citizens will not be replacing plumbing and fixtures inside buildings on the property. Therefore, as part of this Plan, Citizens will provide customers with information that will enable them to minimize lead exposure from their own plumbing or fixtures.

2. Pro-Active LSLRs

Citizens will develop a pro-active LSLR process to prioritize replacement of non-leaking lead service lines or lead service lines connected to mains not at the end of their useful life and not scheduled for replacement. Given the significant number of potential lead service lines, the pro-active process will prioritize areas/neighborhoods based on factors that include utility asset data, water quality and health risks, neighborhood economic impacts, and coordination with other infrastructure work, such as road or public improvement projects. The schedule also may consider external factors, such as supporting documentation from the Indiana Department of Health that links an area to higher lead levels from other sources or the U.S. Department of Housing and Urban Development lead remediation programs. Project areas will be identified based on alignment of the highest priority areas with the anticipated funding levels.

Once a project area is identified and scheduled to commence, Citizens will communicate to each property owner and customer in the project scope, associated neighborhood groups, and local leaders. Initial communications will notify those groups of the upcoming project and provide a description of the various steps involved to obtain Right of Entry. Communications will continue throughout field surveys, construction, flushing, sampling, and testing.

Initial field work will involve verification of service line materials at each property by visual inspection of the service line using hydrovac excavation within the right-of-way and on the property. The results will be used to determine if a LSLR is required. Service line material information and next steps will be documented and provided to the property owner. Service lines containing lead/galvanized iron will be scheduled for replacement at no cost to the customer or property owner. Construction crews will schedule the LSLR within a neighborhood or area to maximize construction efficiency. Once installed, new service lines will be flushed, sampled, and tested to confirm water quality, and the test results will be provided to the property owner to complete the process.

3. Property Owner-Initiated LSLRs

Property owners not located in a current prioritized project area but who want to expedite replacement of their lead service line have two options. Under both options, Citizens will fund the portion of the replacement in the public right-of-way, but the property owner will be required to fund replacement of the portion of the service line on private property. The two options available include the following:

- A. Property owners may request a quote for the full-service line replacement directly from Citizens. Citizens or its contractor will assess the project and provide a quote to the property owner for the property owner's cost of the replacement on private property. Subject to the property owner's agreement to pay for the replacement of the portion of the service line on private property and execution of a Right of Entry Agreement, Citizens will replace the service line, including both the portion in the right of way and the portion on private property, as one project.
- B. Property owners may directly contract with a plumber/contractor registered and bonded with Citizens, complete a service line modification permit, and replace the portion of the service line on private property at the property owner's cost. Upon notification, Citizens will attempt to coordinate replacement of the portion of the service line in the right-of-way so that the right-of-way replacement is conducted simultaneously with the property owner's work. If this timing is not possible, Citizens will replace the right-of-way portion within 45 days, barring unusual circumstances.

Lead service lines modified by the property owner must be brought up to current standards, requiring full replacement of the lead service line. As with other LSLR projects, the new service line will be flushed, sampled, and tested, with the test results provided to the property owner.

4. Abandoned/Inactive Service Line Termination

Citizens will identify and schedule a disconnect or removal of lead service lines under either of the following circumstances: (1) if a property wrecking order is issued; or (2) if an abandoned property with no serviceable structure is identified as part of other utility work. New structures built at these addresses will be required to install new service lines as part of the construction project.

B. Outreach and Community Coordination

1. Comprehensive LSLR Plan Communication Plan

Citizens will take steps to ensure customers and property owners are kept informed of pending LSLRs. During construction, notices of construction activity and water service disruption will be provided to each customer or property owner. Post-construction flushing and sampling instructions with final test results will be sent to each property owner after their service line has been replaced. LSLR signage for neighborhoods used during LSLR projects will help address questions and communicate consistent messages to affected neighborhoods. Citizens also will include an enhanced LSLR portal on its website that includes frequently asked questions about the LSLR Plan, construction activities, and links to other agencies and resources that may answer questions.

2. Citizens' LSLR Right of Entry Agreement Form

In all cases, before performing LSLR work on private property, the property owner will be provided with Citizens' LSLR Right of Entry Agreement explaining that there is no direct cost to the customer or property owner and allowing right of entry for utility staff and contractors to perform the LSLR work required. The property owner can either agree to the LSLR by signing the Right of Entry Agreement or decline by acknowledging awareness of a service line containing lead.

C. Flushing, Sampling, and Testing Plan

After the LSLR is complete, the property owner will be provided with a lead information packet, flushing instructions, and sample bottles. Per the instructions, the property owner will flush their home plumbing, collect water samples, and contact Citizens for bottle pickup. The samples will be analyzed, and results will be provided to the property owner. Citizens expects sample results will typically be well below the Lead Action Level of 0.015 mg/L, or 15 parts per billion (ppb). However, if results are above the Lead Action Level, then the flushing, sampling, and testing process will be repeated. Citizens will work with the property owner and other outside agencies such as IDEM and the local health department to identify the sources of the lead in the event of continued elevated results.

Section IV

Citizens' LSLR Plan Anticipated Timeline and Cost

Year 1 begins once the Commission authorizes Citizens to include an adjustment in its rates and charges to pay for Plan costs. Start-up and development costs recovered during Year 1 will include costs for: (1) Communication/Marketing Material updates and refinements; (2) Service Line Management Software development, installation, and implementation; (3) Service Line Material Probability Analysis Process development; (4) Project Reporting, Tracking development and implementation; (5) Laboratory Testing implementation; (6) Interdepartmental Support (IT, Regulatory, Operations, Customer Service) process development and implementation; and (7) field investigations to enhance data integrity and identify unknown service materials for Plan prioritization and scheduling. Citizens estimates 220 total service lines will be

implementation; (6) Interdepartmental Support (IT, Regulatory, Operations, Customer Service) process development and implementation; and (7) field investigations to enhance data integrity and identify unknown service materials for Plan prioritization and scheduling. Citizens estimates 220 total service lines will be addressed in Year 1, including 120 replacements and 100 service lines that are field-confirmed as non-lead and not requiring replacement. Fewer pro-active LSLRs are scheduled for Year 1 to allow these field investigations to be prioritized for completion to minimize field logistic impacts in Years 2-5. The projected cost of Year 1 is \$2.5M.

Replacements accelerate in Years 2 through 5 to a sustainable level. Valuable information will be learned during the first five years of the Plan that may result in modifications to the Plan based on identifying process efficiencies to increase the number of service lines addressed per year. During Year 2, 660 service lines will be addressed, including 560 replacements that will include 400 pro-active LSLRs. Corresponding funding levels increase to \$5M annually in support of these replacements.

The Plan will be modified to incorporate these efficiencies or other appropriate adjustments on an ongoing basis. However, an increased level of funding will be needed beyond Year 5 to eliminate all lead service lines in slightly over 30 years. Future year expense projections will be updated based on the lessons learned during the first few years of the Plan. Final decisions about projected future year funding levels will be made in these years based on balancing progress with affordability. The total projected Plan cost is \$490M in 2020 dollars.

The Plan requires a full-time Manager and part-time Engineering, Communications, and Database Support Staff. Outside services for Specialized Consulting Support and Service Line Management Software range from \$190,000 during Years 1 through 5 and increase as the Plan expands to \$270,000 annually in later years.

Table 1 provides a summary of the Plan, including the number of service lines verified and replaced each year as well as the anticipated annual funding levels.

Year	Initial Phase		Future Phases			
	1	2 thru 5	6 thru 10	11 thru 15	16 thru 25	26 thru 33
Service Lines Verified per year	220	660	1,390	2,700	2,850	2,800
Service Lines Replaced/Removed per year	120	560	1,140	2,100	2,050	2,000
Cumulative Number of Service Lines Verified	220	2,860	9,810	23,310	51,810	74,210
Cumulative Replacements/Removals	120	2,360	8,060	18,560	39,060	55,060
Plan Development (\$000's)	\$ 900	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Plan Delivery (\$000's)	\$ 831	\$ 831	\$ 1,061	\$ 1,234	\$ 1,234	\$ 1,234
Field Construction (\$000's)	\$ 797	\$ 4,180	\$ 8,976	\$ 17,068	\$ 16,894	\$ 16,632
Total Annual Plan Cost (\$000's)	\$ 2,528	\$ 5,061	\$ 10,087	\$ 18,352	\$ 18,178	\$ 17,916
Total Cumulative Plan Cost (\$000's)	\$ 2,528	\$ 22,773	\$ 73,211	\$ 164,973	\$ 346,755	\$ 490,083

Section V

Citizens' Plan: Statutory Requirements under Indiana Code § 8-1-31.6-6

Ind. Code § 8-1-31.6-6 requires ten specific criteria be addressed in a water utility's plan for customer lead service line improvements. Citizens' Plan addresses each of these ten criteria as follows:

A. Availability of Grants or Low-Interest Loans

IC 8-1-31.6-6(a)(1): The availability of grants or low interest loans and how the water utility plans to use available grants or low interest loans to help the water utility finance or reduce the cost of the customer lead service line improvements for the water utility and the water utility's customers, including any arrangements for the customer to receive available grants or financing directly.

Citizens will monitor the availability of grants and low interest loans that may offset the cost of LSLRs and the Plan. Additional funding through grants or low interest loans would help reduce the Plan cost and potentially increase the number of annual replacements.

Citizens will continue to discuss LSLR funding options with federal, state, and local agencies. The Indiana Finance Authority ("IFA") is responsible for the receipt and distribution of low interest and/or grant funds

for the State of Indiana. IFA oversees the State's debt issuance in support of state, local, and business investments, including the State Revolving Fund ("SRF") and the State Water Infrastructure Fund ("SWIF"). SRF funds are eligible to support drinking water infrastructure improvements at low interest rates to promote public health and the environment. SWIF funds provide grant funding to Indiana utilities for wastewater, drinking water and stormwater projects that either protect or improve public health or water quality. IFA is also pursuing funds from sources like the Water Infrastructure Finance and Innovation Act, a federal U.S. EPA program designed to provide low-cost assistance to accelerate investments in water and wastewater infrastructure. Citizens will continue discussions with the U.S. EPA, IFA, and others to identify these types of funds and their eligibility to support the Plan.

B. Replacement Plan for Customer Owned Lead Service Lines

IC 8-1-31.6-6(a)(2): A description of how the replacement of customer owned lead service lines will be accomplished in conjunction with distribution system infrastructure replacement projects.

As discussed in detail above and incorporated herein by reference, Citizens' Plan includes four categories of LSLRs:

- A. Capital Improvement Projects and Emergency Repair LSLRs;
- B. Pro-Active LSLRs;
- C. Property owner-Initiated LSLRs; and
- D. Abandoned/Inactive Service Line Termination.

C. Estimated Service Line Replacement Savings using Citizens' Replacement Plan Compared to Individual Customer Replacement

IC 8-1-31.6-6(a)(3): The estimated savings in costs per service line that would be realized by the water utility replacing the customer owned portion of the lead service lines versus the anticipated replacement costs if customers were required to replace the customer owned portion of the lead service lines.

Citizens anticipates the approximate cost of replacing a service line will be \$7,475, dependent on the particular circumstances. Citizens anticipates this represents a savings of up to 25% as a result of Citizens managing the work compared with the property owner managing the work. This estimated savings is based on estimates provided by Citizens' maintenance crews and discussions with contractors having extensive experience in service line replacement work. By having Citizens manage LSLRs, property owners will have the benefit of consistent replacement methods, expedited project completion, and less disruption to other customers and the surrounding community.

Citizens' cost estimates are based on planned and actual costs from previous projects where LSLRs were necessary. This estimate includes: (i) planning and scheduling efforts for the water service line replacement; (ii) installing a new water service line and retiring the service line; (iii) coordinating the flushing and sampling of the water after construction; (iv) restoring the construction site; and (v) general coordination and administration. The cost estimates, based on 2020 dollar amounts, include \$4,200 for right-of-way LSLR,

\$3,200 for the LSLR on private property, and \$75 for coordinating the post-construction water flushing and sampling.

Citizens will monitor these costs and anticipates the average costs could increase or decrease as the LSLR Plan continues. Future factors that could influence costs include: (i) local codes and ordinances; (ii) new or changed laws or construction standards; (iii) competitive market prices; (iv) construction technology improvements; and (v) property site conditions. Citizens will continue to refine costs as the Plan is implemented and monitored and use changes in costs to increase or decrease the number of annual LSLRs.

D. Estimated Number of Citizens' Lead Mains and Service

IC 8-1-31.6-6(a)(4): *The number of lead mains and lead service lines estimated to be part of the water utility's system.*

Citizens has no lead mains in its distribution system, so there are no lead main replacements scheduled in the Plan. Citizens has reviewed its historical lead service line records and estimates that there are approximately 55,000 service lines with some portion of the pipeline containing lead, but the number could be as high as 75,000.

E. Estimate of Annual Customer Owned LSLRs

IC 8-1-31.6-6(a)(5): *A range for the number of customer owned lead service lines estimated to be replaced annually.*

Citizens anticipates investing approximately \$2 to \$5 million annually in the first five years of the Plan (refer to Table 1), resulting in an estimated 250 to 650 annual full-service line replacements, including replacement of lead in both the right-of-way and on private property. Increased field verification of the service line materials, construction technology improvements, and other factors could increase the number of annual replacements accomplished at similar investment levels in future years. Citizens intends to annually assess replacements performed, apply "lessons learned" to the Plan, and re-evaluate the number and type of LSLRs remaining to adjust the resource and replacement forecast.

F. Estimate of Annual Lead Main Replacements

IC 8-1-31.6-6(a)(6): *A range for the total feet of lead mains estimated to be replaced annually.*

Citizens has no lead mains in its distribution system.

G. Proposal for Unusual Site Restoration Costs

IC 8-1-31.6-6(a)(7): *The water utility's proposal for addressing the costs of unusual site restoration work necessitated by structures or improvements located above the customer owned portion of the lead service lines.*

Unusual restorations will be assessed by Citizens' staff before construction work begins. Unusual restoration activities include any restoration beyond the scope of normal restoration work defined as follows:

- (1) Activities include backfilling, compaction, re-seeding in lawn areas and minor concrete and asphalt repairs on sidewalks and driveways.
- (2) The work can be accomplished with the same equipment and crew as was used to complete the LSLR.
- (3) The site allows access to construction equipment to perform restoration using traditional methods and does not require removal and/or replacement of unusual original site elements like fences, walls, patios, drives, etc.

If unusual site restoration work is expected, Citizens will provide an estimate of the additional cost to complete this work to the property owner. If the estimated cost of the unusual restoration work is equal to or less than \$500, Citizens will complete the restoration work at no cost to the customer. If the cost of the unusual restoration work exceeds \$500, the property owner will have the option to determine whether they want Citizens to complete the work in whole or in part, or not at all. If the customer chooses to have Citizens complete the unusual restoration work in whole, Citizens will pay for restoration cost up to a cap of \$500 and invoice the customer for any restoration costs above that amount. The property owner alternatively can choose to have Citizens complete the work in part, up to the \$500 cap and the property owner can independently complete the remainder of the restoration work.

Citizens anticipates unusual LSLR restorations will be rare. In 2018, Indiana American Water Company reported in IURC testimony that only one out of 81 LSLR resulted in an unusual site restoration,³ or 1.2%, which would mean that Citizens would anticipate that 600-700 LSLRs might result in unusual site restorations during the implementation of the Plan.

H. Plan's Communication and Documentation Proposal

IC 8-1-31.6-6(a)(8): The water utility's proposal for: (A) communicating with the customer the availability of the water utility's plan to replace the customer owned portion of the lead service line in conjunction with the water utility's replacement of the utility owned portion of the lead service line; and (B) documenting the customer's consent or lack of consent to replace the customer owned portion of the lead service line.

1. Citizens' LSLR Plan Communication Documents

Communications regarding lead and drinking water will include general information on Citizens' website (CitizensEnergyGroup.com) under the section "Lead and Copper in Drinking Water." This site will provide customers with immediate access to up-to-date information on lead and frequently-asked-questions about lead and service lines.

As water service lines are identified for replacement, Citizens staff and its contractors will contact affected property owners to coordinate replacement and avoid inconvenient service interruptions. After service is

³ IURC Cause No. 45043, Exhibit No. 1 - Direct Testimony of Gary M. Verdouw on Customer Lead Service Line Replacement Program.

restored through the new service line, a water flushing and sampling packet containing whole-house flushing instructions, water sampling instructions, sampling bottles, water sampling questionnaire, and additional information about lead and drinking water will be provided to the property owner. Citizens' staff will coordinate with the property owner to pick up the water samples for laboratory testing and results will be provided verbally and in writing to the property owner. If additional sampling is required, Citizens staff will provide a new water flushing and sampling packet and arrange a new pick up time for the additional water sample bottles.

2. Citizens' LSLR Right of Entry Agreement

Citizens' Right of Entry Agreement form will be provided to each property owner prior to work on private property. This agreement provides the legal framework for the completion of the LSLR by Citizens at no cost to the property owner and allows the right of entry for Citizens staff and contractors to perform the LSLR work required. A property owner can agree to permit Citizens to replace their lead service line by signing the agreement or decline to permit Citizens to replace the service line by acknowledging awareness of a service line containing lead material. Citizens will retain all Right of Entry Agreements.

I. Future Ownership of the New Service Line

IC 8-1-31.6-6(a)(9): The water utility's proposal concerning whether the water utility or the customer will be responsible for future replacement or repair of the portion of the new service line corresponding to the previous customer owned lead service line.

The Plan does not change the ownership of the current or future service lines. Ownership of the service lines will continue to remain with the customer and/or property owner.

J. Estimated Plan Total Cost and Annual Cost Range

IC 8-1-31.6-6(a)(10): The estimated total cost to replace all customer owned portions of the lead service lines within or connected to the water utility's system and an estimated range for the annual cost to be incurred by the water utility under the water utility's plan.

Table 1 includes the estimated total cost to replace all customer owned lead service lines within or connected to the water utility's system and an estimated range for the annual cost to be incurred under the Plan.