



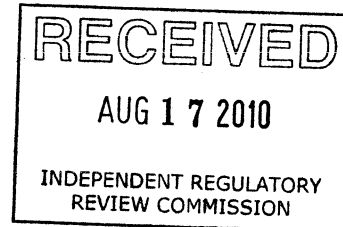
2857

Paul A. Zielinski
800 West Hersheypark Drive
Hershey, PA 17033
Email: Paul.Zielinski@amwater.com

Phone: 717.531.3308
Fax: 717.531.3314

July 21, 2010

Pennsylvania Department of Environmental Protection
Bureau of Oil and Gas Management
Box 8765
Harrisburg, PA 17105



Dear DEP Representative:

Pennsylvania American Water Company provides potable drinking water to over 655,000 customers throughout the Commonwealth of Pennsylvania. Our goal is to provide clean drinking water to all people at an affordable price. The first step at ensuring purity of the drinking water is to have and maintain a high quality water source. All sources need to be protected against contamination.

Our Company representatives have reviewed the draft changes that will be proposed by the DEP for updates to the existing Oil and Gas regulation. We have also retained a hydrogeologist to look at the planned changes and to comment on them for us. Attached to this cover letter is a letter from the hydrogeologist, Jay Lynch. Mr. Lynch provides comments to each of the DEP sections that are a concern to us. Overall, the comments address the need for the Department to require additional safeguards when drilling is being contemplated near a drinking water supply to protect that valuable source.

We are open to discuss any of the issues directly with the Department if necessary. Please give me a call or email if you have any questions or if any response requires clarification.

I thank the Department for the opportunity to provide input.

Very truly yours,

Paul A. Zielinski
Senior Director – Water Quality and Environmental Compliance



Comments from Pennsylvania American Water on Possible Revisions to Chapter 78

1.) §78.51 Protection of Water Supplies

COMMENT – PAW agrees that a well operator should restore a public or private water supply if pollution or lack of quantity occurs due to an action by the operator. We recommend the following be considered by the Department:

- a.) Establish a bond program or other financial mechanism to ensure that adequate funds will be present to replace a water supply should it be needed.
- b.) Require a study of the availability of replacement source(s) be completed PRIOR TO a permit being issued in a sensitive watershed where water quantity and / or good water quality is scarce. The well operator, in conjunction with the regional DEP Water Supply office, should identify replacement sources, the degree of treatment required to meet all primary and secondary drinking water standards, and identify the availability of water to meet all water quantity demands for the consumer(s). The information, along with a proposed replacement schedule, can then be used by the DEP to have the well operator provide a financial commitment to the DEP as part of the permit process to ensure that money will be available to restore an affected source. It is critical that a proactive plan be in place to identify how a source can be replaced if it can be replaced at all.
- c.) A direct notification mechanism should be created to notify public water suppliers and the Regional DEP Bureau of Water Supply (BWS) when a permit is being sought in watershed areas of surface water supplies used for drinking water or within groundwater influence zones. The public water supplier and the DEP BWS can offer assistance to the Oil and Gas personnel to identify possible impacts on drinking water sources.
- d.) The latency period from when a water supply source is deemed contaminated and is no longer allowed by DEP to be used as a water source to the period where the replacement source is in service must be addressed. It may take several years to engineer a replacement source, obtain all of the proper permits and water allocations if necessary, and construct the well or treatment plant. The suggestions in items (b) and (c) above would help to shorten the time period. The final treatment facility must be permitted by the DEP as a public water source.

DEP should address how the affected customers will receive potable water in ample quantities during this period. Tank trucks and bottled water can be used to supply water to a small number of affected customers. Special consideration will need to be given to a system that supplies a large number of customers that cannot be realistically served by tank trucks of water or by delivery of bottled water.
- e.) Section 1, V, provides for reimbursement of Operation and Maintenance costs to the affected water user by the well operator if the costs for delivering water from the replacement source exceed the amounts from the previous source operation. There is no designated period established for this reimbursement. PAW suggests that the language to added to require reimbursement on a monthly basis as a minimum.



PENNSYLVANIA
AMERICAN WATER

2.) §78.51 Subchapter C

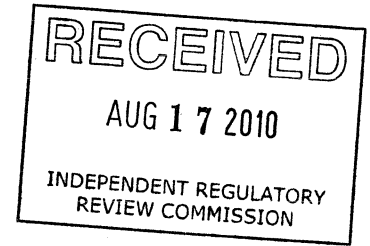
COMMENT – Clarification on the method to determine loss of quantity is needed. PAW recommends the Department consider a reduction in specific capacity as a determining factor for groundwater and a loss of safe yield for a surface supply.

3.) §78.75 a (a) and (c) Area of Alternative Method

COMMENT – the reference to the Department should be defined to include both the Bureau of Oil and Gas and the regional Bureau of Water Supply .

2857

From: Paul.Zielinski@amwater.com
Sent: Monday, August 09, 2010 9:35 PM
To: EP, RegComments
Subject: Comments to Chapter 78 Regulation Changes Proposal
Attachments: Comments to DEP July 21 2010.pdf



Attached please find the comments to be considered from Pennsylvania American Water Company.

Paul Zielinski
Sr. Director - Water Quality and Environmental Compliance
Pennsylvania American Water Company
800 West Hersheypark Drive
Hershey, PA 17033
Phone: 717-531-3308
Fax: 717-531-3314
Email: Paul.Zielinski@amwater.com