

2. Water system costs

The proposed Stage 2 DBPR applies to all community or nontransient noncommunity water systems that add a chemical disinfectant other than UV or distribute water that has been treated with a disinfectant other than UV. EPA has estimated the cost impacts for both types of public water systems. As shown in Tables VII-5 a and b, the total annualized present value costs for CWSs is approximately \$55.8 million and for NTNCWSs, \$2.2 million, using a three percent discount rate (\$60.8 million and \$2.2 million using a seven percent discount rate).

Although the number of systems adding treatment is small, treatment costs make up a significant portion of the total costs of the rule (more than 75 percent of total rule costs). Table VII-7 shows the baseline number of plants and the estimated percent of those plants adding treatment. The estimated percent of plants adding advanced treatment or converting to chloramines is 2.8 percent of all systems. A higher percentage of surface water plants are predicted to add treatment compared to ground water plants. However, the

baseline number of ground water plants is larger than that of surface water plants, so there is a larger number of ground water plants adding treatment. Subsection VII.F. provides a more detailed explanation of treatment changes that may occur as a result of the proposed rule.

All systems will incur costs for rule implementation. Some will need to conduct a one-time Initial Distribution System Evaluation (IDSE) and others (a different subgroup depending on the system size) may incur additional costs for routine DBP monitoring. Some systems may also have to conduct a peak excursion evaluation if single samples indicate high DBP levels.

Sixty-nine percent of surface water and 7 percent of ground water CWSs are predicted to conduct the IDSE monitoring. EPA estimates that a very small portion of systems (approximately 16 percent overall) will conduct additional routine monitoring beyond the Stage 1 DBPR requirements. However, fewer samples overall would be required if a population-based approach is implemented instead of the plant-based approach that is currently

being used to estimate monitoring costs. Section V describes the population-based approach in more detail and a discussion of how this approach may influence costs is provided in Appendix H of the EA (USEPA 2003i). A small percentage of systems (approximately 3.0 percent of surface water CWSs and 0 percent of ground water systems) are expected to experience significant excursions.

A complete discussion of the rule provisions is located in section V of this preamble; the *Stage 2 DBPR Economic Analysis* includes a complete analysis of rule impacts (USEPA 2003i). Table VII-8 summarizes the number of systems subject to non-treatment related rule activities. Column D indicates the number of systems expected to use the standard monitoring program to implement the IDSE. Column F indicates the number of systems expected to increase monitoring sites beyond that required by Stage 1. The last two columns show the number and percent of plants estimated to experience significant excursions each year.