



**PENNSYLVANIA**  
**AMERICAN WATER**

April 28, 2017

**VIA E-FILING**

Rosemary Chiavetta Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: General Base Rate Filing for Water Operations  
Docket No. R-2017-2595853

Dear Secretary Chiavetta:

It has come to our attention that there is a typographical error in the “plain English” version of the Statement of Reasons included with Pennsylvania-American Water Company’s (“PAWC” or the “Company”) rate filing made today at the above-referenced docket.

Accordingly, we are submitted a revised plain English Statement of Reason that we request be substituted for the one included in the Company’s filing. We are also filing a redlined version showing the change. As evidenced by the enclosed Certificate of Service, copies of the both the “clean” and redlined plain English Statement of Reasons are being served upon all of the same parties upon whom the Company served its rate filing. Thank you.

Sincerely,

Rod Nevirauskas  
Senior Director - Rates and Regulations

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania American Water Company: Docket No. R-2017-2595853

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing documents upon the following persons, in the manner indicated below:

**VIA ELECTRONIC AND FIRST CLASS MAIL**

John R. Evans

Office of Small Business Advocate  
Suite 202 - Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Richard Kanaskie, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

Paul Diskin, Director  
Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265


David F. Boehm Esquire  
Boehm Kurtz & Lowry  
2110 CBLD Center  
36 East Seventh Street  
Cincinnati, OH 45202

Tanya McCloskey, Acting Consumer Advocate  
Christine Maloni Hoover, Asst. Consumer  
Advocate

Office of Consumer Advocate  
555 Walnut Street  
Forum Place Fifth Floor  
Harrisburg, PA 17101-1923

Charis Mincavage  
McNees, Wallace & Nurick  
P. O. Box 1166  
100 Pine Street  
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Charles E. Rainey, Jr.  
Chief Administrative Law Judge  
Office of Administrative Law Judges  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17105-3265

X   
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Rod Nevirauskas  
Senior Director – Rates and Regulations  
Pennsylvania-American Water Company  
800 West Hersheypark Drive  
Hershey, PA 17033  
(717) 531-3340

Dated: April 28, 2017



## Statement of Reasons for the 2017 Rate Increase Request

We have asked the Pennsylvania Public Utility Commission (PUC) to approve a tariff that, if fully implemented, would increase Pennsylvania American's present annual operating water and wastewater revenues of \$107.9 million, or 16.4 percent. From our past experience, it is likely that the PUC will suspend and investigate this request and that any changes in rates are not likely to occur until January of 2018.

The primary reasons for the rate increase are as follows:

- The Company must construct and replace the treatment facilities, infrastructure and equipment needed to provide high-quality service and continue to meet state and federal drinking water and wastewater standards.
- Since Pennsylvania American's last base rate increase was approved in December 2013, Pennsylvania American will have invested over \$1.26 billion in system improvements. While customers are already enjoying the benefits of many of these improvements, only a portion of the cost to finance them is covered in the Company's current water service charges.
- Pennsylvania American is committed to investing in its water and wastewater treatment facilities and distribution and collection systems to replace aging infrastructure, to ensure service reliability, enhance water quality and increase fire protection for customers.
- To finance needed plant investments, the Company must be able to raise capital on reasonable terms. Unless adjusted, the Company's present rates will not ensure our ability to attract the capital necessary to continue to make the investments in infrastructure that will guarantee the highest quality service.



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