VOLUME 1

PENNSYLVANIA-AMERICAN WATER COMPANY

2020 GENERAL BASE RATE CASE R-2020-3019369 (WATER) R-2020-3019371 (WASTEWATER)

FILING LETTER, STATEMENT OF REASONS CUSTOMER NOTICE, PRESS RELEASE & TARIFF

FILING LETTER



Susan Simms Marsh Deputy General Counsel 852 Wesley Drive | Mechanicsburg, PA 17055 Phone: 717-550-1570 | Fax: 717-550-1255 Email: susan.marsh@amwater.com

<u>VIA</u> e-Filing

April 29, 2020

Rosemary Chiavetta, Secretary Commonwealth of Pennsylvania Pennsylvania Public Utility Commission Commonwealth Keystone Building, 2nd Floor 400 North Street Harrisburg, PA 17120

Re: General Base Rate Filing for Water Operations Docket No. R-2020-3019369

General Base Rate Filing for Wastewater Operations Docket No. R-2020-3019371

Dear Secretary Chiavetta:

Pursuant to Sections 1308, 1311(c) and 1330 of the Public Utility Code, 66 Pa.C.S. §§ 1308, 1311(c) and 1330, Pennsylvania-American Water Company ("PAWC" or the "Company") is herewith filing Supplement No. 19 to Tariff Water-PA P.U.C. No. 5 and Supplement No. 19 to Tariff Wastewater PA P.U.C. No. 16, each bearing a proposed effective date of June 28, 2020, along with testimony, supporting exhibits and standard data responses required to be submitted in conjunction with a tariff change seeking a general rate increase.

The Company is filing for an increase in water and wastewater rates based on a multi-year rate plan ending December 31, 2022. The request includes revenue increases totalling \$138.6 million over two years: \$92.4 million in 2021, and \$46.2 million in 2022.

The filing, submitted in compliance with the Pennsylvania Public Utility Commission's ("Commission") regulations set forth in 52 Pa. Code §§ 53.52 and 53.53, the Commission's Emergency Order at Docket No. M-2020-3019262 and recent directives related to e-Filing with the Secretary's Bureau consists of 21 volumes, and is organized as follows:

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Rosemary Chiavetta, Secretary Re: General Base Rate Filing for Water and Wastewater Operations April 29, 2020 Page 2

Book	Description
Volume 1 of 21	Filing Letter, Statement of Reasons, Customer Notice, Press Release, Tariff
Volume 2 of 21	Scope of Operations
Volume 3 of 21	Exhibit No. 3-A
Volume 4 of 21	Exhibit No. 3-B
Volume 5 of 21	Exhibit No. 3-C
Volume 6 of 21	Filing Requirements I-V
Volume 7 of 21	Filing Requirements VI-XI
Volume 8 of 21	Direct Testimony Statement Nos. 1-10
Volume 9 of 21	Statement No. 11, Exhibit No. 11-A
Volume 10 of 21	Exhibit No. 11-B
Volume 11 of 21	Exhibit Nos. 11-C, 11-D
Volume 12 of 21	Exhibit Nos. 11-E through 11-H
Volume 13 of 21	Exhibit Nos. 11-I, 11-J, 11-K, 11-L
Volume 14 of 21	Exhibit Nos. 11-M through 11-T
Volume 15 of 21	Exhibit Nos. 11-U through 11-X
Volume 16 of 21	Exhibit Nos. 11-Y through 11-AE
Volume 17 of 21	Statement No. 12, Exhibit Nos. 12-A, 12-B
Volume 18 of 21	Exhibit Nos. 12-C, 12-D, 12-E
Volume 19 of 21	Exhibit Nos. 12-F, 12-G, 12-H
Volume 20 of 21	Exhibits Nos. 12-I through 12-P
Volume 21 of 21	Statement No. 13, Exhibit No. 13-A

Notice of the aforementioned tariff filing was direct mailed to all customers on April 27, 2020. Copies of all such notices are attached hereto.

PAWC has made this filing available to the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Technical Utilities Services, the Commission's Bureau of Investigation & Enforcement as well as counsel for AK Steel and the Pennsylvania-American Water Large Users Group.

If you have any questions, please do not hesitate to contact me.

Sincerely, Susan Simma March

Susan Simms Marsh

Attachments

cc: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:
V.	: Docket Nos. R-2020-3019369 (Water) R-2020-3019371 (Wastewater)
Pennsylvania American Water Company	:

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 E-MAIL

Erin K. Fure, Asst. Small Business Advocate	Paul Diskin, Director
Daniel Asmus, Asst. Small Business Advocate	Bureau of Technical Utility Services
Office of Small Business Advocate	Pennsylvania Public Utility Commission
555 Walnut Street	Commonwealth Keystone Building
1 st Floor, Forum Place	400 North Street, 3 rd Floor West
Harrisburg, PA 17101	Harrisburg, PA 17120

Richard Kanaskie Director and Chief Prosecutor Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor West Harrisburg, PA 17120

on

Christine M. Hoover, Sr. Asst. Consumer Advocate Office of Consumer Advocate 555 Walnut Street 5th Floor, Forum Place Harrisburg, PA 17101-1923

VIA UPS OVERNIGHT DELIVERY

Adeolu A. Bakare, Esq. McNees, Wallace & Nurick 100 Pine Street Harrisburg, PA 17101 Counsel for Pennsylvania-American Large User Group

David F. Boehm, Esquire Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, OH 45202 Counsel for AK Steel

Supan Simma March

Susan Simms Marsh Deputy General Counsel Pennsylvania-American Water Company 852 Wesley Drive Mechanicsburg, PA 17055 (717) 550-1570

Dated: April 29, 2020

STATEMENT OF REASONS

PENNSYLVANIA-AMERICAN WATER COMPANY

STATEMENT OF SPECIFIC REASONS FOR PROPOSED INCREASE IN RATES

Pennsylvania-American Water Company ("PAWC" or the "Company") is filing herewith Original Tariff Water-Pa. P.U.C. No. 5 and Original Tariff Wastewater PA P.U.C. No. 16, which bear a proposed effective date of June 28, 2020, but may be suspended by operation of Section 1308(d) of the Pennsylvania Public Utility Code ("Code") until January 28, 2021. The rates proposed in those tariffs would increase the Company's total annual operating revenues by \$138.6 million over the two-year period of the multi-year rate plan proposed in this case. Specifically, the Company proposes a revenue increase in 2021 of approximately \$92.4 million, or 12.9%, and approximately \$46.2 million, or 5.8%, in 2022. The reasons for the proposed increase are summarized below.

RATE INCREASE

One of the factors accounting for the need for rate relief is the Company's substantial investment in new utility plant. The Company is planning to invest approximately \$1.16 billion in new utility plant during the period 2020 through 2022. Moreover, by the end of 2022, PAWC will have invested over \$1.64 billion in utility plant since its last general rate increase filing.

Absent rate relief, the Company's overall rate of return on an original cost basis will be only 6.31% and 5.62% as of December 31, 2021 and 2022, respectively. More significantly, the indicated return on common equity is anticipated to be 7.85% and 6.70% as of December 31, 2021 and 2022, respectively, which is obviously less than is required, by any standard, to permit a reasonable return on such common equity and to provide a reasonable opportunity for the Company to attract the additional capital required to finance needed plant additions.

Ms. Ann E. Bulkley, Senior Vice President of Concentric Energy Advisors and an expert on the subject of rate of return, has recommended an equity return rate of 10.80% and resulting overall return rates of 8.02% for Rate Year 1 and 7.95% for Rate Year 2, for the Company's water operations and resulting overall return rates of 7.46% for Rate Year 1 and 7.46% for Rate Year 2, for the Company's wastewater water operations. Ms. Bulkley's rate of return recommendations are being filed with the Company's supporting data as PAWC Statement No. 13 and Exhibit No. 13-A and may be summarized as follows:

	2021			2021 2022		
TYPE OF CAPITAL	RATIO	COST RATE	WEIGHTED COST RATE	RATIO	COST RATE	WEIGHTED COST RATE
Long Term Debt	43.88%	4.47%	1.96%	44.02%	4.35%	1.91%
Preferred Stock	0.06%	8.80%	0.01%	0.01%	9.70%	0.00%
Common Equity	56.06%	10.80%	6.05%	55.97%	10.80%	6.04%
Overall Rate of Return			8.02%			7.95%

WATER OPERATIONS

WASTEWATER (WW) OPERATIONS

	2021			2021 2022		
TYPE OF CAPITAL	RATIO	COST RATE	WEIGHTED COST RATE	RATIO	COST RATE	WEIGHTED COST RATE
Long Term Debt	39.44%	4.47%	1.76%	39.90%	4.35%	1.74%
WW-Specific LTD	10.14%	2.55%	0.26%	9.36%	2.60%	0.24%
Preferred Stock	0.05%	8.80%	0.00%	0.01%	9.70%	0.00%
Common Equity	50.37%	10.80%	5.44%	50.73%	10.80%	5.48%
Overall Rate of Return			7.46%			7.46%

The Company is filing herewith all of the supporting data required by the Pennsylvania Public Utility Commission's ("Commission") regulations. The Company is basing its claim principally on data for Rate Years 1 and 2 of its proposed multi-year rate plan, which is explained below, and, therefore, the discussion that follows will primarily address such data.

Pursuant to Section 1330, which was added to the Code by Act 58 of 2018 ("Act 58"), the Company is employing in this case a multi-year rate plan encompassing the twelve months ending December 31, 2021 (Rate Year 1) and the twelve months ending December 31, 2022 (Rate Year 2). The Company is providing supporting data based on an historic test year ("HTY") ended December 31, 2019, a future test year ("FTY") ending December 31, 2020, Rate Year 1, and Rate Year 2. The revenue and expense data for Rate Year 1 and Rate Year 2 have been prepared in a manner substantially consistent with the Company's most recent (2017) general rate filing and in accordance with the accepted practices of the Commission.

To establish anticipated operating revenues under the proposed rates, operating revenues for the HTY were adjusted: (1) to annualize various rate changes and to annualize additional revenues obtained from acquisitions of water and wastewater systems; (2) to reflect the trend of declining per-customer consumption; and (3) to reflect changes in the number of customers and usage by specific customers during the HTY, FTY, Rate Year 1, and Rate Year 2.

After extensive and careful review of the Company's accounts, actual operating expenses for the HTY were adjusted to reflect currently effective and anticipated changes in expense levels, as summarized in Exhibit No. 3-A, through December 31, 2022. Such adjustments capture, among other things, increases in labor (salaries and wages), changes in production costs, insurance, and maintenance costs. Operating revenue deductions other than expenses have also been adjusted to reflect changes in taxes other than income taxes, including the General Assessments for the Commission, the Damage Prevention Committee, the Office of Consumer Advocate and the Office of Small Business Advocate. Federal and state income taxes have been calculated on a pro forma basis to reflect the effect on the Company's taxable income at the proposed rates, the various expense adjustments made for ratemaking purposes and the use of currently effective state and federal income tax rates. The Company will fully reflect the effect of changes in the Internal Revenue Code made by the 2017 Tax Cuts and Jobs Act ("TCJA") and also proposes to flow back to customers excess accumulated deferred income taxes created by the reduction in the federal corporate income tax rate from 35% to 21% and the regulatory liability it recorded to reflect the effect of TCJA tax changes for the period January through June 30, 2018.

Annual depreciation charges included for ratemaking for major plant accounts have been calculated using the straight-line remaining life method. Provision has also been made for the deferred federal income taxes resulting from the use of the Accelerated Cost Recovery System for qualifying property additions, in accordance with the provisions of the Economic Recovery Tax Act of 1981, from the use of the Modified Accelerated Cost Recovery System for qualifying property additions, in accordance with the Tax Reform Act of 1986, from the TCJA, and from repair costs that can be deducted for income tax purposes but are capitalized for book accounting purposes.

After making the proper allowances for all necessary adjustments to determine the appropriate levels of revenue and expense for ratemaking purposes, the Company's anticipated operating income under the proposed Rate Year 1 and Rate Year 2 rates will be:

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	Rate Year 1	Rate Year 2
Operating Revenues (000's)	\$807,907	\$848,727
Operating Revenue Deductions (000's)	<u>\$492,708</u>	<u>\$511,253</u>
Operating Income (000's)	\$315,199	\$337,474

The rate base elements that are submitted as part of this filing reflect the original cost of the Company's utility plant, as taken from its continuing property records, together with additions and retirements that occurred and are anticipated to occur each year from January 1, 2020 through December 31, 2022. The Company's claim for accrued depreciation applicable to original cost has been determined on the basis of the ratemaking book reserve, consistent with the procedures approved by the Commission in the past. As previously noted, the resulting claim for depreciated utility plant in service encompasses the Company's planned investment of approximately \$1.16 million in new and acquired utility plant during the FTY, Rate Year 1, and Rate Year 2.

From the depreciated utility plant in service figures, the Company has deducted contributions-in-aid-of-construction, customer advances for construction and excluded property. Also deducted is the net cash working capital amount of long-term debt interest and preferred stock dividends accrued prior to payment, unamortized investment tax credits generated prior to 1971, extension deposits in suspense, contributions-in-aid-of-construction and customer advances for construction associated with the acquisition of the water assets of the former Citizens Utilities Water Company of Pennsylvania, the regulatory liability recorded for federal income tax savings associated with the TCJA for the period January 1, 2018 through June 30, 2018, other deductions, and the accumulated balance of deferred taxes attributable to accelerated depreciation and capitalized repair deductions. In addition, allowances for materials and supplies, cash working

capital, prepaid taxes net of accrued taxes, and the unamortized portion of the Company's investment in certain property obtained through acquisitions are reflected in the Company's rate base claim. As so developed, the estimated original cost measure of value at December 31, 2022 is \$4,286,996,302.

Additionally, as part of its rate filing, the Company is seeking approval to implement a Regionalization and Consolidation Surcharge and a tracking mechanism for the expenses it incurs to provide pension and other post-employment benefits to its employees. The Regionalization and Consolidation Surcharge is a rate mechanism designed to adjust the Company's rates between base rate cases to reflect the additional costs it will incur to acquire water and wastewater systems under the statutory framework the General Assembly added to the Code by Act 12 of 2016. The tracking mechanism for pension and other post-employment benefit costs is designed to assure that the Company recovers neither more nor less than its actual costs to provide those benefits to its employees. The tracking mechanism will identify and record differences between actual costs the Company incurs and the amounts included in its base rates. The net difference recorded by the Company in the tracking account would be reflected in determining the Company's base rates in a subsequent base rate case.

It is evident from the information furnished above and from the voluminous supporting data filed by the Company with its proposed water and wastewater tariffs that the proposed rate increase is just and reasonable and represents the minimum rate increase necessary to enable the Company to earn a reasonable return on the fair value of its property used and useful in the public service and to maintain the integrity of its existing capital.

RATE STRUCTURE

As part of its supporting data, the Company has submitted, in Exhibits No. 12 A-H, Cost of Service Studies performed by the engineering firm of Gannett Fleming Valuation and Rate Consultants, Inc. The results of the Cost of Service Studies were one of the factors considered by the Company in developing its rate structure proposal. The principal elements of that proposal consist of the following:

- The consolidation of rate zones, where possible, such that the rates charged customers are the same regardless of geographic location;
- An increase in the low-income discount for water and wastewater customers;
- An increase of monthly service charges to be more in line with customer costs;
- The combining of a portion of the revenue requirement for wastewater operations with the revenue requirement for water operations pursuant to Section 1311(c), which was also added to the Code by Act 11 of 2012;
- A change in annual public fire hydrant rates to reflect 25% of the cost of public fire protection service, pursuant to Section 1328 of the Code; and
- The allocation of the requested rate increase in a manner designed to realign revenues by major customer classes to be more commensurate with the indicated cost of service.

CONCLUSION

In summary, the proposed increase in revenues is the minimum increase necessary to permit the Company to preserve public health and safety and to maintain the integrity of its existing capital, attract additional necessary capital at reasonable costs and have an opportunity to actually achieve a fair rate of return, particularly on its common equity capital. For these and the other reasons set forth above, the proposed rates should be permitted to become effective as filed.

CUSTOMER NOTICE



On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your water rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78
Industrial	404,500 gallons	\$3,827.01	\$4,190.58	\$4,471.88

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your water bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



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If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78
Industrial	404,500 gallons	\$3,827.01	\$4,190.58	\$4,471.88

If the company's request is approved, the typical wastewater bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$60.42	\$71.97	\$76.85
Commercial	23,692 gallons	\$290.66	\$335.50	\$361.69
Industrial	404,500 gallons	\$4,573.05	\$5,286.00	\$5,693.00

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your water and wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

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ACTIONS YOU CAN TAKE

- Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell 1. the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
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Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2	
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73	
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78	

If the company's request is approved, the typical <u>wastewater</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$44.58	\$53.53	\$63.04
Commercial	23,692 gallons	\$227.00	\$273.90	\$325.68

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- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



Dear Customer:

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RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

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If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78
Industrial	404,500 gallons	\$3,827.01	\$4,190.58	\$4,471.88

If the company's request is approved, the typical wastewater bill would change as outlined in this chart;

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$40.55	\$44.44	\$44.87
Commercial	23,692 gallons	\$214.58	\$249.30	\$253.23
Industrial	404,500 gallons	\$3,567.61	\$4,196.38	\$4,267.71

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your water and wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

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RATE REQUEST

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If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

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Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78

If the company's request is approved, the typical <u>wastewater</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$50.87	\$71.97	\$76.85
Commercial	23,692 gallons	\$290.66	\$335.50	\$361.69

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

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If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78

If the company's request is approved, the typical <u>wastewater</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$74.03	\$71.97	\$76.85
Commercial	23,692 gallons	\$360.95	\$335.50	\$361.69

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If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$57.85	\$65.91	\$69.73
Commercial	23,692 gallons	\$277.88	\$317.63	\$339.78
Industrial	404,500 gallons	\$3,827.01	\$4,190.58	\$4,471.88

If the company's request is approved, the typical wastewater bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$42.72	\$71.97	\$76.85
Commercial	23,692 gallons	\$286.37	\$335.50	\$361.69
Industrial	404,500 gallons	\$4,475.26	\$5,286.00	\$5,693.00

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Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
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If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

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Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$33.28	\$49.06	\$69.73
Commercial	3,458 gallons	\$33.28	\$49.06	\$69.73

If the company's request is approved, the typical <u>wastewater</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$60.42	\$71.97	\$76.85
Commercial	3,458 gallons	\$63.13	\$72.45	\$78.41

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ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



Dear Customer:

On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your water and wastewater rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in these charts:

If the company's request is approved, the typical <u>water</u> bill would change as outlined in this chart:

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Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$45.40	\$65.91	\$69.73
Commercial	23,692 gallons	\$161.79	\$230.83	\$339.78

If the company's request is approved, the typical <u>wastewater</u> bill would change as outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$52.04	\$71.97	\$76.85
Commercial	23,692 gallons	\$285.21	\$335.50	\$361.69

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your water and wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your water rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$29.30	\$35.17	\$41.00
Commercial	23,692 gallons	\$199.61	\$239.54	\$279.28
Industrial	404,500 gallons	\$3,302.42	\$3,962.90	\$4,620.85

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your water bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



Dear Future Pennsylvania American Water Customer:

As you may be aware, Pennsylvania American Water has been acting as Receiver of the Winola Water Company since December 2018 pursuant to a proceeding before the Pennsylvania Public Utility Commission (PUC). As part of that proceeding, Pennsylvania American Water and Winola Water Company are currently negotiating an agreement for Pennsylvania American Water to purchase Winola Water Company's water system. If that sale is approved by the PUC and completed, you will become a Pennsylvania American Water water customer.

On April 29, 2020, Pennsylvania American Water filed a request with the PUC to increase water and wastewater rates as of June 28, 2020. This requested increase could affect your future water rates as a Pennsylvania American Water customer. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure. Pennsylvania American Water anticipates investing in new plant and equipment to enhance service to customers of the Winola Lakes Company when the sale of that company's water system to Pennsylvania American Water is completed.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Water Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$33.23	\$33.23	\$33.23
Commercial	23,692 gallons	\$33.23	\$33.23	\$33.23

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your future Pennsylvania American Water wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your wastewater rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$60.42	\$71.97	\$76.85
Commercial	23,692 gallons	\$290.66	\$335.50	\$361.69
Industrial	404,500 gallons	\$4,573.05	\$5,286.00	\$5,693.00

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your wastewater rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
All customers on a sand mound	\$52.93	\$71.97	\$76.85
All customers not on a sand mound	\$72.80	\$71.97	\$76.85

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your wastewater rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$51.75	\$71.97	\$76.85
Commercial	23,692 gallons	\$322.63	\$335.50	\$361.69

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

The state agency that approves rates for regulated public utilities is the PUC. The PUC will review and investigate the requested rate increase. Pennsylvania American Water must prove that the requested rates are reasonable. After examining the evidence, the PUC might grant all, some, or none of the request, or it might reduce existing rates. As a result, the final effect on your bill might be different than the company's request.

ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2. Attend or present testimony at a PUC public input hearing. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania American Water's rate request and if there is enough interest in the case. At these hearings, you can present your views to the PUC judge and to company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



On April 29, 2020, Pennsylvania American Water filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your wastewater rates as of June 28, 2020. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$41.82	\$71.97	\$76.85
Commercial	23,692 gallons	\$253.22	\$335.50	\$361.69

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

PUC ROLE

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ACTIONS YOU CAN TAKE

- 1. Send a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
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- **3.** File a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all the hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before June 28, 2020. If no one files a formal complaint, the Commission may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website at www.puc.state.pa.us.



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Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$74.03	\$71.97	\$76.85
Commercial	23,692 gallons	\$360.95	\$335.50	\$361.69

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

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Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$42.72	\$71.97	\$76.85
Commercial	23,692 gallons	\$286.37	\$335.50	\$361.69
Industrial	404,500 gallons	\$4,475.26	\$5,286.00	\$5,693.00

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

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Dear Future Pennsylvania American Water Wastewater Customer:

As you may be aware, Pennsylvania American Water and Kane Borough Authority have entered into an agreement for Pennsylvania American Water to purchase Kane Borough Authority's wastewater system. That transaction is currently before the Pennsylvania Public Utility Commission (PUC) for approval and once the sale is completed, you will become a Pennsylvania American Water wastewater customer.

On April 29, 2020, Pennsylvania American Water filed a request with the PUC to increase water and wastewater rates as of June 28, 2020. This requested increase could affect your future wastewater rates as a Pennsylvania American Water wastewater customer. A full investigation of this request could delay the change until January 2021. This notice describes our request, the PUC's role, and what actions you can take.

RATE REQUEST

Pennsylvania American Water is requesting an overall rate increase of \$138.6 million over two years for all of its water and wastewater operations. The year one requested increase is \$92.4 million, and the year two increase is \$46.2 million. From 2019 through 2022, Pennsylvania American Water will have invested approximately \$1.64 billion to improve service reliability, water quality and fire protection for more than 400 communities across the Commonwealth.

These investments include necessary upgrades to treatment facilities, storage tanks, wells and pumping stations to ensure that its systems meet all regulatory standards. Pennsylvania American Water will also have replaced approximately 427.5 miles of aging pipeline, as well as valves, service lines and other parts of its 11,371-mile network of water and sewer lines. By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure. Pennsylvania American Water anticipates investing in new plant and equipment to enhance service to customers of the Kane Borough Authority when the sale of the Authority's wastewater system to Pennsylvania American Water is completed.

This filing includes a request for approval of the following alternative rate mechanisms in accordance with 66 Pa. C.S. § 1330: a multi-year rate plan with new rates projected to become effective January 2021 and January 2022, a Regionalization and Consolidation Surcharge, and an expense tracker to record increases or decreases in the cost of the Company's pension and other post-employment benefits. If the multi-year rate plan is approved as filed, the estimated impact on your monthly bill is outlined in this chart:

Customer Class	Average Usage/Month	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
Residential	3,458 gallons	\$50.73	\$61.89	\$74.05
Commercial	23,692 gallons	\$194.27	\$237.02	\$283.57
Industrial	404,500 gallons	\$3,236.51	\$3,948.55	\$4,724.66

If the Regionalization and Consolidation Surcharge and expense tracker are approved as filed, the immediate impact on your rates would be 0%. Beginning April 1, 2021, the Regionalization and Consolidation Surcharge may increase your rates once a year on April 1, up to a cumulative amount of 5%. The expense tracker would not affect your rates until Pennsylvania American Water files its next base rate case. Pennsylvania American Water's filing with the PUC also requests a combined revenue requirement for the company's water and wastewater operations as authorized by legislation enacted in 2012.

To find out more about how the request might affect your future Pennsylvania American Water wastewater bill, please contact Pennsylvania American Water's customer service center at 1-800-565-7292. You can also find the rates requested by Pennsylvania American Water in Original Tariff Water PA PUC No. 5, and Original Tariff Wastewater PA PUC No. 16 on our website at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water and Wastewater Rates." You can also review the material filed with the PUC at our office at 852 Wesley Drive, Mechanicsburg, PA 17055. In addition, you can request that we mail you a copy of Pennsylvania American Water's Statement of Reasons, which is a plain language summary of why we are requesting the rate change.

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Dear Future Pennsylvania American Water Wastewater Customer:

As you may be aware, Pennsylvania American Water and Delaware Sewer Company have entered into an agreement for Pennsylvania American Water to purchase Delaware Sewer Company wastewater system. That transaction has been approved by the Pennsylvania Public Utility Commission (PUC) and once the sale is completed, you will become a Pennsylvania American Water wastewater customer.

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Customer Class	Current Monthly Wastewater Bill	Proposed Rate Year 1	Proposed Rate Year 2
All Customer Classes	\$95.52	\$71.97	\$76.85

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PRESS RELEASE





Pennsylvania American Water Submits Multi-Year Rate Request to Pennsylvania Public Utility Commission

Request driven by \$1.64 billion invested to address aging water and wastewater infrastructure; Company proposing enhancements to customer financial assistance program

MECHANICSBURG, Pa. (April 29, 2020) – Pennsylvania American Water today filed a request with the Pennsylvania Public Utility Commission (PUC) to adjust its water and wastewater rates over a two-year period following an extensive review of the investment needed to ensure continued safe and reliable water and wastewater service.

"Since our last rate case, we will have invested \$1.64 billion in infrastructure upgrades, including replacing more than 427 miles of aging water and sewer pipelines and upgrading treatment facilities, storage tanks, wells and pumping stations," said Mike Doran, president of Pennsylvania American Water. "These infrastructure investments help ensure continued water quality, service reliability and fire protection for the more than 2.4 million people in 400 communities who depend on us every day."

The request includes revenue increases totaling \$138.6 million over two years: \$92.4 million in 2021, and \$46.2 million in 2022.

"Not only are these investments critical to the public's health and safety, but they also support the economic health of the communities we serve," Doran continued. "This level of investment over a four-year period supports more than 25,000 jobs across the state and region."

Pennsylvania American Water's rates are based on the actual cost of providing water and wastewater service. To help mitigate the impact to customers, the company works to control costs and operate efficiently and offers bill assistance and payment arrangements to customers who need them. Through its <u>H2O Help to Others Program™</u>, the company provides financial assistance to low-income customers who qualify, including emergency grants, bill discounts and water-saving devices and education.

"By making prudent, ongoing investments to maintain and upgrade our water and wastewater systems, Pennsylvania American Water is committed to protecting our communities from public health concerns and quality of life issues associated with failing infrastructure," said Doran. "At the same time, we remain steadfastly committed to addressing the needs of our most vulnerable customers."

The PUC's investigation and analysis of the company's filing can take up to nine months, and any new rates set by the Commission would not be effective until 2021.

Press Release



If the company's proposed rates are approved as requested, the monthly water bill for the average residential customer using 3,458 gallons per month would increase from the current charge of \$57.85 to \$65.91 in year one and \$69.73 in year two. The average monthly residential sewer bill would increase from \$60.42 to \$71.97 in year one and \$76.85 in year two.

Doran emphasized that Pennsylvania American Water has been responding to the hardships the COVID-19 pandemic is causing for residents and businesses. He underscored that the company has been extensively evaluating its future investment needs since long before the pandemic began, and that any new rates will not take effect until early 2021. As part of this request, the company is proposing enhancements to its customer assistance program to further help water and wastewater customers in greatest need.

"We understand and wish to be responsive to the current environment caused by the pandemic, but we also remain focused on meeting the future needs of our customers through sound infrastructure and public health protection," Doran continued. "I want to emphasize that this request is in no way related to the pandemic and is entirely based on our need to continue ongoing infrastructure improvements. We will work with the Commission to address any issues they raise while they review our request."

For more information on the company's rate proposal and to find out what actions customers may take, call customer service at 1-800-565-7292 or visit <u>pennsylvaniaamwater.com</u> and select "Your Water and Wastewater Rates" under the Customer Service menu.

About Pennsylvania American Water

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly traded water and wastewater utility company. The company employs more than 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit <u>amwater.com</u> and follow American Water on <u>Twitter</u>, <u>Facebook</u> and <u>LinkedIn</u>.

Media Contacts: Northeast PA:	Susan Turcmanovich C: 570-332-6726	n, External Affairs Manager E: <u>susan.turcmanovich@amwater.com</u>
Southeast/Central PA:	Maggie Sheely, Exte C: 717-317-3762	rnal Affairs Manager E: <u>maggie.sheely@amwater.com</u>
<u>Western PA</u> :	Gary Lobaugh, Exter C: 724-873-3674	nal Affairs Manager E: <u>gary.lobaugh@amwater.com</u>

SUPPLEMENT NO. 19 TO TARIFF WATER - PA PUC NO. 5 (CLEAN)

Supplement No. 19 to Tariff Water-PA P.U.C. No. 5

PENNSYLVANIA-AMERICAN WATER COMPANY (hereinafter referred to as the "Company") D/B/A Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,

BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,

CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,

LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,

NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,

UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES. (C)

Issued: April 29, 2020

Effective: June 28, 2020

Issued by: F. Michael Doran, President Pennsylvania American Water 852 Wesley Drive Mechanicsburg, PA 17055

https://www.amwater.com/paaw/

NOTICE

This tariff proposes increases in rates and changes in rules and regulations of service. (Refer to pages 1, 2, 4, 5, 6, 10, 11, 13, 14, 16, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 17, 20, 21, 23, 24, 29, 30, 31, 32, 35, 40, 40.1, 40.2, 50, 52, 56, 64, 65, 73)

LIST OF CHANGES

Increases/Decreases

This tariff provides for uniform rates by customer class for Rate Zone 1, Rate Zone 2 (Winola), Rate Zone 3 (McEwensville), Rate Zone 4 (Turbotville) and Rate Zone 5 (Steelton) water sales customers, private fire service and excluding public fire service.

This tariff provides for an additional reduction to base rates for low-income customers.

Resale, Electric Generation and Industrial Standby rates have been changed.

Public Fire – The rate for all public fire hydrants added after January 1, 2000 have been changed, such that the rate will remain at 25% the cost of service. Bradford Township, Turbotville and Steelton public fire hydrant rates have been consolidated into the statewide rate.

Private Fire – The rates for metered and unmetered private fire service have been increased. The Steelton unmetered private fire service and Qualified Private Fire Hydrant rates have been consolidated to the statewide rates.

The Distribution System Improvement Charge will be reduced to zero.

The Company is eliminating the Tax Cuts and Jobs Act Voluntary Surcharge.

The Company is adding a Regionalization and Consolidation Surcharge which will be initially set to 0.00%. Please refer to pages 40 through 40.2.

Changes

Title Page – Added Wyoming County for the acquisition of Winola Water Company.

Page 10, 11, 13, 14 – Territories Served is updated for the Winola future acquisition and for changes in Rate Zones.

Original Page 16 is added for Residential rates which were formerly shown on Page 16.1.

Page 16.1 is changed to Commercial, Municipal and Other Water Utilities rates.

Page 16.4 – Rate Zone 2 (Nittany, Sutton Hills, All Seasons, Balsinger and Berry Hollow) has been rolled into Rate Zone 1. Page 16.4 now contains Rate Zone 2 (Winola).

Page 29 – The Steelton District separate unmetered private fire service and qualified private fire hydrant rates are removed.

Page 30 – The Steelton District separate metering equipment language is removed and the statewide metering equipment language will apply.

Page 32 – The Bradford Township, Turbotville and Steelton separate public fire hydrant rates are removed.

Page 35 – Rate Zone – 2, Winola was added to the systems not included in the DSIC.

Page 40 – The Company is eliminating the Tax Cuts and Jobs Act Voluntary Surcharge. Page 40 is replaced with the Regionalization and Consolidation Surcharge, which continues through Page 40.2.

Page 50 – The Company is modifying the language to Rule 6.3, Meter Test Fees.

Page 52 – The Company is adding Rule 7.8, Landlord Assumption of Responsibility.

Page 56 – The Company is modifying the language to Rule 8.5, Application for Public Fire Hydrant Service.

Page 64 and 65 – The Company is modifying the language to Rule 15, Liability of the Company and is eliminating Rules 15.1, 15.2 and 15.3.

Page 73 – The position name for the Company witness is changed.

(C)

(C)

(C)

(C)

(C)

(C)

(C)

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(C)

PENNSYLVANIA-AMERICAN WATER COMPANY

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Effective Date: June 28, 2020

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Portions of the Township of Salem

Wayne County

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Northeastern Pennsylvania

<u>Abington District</u> – Rate Zone 1 and Rate Zone 2 (Winola) Lackawanna County	(C)
The Boroughs of Clarks Green, Clarks Summit and Dalton and the Townships of Waverly and Glenburn and adjacent territory in South Abington and Abington Townships <i>Wyoming County</i> Township of Overfield	(C) (C)
Bangor Water District Northampton County The Boroughs of Bangor and Roseto and the Townships of Plainfield, Upper Mt. Bethel and Washington and portions of the Township of Lower Mt. Bethel.	(C)
<u>Blue Mountain Lake District</u> <i>Monroe County</i> The Townships of Smithfield and Stroud	
<u>Lehman Pike District</u> <i>Pike County</i> Portions of the Townships of Delaware, Lehman and West Fall	(C)
<u>Mid-Monroe District</u> <i>Monroe County</i> Township of Middle Smithfield	
Nazareth District Monroe County The Townships of Hamilton and Ross Northampton County The Boroughs of Nazareth, Pen Argyl, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Nazareth, Palmer, Plainfield and Upper Nazareth	
Poconos District Lackawanna County Portions of the Township of Jefferson Monroe County The Borough of Mount Pocono, the Township of Coolbaugh and the Village of Tobyhanna	

(C) means Change

TERRITORIES SERVED

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Northeastern Pennsylvania (cont'd)

Scranton District

Lackawanna County

The Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, North Abington, Scott, South Abington and a portion of the Township of Roaring Brook and Fell

Susquehanna County

The Borough of Forest City
Wayne County

The Village of Browndale (Clinton Township)

Susquehanna District

Susquehanna County

The Boroughs of Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland

Wilkes-Barre District

Luzerne County

(C)

The Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Fairview, Hanover, Hunlock, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Wilkes-Barre, Wright, and portions of the Townships of Conyngham, Jackson and Union.

Southeastern Pennsylvania

Coatesville District

Chester County

The City of Coatesville, Parkesburg and South Coatesville and portions of the Townships of Atglen, Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury *Lancaster County*

The Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury

Glen Alsace District

Berks County

The Borough of St. Lawrence and the Townships of Amity and Exeter and portions of Earl and Ruscombmanor

Norristown District

Montgomery County

The Boroughs of Bridgeport and Norristown and portions of the Townships of East Norriton, East Pikeland, Lower Providence, Perkiomen, Plymouth, Upper Merion, West Norriton, Whitemarsh, Whitpain and Worcester and portions of Skippack

(C) means Change

TERRITORIES SERVED

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania (cont'd)

Indiana District

Indiana County

The Borough of Indiana and the Township of White

Kane District

McKean County

The Borough of Kane and the Township of Wetmore

Kittanning District

Armstrong County

The Boroughs of Applewold and Kittanning and portions of the Townships of Manor and Rayburn

Mon-Valley District

Allegheny County

The City of Clairton, the Boroughs of Dravosburg, Elizabeth, Glassport, Liberty, Lincoln, Jefferson and West Elizabeth and the Townships of Elizabeth and Forward

Washington County

The City of Monongahela, the Borough of New Eagle and the Township of Carroll

New Castle District

Lawrence County

The City of New Castle and the Boroughs of New Beaver and South New Castle and the Townships of Hickory, Neshannock, Shenango, Taylor and Union; and portions of the Townships of Mahoning and North Beaver

Philipsburg District

Centre County

The Boroughs of Philipsburg and South Philipsburg and the portions of Townships of Boggs, Rush and Walker *Clearfield County*

The Boroughs of Chester Hill, Osceola Mills and Wallaceton and the Townships of Boggs, Bradford, Graham and Morris and a portion of the Township of Decatur.

Clinton County

Portions of the Township of Porter

Pittsburgh District

Allegheny County

The City of Pittsburgh [29th, 30th, 31st and 32nd wards and portions of the 16th, 18th, 19th, 20th and 28th wards], the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Green Tree, Heidelburg, Homestead, Ingram, Jefferson, Mount Oliver, Oakdale, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Mt. Lebanon, Scott, South Fayette, South Park, Union and Upper St. Clair and portions of Cecil, Peters, Robinson and Nottingham Townships.

Washington County

The Borough of Finleyville and the Township of Union

(C) means Change

(C)

(C)

TERRITORIES SERVED

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania (cont'd)

Punxsutawney District

Jefferson County

The Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young

Uniontown District

Fayette County

(C)

The City of Uniontown and the Townships of Dunbar, German, Menallen, North Union and South Union

<u>Warren District</u>

Warren County

The Borough of Warren and portions of the Townships of Conewango, Glade, Meade and Pleasant

Washington/McDonald

Allegheny County

Portions of the Township of North Fayette

Beaver County

The Borough of Frankfort Springs and the Township of Hanover

Washington County

The City of Washington and the Boroughs of Burgettstown, Canonsburg, Claysville, East Washington, Houston, McDonald, Midway and West Middletown and the Townships of Amwell, Canton, Chartiers, Cross Creek, Hopewell, Independence, Jefferson, Mount Pleasant, North Franklin, North Strabane, South Strabane and portions of the Townships of Buffalo, Cecil, Donegal, East Finley, Fallowfield, Hanover, Morris, Nottingham, Peters, Robinson, Smith, Somerset and South Franklin

(C) means Change

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE FOR RESIDENTIAL RATE CLASS

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential Class.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For Residential Rate Class

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge per Month					
	<u>2021</u>		<u>2022</u>			
5/8 inch	\$18.00	(I)	\$18.50	(I)		
3/4 inch	\$18.00	(D)	\$18.50	(I)		
1 inch	\$18.00	(D)	\$18.50	(I)		
1-1/2 inch	\$18.00	(D)	\$18.50	(I)		
2 inch	\$118.50	(I)	\$121.80	(I)		
3 inch	\$221.00	(I)	\$227.10	(I)		
4 inch	\$277.40	(I)	\$285.10	(I)		
6 inch	\$415.20	(I)	\$426.70	(I)		
8 inch	\$803.90	(I)	\$826.20	(I)		

Consumption Charges For Residential Class:

The following rates shall apply per 100 gallons:

	<u>2021</u>	<u>2022</u>
All Usage:	\$1.3854 (I)	\$1.4815 (I)

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE FOR COMMERCIAL, MUNICIPAL AND OTHER WATER UTILITY RATE CLASSES (C)

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Commercial, Municipal and Other Water Utility Classes. (C)

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates. (C)

RATE

Service Charge For Commercial, Municipal and Other Water Utility Rate Classes (C) The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

	Service Charge Per Month			Service Charge Per Month				
Size of Meter	Except Othe	r Wa	ater Utilities		Other Water	Util	<u>ities Group A &</u>	B
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
5/8 inch	\$18.00	(I)	\$18.50	(I)	\$26.20	(I)	\$26.90	(I)
3/4 inch	\$27.30	(I)	\$28.10	(I)	\$39.30	(I)	\$40.40	(I)
1 inch	\$45.40	(I)	\$46.70	(I)	\$65.60	(I)	\$67.40	(I)
1-1/2 inch	\$74.10	(I)	\$76.20	(I)	\$130.90	(I)	\$134.50	(I)
2 inch	\$118.50	(I)	\$121.80	(I)	\$209.60	(I)	\$215.40	(I)
3 inch	\$221.00	(I)	\$227.10	(I)	\$392.70	(I)	\$403.60	(I)
4 inch	\$277.40	(I)	\$285.10	(I)	\$654.70	(I)	\$672.90	(I)
6 inch	\$415.20	(I)	\$426.70	(I)	\$1,309.10	(I)	\$1,345.50	(I)
8 inch	\$803.90	(I)	\$826.20	(I)	\$2,095.60	(I)	\$2,153.80	(I)
10 inch	\$1,164.20	(I)	\$1,196.50	(I)	\$3,010.90	(I)	\$3,094.50	(I)
12 inch	\$1,667.50	(I)	\$1,713.80	(I)	\$4,320.00	(I)	\$4,440.00	(I)

Consumption Charges For Commercial, Municipal and Other Water Utilities Rate Classes: (C) 0004

The following rates shall apply per 100 gallons:

5 11 51 65 5	2021		2022	
Commercial				
First 16,000 gallons	\$1.3854	(I)	\$1.4815	(I)
All in excess of 16,000 gallons	\$1.0136	(I)	\$1.0951	(I)
Municipal				
First 16,000 gallons	\$1.4742	(I)	\$1.5037	(I)
All in excess of 16,000 gallons	\$0.8890	(I)	\$0.9068	(I)
Other Water Utilities				
Group A All at	\$0.7220	(I)	\$0.7710	(I)
Group B All at	\$1.2480	(I)	\$1.4180	(I)
	(I) m	eans Inc	rease and	(C) means Change

Issued: April 29, 2020

Effective Date: June 28, 2020

SCHEDULE OF RATES

RATE ZONE 1- GENERAL METERED SERVICE FOR INDUSTRIAL RATE CLASS

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Industrial Class.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For Industrial Rate Class

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge per Month					
	<u>2021</u>		<u>2022</u>			
5/8 inch	\$25.40	(I)	\$26.10	(I)		
3/4 inch	\$38.10	(I)	\$39.20	(I)		
1 inch	\$63.60	(I)	\$65.40	(I)		
1-1/2 inch	\$127.10	(I)	\$130.60	(I)		
2 inch	\$203.40	(I)	\$209.10	(I)		
3 inch	\$381.40	(I)	\$392.00	(I)		
4 inch	\$635.60	(I)	\$653.30	(I)		
6 inch	\$1,271.20	(I)	\$1,306.50	(I)		
8 inch	\$2,034.30	(I)	\$2,090.80	(I)		
10 inch	\$2,923.40	(I)	\$3,004.60	(I)		
12 inch	\$4,195.80	(I)	\$4,312.40	(I)		

Consumption Charges For Industrial Rate Class

The following rates shall apply per 100 gallons per month:

	2021	2022	
Industrial			
First 16,000	\$1.2796 (I) \$1.3680	(I)
Next 584,000	\$0.9736 (I) \$1.0409	(I)
All In Excess of 600,000	\$0.7658 (I) \$0.8187	(I)
Industrial Curtailment*			
First 16,000	\$1.2796 (I) \$1.3680	(I)
Next 584,000	\$0.9736 (I) \$1.0409	(I)
Next 14,400,000	\$0.7658 (I) \$0.8187	(I)
All In Excess of 15,000,000	\$0.4676 (I) \$0.4999	(I)
	•		

* Subject to the availability criteria and terms and conditions of the Industrial Curtailment Rate of this tariff, the foregoing rates shall apply per 100 gallons per month for service provided under the Industrial Curtailment Rate.

(I) means increase

2022

SCHEDULE OF RATES

<u>RATE ZONE 1 – GENERAL UNMETERED SERVICE</u> <u>FOR THE RESIDENTIAL CLASS</u>

APPLICABILITY

The rate under this schedule applies throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a customer in the Residential Class that is added to the Company's service territory through an acquisition and does not have a meter at the customer's service address on the date of closing of such acquisition.

UNMETERED SERVICE

All water supplied by the Company under this rate schedule will be unmetered. However, the Company may install a meter of appropriate size at the customer's premise based on the Company's meter installation schedule as determined by the Company. Upon installation of a meter at the customer's service address by the Company, a customer will no longer be eligible for this rate schedule and will be charged a service charge based on the size of meter required to render adequate service along with a charge for consumption usage based upon the applicable Rate Zone's metered rates in effect for the residential class.

RATE

The following monthly rate for service shall apply:

2021: \$65.91 per month (I)

2022: \$69.73 per month (I)

(I) means Increase

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SCHEDULE OF RATES

RATE ZONE 2 – GENERAL UNMETERED SERVICE (C)

APPLICABILITY

The rates as set forth below apply in the Winola service territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

UNMETERED SERVICE

All water supplied by the Company under this rate schedule will be unmetered. However, the Company may install a meter of appropriate size at the customer's premise based on the Company's meter installation schedule as determined by the Company.

RATE

Service Charge For All Rate Classes

The following monthly rate for service shall apply:

2021: \$33.23 per month 2022: \$33.23 per month

(C) means Change

SCHEDULE OF RATES

RATE ZONE 3 – GENERAL METERED SERVICE

APPLICABILITY

The rates as set forth below apply in the McEwensville service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial and Municipal Classes. (C)

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	<u>R</u> e	esidentia	l		Commerc	cial ar	nd Municipal	
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
5/8 inch	\$18.00	(I)	\$18.50	(I)	\$18.00	(I)	\$18.50	(I)
3/4 inch	\$18.00	(D)	\$18.50	(I)	\$27.30	(I)	\$28.10	(I)
1 inch	\$18.00	(D)	\$18.50	(I)	\$45.40	(I)	\$46.70	(I)
1-1/2 inch	\$18.00	(D)	\$18.50	(I)	\$74.10	(I)	\$76.20	(I)
2 inch	\$118.50	(I)	\$121.80	(I)	\$118.50	(I)	\$121.80	(I)
3 inch	\$221.00	(I)	\$227.10	(I)	\$221.00	(I)	\$227.10	(I)
4 inch	\$277.40	(I)	\$285.10	(I)	\$277.40	(I)	\$285.10	(I)
6 inch	\$415.20	(I)	\$426.70	(I)	\$415.20	(I)	\$426.70	(I)
8 inch	\$803.90	(I)	\$826.20	(I)	\$803.90	(I)	\$826.20	(I)
10 inch					\$1,164.20	(I)	\$1,196.50	(I)
12 inch					\$1,667.50	(I)	\$1,713.80	(I)

Consumption Charges For Residential, Commercial and Municipal Rate Classes:

The following rates shall apply per 100 gallons:

		<u>2021</u>		<u>2022</u>	
Resid	ential				
	All Usage	\$0.8983	(I)	\$1.4815	(I)
Comn	nercial				
	First 16,000 gallons	\$0.8983	(I)	\$1.4815	(I)
	All in excess of 16,000 gallons	\$0.8983	(I)	\$1.0951	(I)
Munic	ipal				
	First 16,000 gallons	\$0.8983	(I)	\$1.5037	(I)
	All in excess of 16,000 gallons	\$0.8983	(I)	\$0.9068	(I)

(I) means Increase, (C) means Change and (D) means Decrease

(C)

Issued: April 29, 2020

SCHEDULE OF RATES

RATE ZONE 4 – GENERAL METERED SERVICE

APPLICABILITY

The rates as set forth below apply in the Turbotville service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, shall be metered. All meters shall be read monthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter		<u>sidential</u>				ial and	<u>Municipal</u>	
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
5/8 inch	\$18.00	(D)	\$18.50	(I)	\$18.00	(D)	\$18.50	(I)
3/4 inch	\$18.00	(D)	\$18.50	(I)	\$27.30	(D)	\$28.10	(I)
1 inch	\$18.00	(D)	\$18.50	(I)	\$45.40	(I)	\$46.70	(I)
1-1/2 inch	\$18.00	(D)	\$18.50	(I)	\$74.10	(I)	\$76.20	(I)
2 inch	\$118.50	(I)	\$121.80	(I)	\$118.50	(I)	\$121.80	(I)
3 inch	\$221.00	(I)	\$227.10	(I)	\$221.00	(I)	\$227.10	(I)
4 inch	\$277.40	(I)	\$285.10	(I)	\$277.40	(I)	\$285.10	(I)
6 inch	\$415.20	(I)	\$426.70	(I)	\$415.20	(I)	\$426.70	(I)
8 inch	\$803.90	(I)	\$826.20	(I)	\$803.90	(I)	\$826.20	(I)
10 inch					\$1,164.20	(I)	\$1,196.50	(I)
12 inch					\$1,667.50	(I)	\$1,713.80	(I)

Consumption Charges For Residential, Commercial and Municipal Rate Classes:

The following rates shall apply per 100 gallons:

nowing rates shall apply per 100 gallons.				
	<u>2021</u>		<u>2022</u>	
Residential				
All Usage	\$1.3854	(I)	\$1.4815	(I)
Commercial				
First 16,000 gallons	\$0.8983	(I)	\$1.4815	(I)
All in excess of 16,000 gallons	\$0.8983	(I)	\$1.0951	(I)
Municipal				
First 16,000 gallons	\$1.4742	(I)	\$1.5037	(I)
All in excess of 16,000 gallons	\$0.8890	(I)	\$0.9068	(I)

Effective Date: June 28, 2020

SCHEDULE OF RATES

RATE ZONE 5 - GENERAL METERED SERVICE FOR ALL RATE CLASSES

(C)

APPLICABILITY

The rates as set forth below apply in the Steelton service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers in all rate classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes except, Qualified Private Fire Hydrants and Public Fire Hydrants, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge per Month					
	2021	<u>2022</u>				
5/8 inch	\$17.74 (I)	\$20.68 (I)				
3/4 inch	\$17.74 (I)	\$20.68 (I)				
1 inch	\$38.84 (I)	\$45.29 (I)				
1-1/2 inch	\$69.95 (I)	\$81.56 (I)				
2 inch	\$101.04 (I)	\$117.81 (I)				
3 inch	\$229.27 (I)	\$267.33 (I)				
4 inch	\$299.42 (I)	\$349.12 (I)				
6 inch	\$479.08 (I)	\$558.61 (I)				
8 inch	\$695.96 (I)	\$811.49 (I)				
16 inch	\$1,391.93 (I)	\$1,391.93 (I)				
18 inch	\$1,565.92 (I)	\$1,565.92 (I)				
20 inch	\$1,739.90(I)	\$1,739.90(I)				

Consumption Charges For All Rate Classes:

The following rates shall apply per 100 gallons:

	<u>2021</u>		<u>2022</u>	
All Customers				
First 1,700 gallons	Service Charge		Service Charge	
Next 18,300 gallons	\$0.9912	(I)	\$1.1557	(I)
Next 30,000 gallons	\$1.0944	(I)	\$1.2761	(I)
All over 50,000 gallons per month	\$0.9456	(I)	\$1.1026	(I)

(D)

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of 150% based on the Federal Poverty Level. To remain eligible for this rate, such customer must continually make timely payments on the discounted bills.

RATE

The rates for the service charge or minimum bill under this tariff will be 15% of the prevailing service charge or minimum bill in the rate zone where service is rendered.

The rate for water usage shall be billed at **90%** of the existing rates applicable to the rate zone where service is rendered.

(D) means Decrease

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a new industrial customer that has an alternative supply source or an existing industrial customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must execute a Service Agreement with the Company for a period of not less than two years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of supplement 49 to Tariff Water Pa. P.U.C. No. 4 (August 28, 1998).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis, an interruptible basis or combinations thereof. Customers electing to receive Standby Service on an interruptible basis will be subject to the same Terms and Conditions of curtailment as set forth in the Industrial Curtailment Rate.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The sum of the customer's nominated firm and interruptible Maximum Day Demands shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for the industrial rate classification.

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm and interruptible standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	Firm Sta	andby	Service		Interruptible	Stand	by Service	
	2021		2022		2021		2022	
Average Day Demand	\$21.3886	(I)	\$22.9815	(I)	\$5.7193	(I)	\$5.9974	(I)
Maximum Day Demand	\$2.8460	(I)	\$3.0741	(I)	\$0.9174	(I)	\$0.9598	(I)
Maximum Hour Demand	\$31.6855	(I)	\$34.0885	(I)	\$5.4191	(I)	\$5.7385	(I)

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE (CONT'D)

RATE (cont'd)

Consumption Charges

In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	Zone 1 Industrial Rates	
Next gallons - Firm Average Day Demand Nomination multiplied by the days during the standby event	2021: \$0.0664 per hundred gallons 2022: \$0.0680 per hundred gallons	(I) (I)
Next gallons - Interruptible Average Day Demand Nomination multiplied by the days during the standby event	2021: \$0.9031 per hundred gallons 2022: \$0.9754 per hundred gallons	(I) (I)
All amounts above sum of previously described amounts	2021: \$1.3854 per hundred gallons 2021: \$1.4815 per hundred gallons	(I) (I)

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm and interruptible standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

(I) means Increase

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a new customer that has an alternative supply or an existing customer that develops or obtains a new source of supply. To obtain service under this rate, the customer must purchase water from the Company for resale or electric generation purposes and execute a Service Agreement with the Company for a period of not less than ten years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of supplement 49 to Tariff Water Pa. P.U.C. No. 4 (August 28, 1998).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The customer's nominated firm Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for the customer's rate classification.

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Stand</u>	by Servic	ce	
	2021	-	2022	
Average Day Demand	\$21.3886	(I)	\$22.9815	(I)
Maximum Day Demand	\$2.8460	(I)	\$3.0741	(I)
Maximum Hour Demand	\$31.6855	(I)	\$34.0885	(I)

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE (CONT'D)

RATE (cont'd)

Consumption Charges

In addition to the Service Charge and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	Applicable Zone 1 Industrial Rates	
Next gallons - Firm Average Day Demand Nomination multiplied by the days during the standby event	2021: \$0.0664 per hundred gallons 2022: \$0.0680 per hundred gallons	(I) (I)
All amounts above sum of previously described amounts	2021: \$1.3854 per hundred gallons 2021: \$1.4815 per hundred gallons	(I) (I)

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nomination of firm standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service. Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

Use in Excess of Contractual Demands. If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

(I) means Increase

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page

AVAILABILITY

The rates under this schedule are available to any existing unmetered private fire service customer who continues to utilize the service connection solely for fire prevention purposes in connection with the customer's fire sprinkler system, standpipe connection, or any other emergency or fire protection facilities.

RATE

Service Charge

The following shall apply based on the size of service line connection required to render adequate service, as determined by the Company:

Size of Connection				
<u>with Main</u>	Service (Charg	<u>e per Month</u>	
	<u>2021</u>		<u>2022</u>	
1 inch	\$5.09	(I)	\$5.37	(I)
1-1/4 inch	\$5.09	(I)	\$5.37	(I)
1-1/2 inch	\$7.33	(I)	\$7.73	(I)
2 inch	\$13.04	(I)	\$13.76	(I)
3 inch	\$29.65	(I)	\$31.28	(I)
4 inch	\$52.19	(I)	\$55.06	(I)
6 inch	\$118.60	(I)	\$125.12	(I)
8 inch	\$211.10	(I)	\$222.71	(I)
10 inch	\$329.69	(I)	\$347.82	(I)
12 inch	\$474.38	(I)	\$500.47	(I)

[Separate rate deleted]

Qualified Private Fire Hydrants

Service under this classification is subject to regulations set forth in Section 2.11 "Qualified Private Fire Hydrants".

Qualified Private Fire Hydrants \$26.87 per month

[Separate rate deleted]

(I) means Increase and (C) means Change

(C)

(C)

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – UNMETERED (CONT'D)

TERMS AND CONDITIONS

Billing. Bills for unmetered private fire service and Qualified Private Fire Hydrants will be rendered monthly in arrears.

Inspection. The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours' notice and shall permit inspection thereof to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof. The Company shall have the right to install a consumption detection device on the service line or use other investigative measures to determine whether the service line is being utilized for purposes other than fire protection.

Metering Equipment. Whenever, inspection of consumption detection devices on the service line or other investigative measures, indicate the service connection is being utilized for purposes other than fire protection, the Company will require the installation of a meter of appropriate size, and shall charge for service at the rates set forth under the Company's metered private fire service.

[Paragraph deleted]

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – METERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to a customer that has existing private fire services that were previously unmetered and subsequently became metered in accordance with the terms and conditions of the rate schedule "Private Fire Service – Unmetered".

RATE

Size of Connection				
<u>with Main</u>	Mini	mum per	<u>Month</u>	
	<u>2021</u>		<u>2022</u>	
1 inch	\$41.68	(I)	\$43.97	(I)
1-1/4 inch	\$41.68	(I)	\$43.97	(I)
1-1/2 inch	\$59.54	(I)	\$62.81	(I)
2 inch	\$95.28	(I)	\$100.52	(I)
3 inch	\$178.63	(I)	\$188.45	(I)
4 inch	\$223.30	(I)	\$235.58	(I)
6 inch	\$334.95	(I)	\$353.37	(I)
8 inch	\$513.58	(I)	\$541.83	(I)
10 inch	\$722.00	(I)	\$761.71	(I)
12 inch	\$1,083.3	• •	\$1,142.9	• •
		()	. ,	.,
SPRINKLERED RISK -	Minimum o	harge	2021: \$62.	14 (I)
Including 200 Heads		0	2022: \$65.	• • •
C				()
SPRINKLERED RISK -	Over 200 H	Heads	2021: \$0.1	6 (I)
Per Head			2022: \$0.1	
				()
STANDPIPE SERVICE			2021: \$48.3	31 (I)
_			2022: \$50.9	• • •
			====: +•••	- (-)

TERMS AND CONDITIONS

Amount of Use. If the service is utilized as a general water service line as indicated by a continuing use of water in excess of 10,000 gallons per month for a period of three or more consecutive months, the customer shall be transferred to the Company's general service rate schedule and the minimum rate by size of meter will apply to this service in addition to the consumption charge.

(I) means Increase

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers with applications accepted by the Company under Section 8.5 of this tariff. Service under this classification is subject to regulations set forth in Section No. 8 "Public Fire Hydrants".

RATE

Replacement of existing public fire hydrants with Company owned public fire hydrants will in all circumstances be charged at a rate of \$240.00 per annum or \$20 per month unless stated otherwise below.

The annual charge for each public fire hydrant is \$240.00 per annum or \$20.00 per month except as noted below:

All hydrants added after January 1, 2000, will be billed at 25% of the cost of service or as follows:

\$16.87 per month in 2021 (D) \$17.80 per month in 2022. (I)

<u>Municipalities</u>	Monthly Char Public Fire H		
	2021	2022	
[Separate rate deleted]			(C)
Brownsville Area	\$17.55		(I)
California Area	\$18.05	\$18.05	
Reading Area	\$18.19	\$18.19	
[Separate rate deleted]			(C)
[Separate rate deleted]			(C)

Effective Date: June 28, 2020

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

EXCEPT PUBLIC FIRE PROTECTION

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all bills rendered (D) with an ending read date on and after the Effective Date shown on the bottom of this page. This charge applies to all Rate Zones except **Rate Zone 2 – Winola**, Rate Zone 4 – Turbotville and (C) Rate Zone 5 – Steelton.

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 36, 37 and 38 of this tariff.

(C) means Change and (D) means Decrease

(C)

PENNSYLVANIA-AMERICAN WATER COMPANY

[TCJA Voluntary Surcharge eliminated] (C)

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE

1. General Description

Purpose: To recover the revenue deficiency created by the acquisition of water and wastewater utilities acquired at their fair market value pursuant to 66 Pa. C.S. § 1329 in order to further the regionalization and consolidation of water and wastewater systems throughout the Commonwealth.

Effective Date: The RCS will become effective for bills rendered on and after [date].

2. Computation of the RCS

Calculation: The RCS will be updated annually to reflect eligible acquisitions closed during the twelvemonth period ending three months prior to the effective date of each RCS update. Thus, changes in the RCS rate will occur as follows:

> Effective Date of Change April 1

Date to which RCS-Eligible Acquisitions Reflected December 31

The revenue deficiency of eligible fair market value acquisitions will consist of depreciation, pre-tax return, operation and maintenance expenses, including taxes other than income, less revenues at present rates from the acquired system, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the Commission-approved cost of RCS-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of RCS-eligible property is recorded, unless the Commission approves different depreciation rates.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the period ending three months prior to the effective date of the RCS and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the RCS. If more than two years shall have elapsed between the entry of such a final order and the effective date of the RCS, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Operation and Maintenance Expenses: The operation and maintenance (O&M) expenses will be determined by multiplying the Company's current per-customer O&M expense by the number of customers of the acquired system. The Company's current per-customer O&M expense will be determined by dividing the Company's total O&M expenses by the Company's total number of customers, both as shown in the most recent Annual Report to the Commission.

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

2. Computation of the RCS (cont'd)

RCS Amount: The RCS will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service, the State Tax Adjustment Surcharge (STAS), and the Distribution System Improvement Charge (DSIC). To calculate the RCS, the annual acquisition-related revenue requirement deficiency will be divided by the Company's projected revenue for sales of water and wastewater (including all applicable clauses and riders) for the annual period during which the charge will be collected, exclusive of revenues from customers acquired under 66 Pa. C.S. § 1329 since the last base rate case, public fire protection service, the STAS and the DSIC.

Formula: The formula for calculation of the RCS surcharge is as follows:

RCS =	(RMRB * PTRR)+Dep+O&M + <u>e</u> PAR PAR
Where:	
RMRB	The ratemaking rate base as established in the 66 Pa. C.S. § 1329 proceeding, net of accumulated depreciation since acquisition.
PTRR	 Pre-tax return rate applicable to RCS-eligible property.
Dep	 Depreciation expense related to RCS-eligible property.
O&M	= Operation and maintenance expenses including taxes other than income.
е	 Amount calculated (+/-) under the annual reconciliation feature or Commission Audit as described below.
PAR	= Projected annual revenues for service (including all applicable clauses and riders) from existing water and wastewater customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period, will be based on the applicable twelve-month period, including any revenue from acquired companies that are now being charged the rates of the acquiring company, and excluding any revenue from systems acquired pursuant to 66 Pa. C.S. §1329 since the Company's last base rate case.
A non col l lo de	tee. Currenting data for each annual undate will be filed with the Commission

Annual Updates: Supporting data for each annual update will be filed with the Commission and served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate at least sixty (60) days prior to the effective date of the update.

3. Safeguards

Cap: The RCS will be capped at 5.00% of the amount billed to water and wastewater customers under otherwise applicable rates and charges.

SCHEDULE OF RATES REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

3. Safeguards, cont'd

Audit/Reconciliation: The RCS will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with this tariff shall be credited to applicable customer accounts. It will also be subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the RCS to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the RCS for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307 (e), over a one-year period commencing April 1 of each year, or in the next quarter if permitted by the Commission. If RCS revenues exceed RCS-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an over-collection. The Company is not permitted to accrue interest on under collections.

New Base Rates: The RCS charge will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had theretofore been recovered under the RCS. Thereafter, only the revenue requirement deficiency of new eligible acquisitions, that have not previously been reflected in the Company's rate base, would be reflected in the annual updates of the RCS.

All Customer Classes: The RCS shall be applied equally to all customer classes exclusive of customers acquired under 66 Pa. C.S. § 1329 since the Company's last base rate proceeding.

Earning Reports: The charge will also be reset at zero if, at the time of the annual update, the data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency under the RCS as described in the Pre-tax return section. The Company shall file a tariff supplement implementing the reset of the RCS to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency.

Customer Notice: Customers shall be notified of changes in the RCS by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the RCS rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the RCS rate is reset to zero. The utility shall refund any over collection to customers and is entitled to recover any under collections as set forth in Section 3 – Audit Reconciliation. Once the Company determines the specific amount of the residual over or under collection amount after the RCS rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (60) days prior to the effective date of the supplement.

Public Fire Protection: The RCS will not apply to public fire protection customers.

RULES AND REGULATIONS

6. Meter Tests

6.1 Meter Tests

The Company may at any time remove any meter for routine tests, repairs or replacement and may, at its option and expense, test any meter when it has reason to believe that the meter is registering inaccurately.

6.2 Request Tests

Any Customer may request the Company to make a special test of the accuracy of a meter, which test will be made in accordance with 52 Pa. Code § 65.8. The test of a meter requested by a Customer may be witnessed by the Customer or his duly authorized representative.

6.3 Meter Test Fees

(C)

When the Company makes a special test of the accuracy of a meter at the Customer's request and the meter is found upon said test to be inaccurate according to the standard percentage variable set forth in 52 Pa. Code § 65.8, there shall be no meter test fee paid by the Customer and the Customer's bill shall be adjusted in accordance with 52 Pa. Code § 65.9. When for the Company makes a special test of the accuracy of a meter at the Customer's request and the meter is found upon said test to be accurate according to the standard percentage variable set forth in 52 Pa. Code § 65.8, the following meter fees shall apply in accordance with 52 Pa. Code § 65.8.

Size of Meter Fee for Test

5/8" to 1" inclusive	As currently in effect
1-1/4" to 2"	As currently in effect
Larger than 2"	As currently in effect

(C) means Change

RULES AND REGULATIONS

7. Credit (cont'd)

7.3 Customer's Deposit (cont'd):

(c) Residential (cont'd):

(3) Prior to reconnection of service, deposits may be required from a Residential Applicant or Residential Customer whose service was terminated for any of the following reasons: (a) nonpayment of an undisputed delinquent account; (b) failure to complete payment of a deposit, providing a guarantee or establish credit; (c) failure to permit access to meters, service connections or other property of Company for the purpose of replacement, maintenance, repair or meter reading; (d) Unauthorized Use of Service on or about the affected

dwelling; (e) failure to comply with the material terms of a settlement or payment arrangement; (f) fraud or material misrepresentation of identity for the purposes of obtaining utility service; (g) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment; or (h) violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's water distribution system.

7.4 Deposit Amount

For Residential Applicants or Customers, the cash deposit required shall be in an amount equal to 1/6 of an Applicant's or Customer's estimated annual bill at the time the Company determines the deposit is required. For Non-Residential Applicants or Customers, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule.

7.5 Return of Deposit for Current Service

Deposits secured from Non-Residential Customers will be returned when the Customer discontinues service and has no unpaid bills or at the Company's discretion. Deposits secured from Residential Customers shall be returned to the depositor when the Customer has paid all bills for service in full and on time for twelve (12) consecutive months.

7.6 Interest on Deposits for Current Service

Interest on deposits will be accrued until is returned to the Customer. Interest for all Customer deposits shall be computed at the rate governed by 66 Pa. C.S. §1404(c)(6). On deposits held for more than a year, the Company will pay to the depositor, at the end of each calendar year, the interest accrued thereon. Deposits shall cease to bear interest upon termination or discontinuance of the service covered by the deposit.

7.7 Payment Period for Deposits

Any Non-Residential Applicant or Customer shall pay the required deposit in full prior to the provision of service. Any Residential Applicant or Customer shall have up to 90 days to pay the deposit in full and may elect to pay the required deposit in three installments: 50% billed upon the determination that the deposit is required; 25% billed 30 days after the determination; and 25% billed 60 days after the determination. The Residential Applicant or Customer may elect to pay the deposit in full before the due date.

7.8 Landlord Assumption of Responsibility

(C)

If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

(C) means Change

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RULES AND REGULATIONS

8. Public Fire Hydrants (cont'd)

8.5 Application for Public Fire Hydrant Service (cont'd)

Eighth: The Applicant agrees to provide any permits required by the Applicant relative to this application for public fire hydrant(s) contracted for or its future replacement.

IN WITNESS WHEREOF the Applicant through a duly authorized official has hereunto signed this Application the day and year first above written.

WITNESS APPLICANT

_____ By_____

IN WITNESS WHEREOF the Water Company hereby accepts the foregoing Application this day of

_____, 20___.

WITNESS PENNSYLVANIA-AMERICAN WATER COMPANY

____ By__

Authorized Representative

[End of Application]

(C)

RULES AND REGULATIONS

15. Liability of Company

(C)

In accordance with the Public Utility Code, the Company will provide service which shall be reasonably continuous and without unreasonable interruptions or delay, but the Company does not guarantee a continuous, uninterrupted, or regular supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system.

The Company shall not be considered an insurer of property or persons or to have undertaken to extinguish fire or to protect persons or property against loss or damage by fire or otherwise.

The Company shall not be liable to any Customer or third party for any loss or damage due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents:

(1) where the loss or damage involves an act of God, accident, strike, storm, riot, fire, flood, epidemic, pandemic, or any other cause beyond the Company's control;

(2) where the loss or damage does not involve a duty of the Company, its employees or agents, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in facilities of other utilities located in the same trench or in the Customer's own service line, meter vault, pressure reducing valve, back flow prevention device, check valve, pressure relief valve, or any other control valve, internal plumbing or fixture, or any other device installed on the customer facility, or due to the materials out of which those facilities are made;

(3) where the loss or damage does not involve a breach of a duty of the Company, its employees or agents, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a vault, meter pit, curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, facility owner or other person or event; or

(4) where the claim involves strict products liability, breach of contract, or breach of actual or implied warranties of merchantability or fitness for a particular purpose, express or implied.

The Company has limited liability for a service termination performed at the request of a municipality or municipal authority conducted pursuant to 53 P.S. § 3102.501 et seq. or any agreement executed thereunder; all such requests shall be deemed reasonable and proper by the Company without further inquiry. If the Company is found liable for any damages caused by terminating service pursuant to an agreement executed under the law, liability shall be limited to the customer charge for the period in question.

RULES AND REGULATIONS

15. Liability of Company (Cont'd)

(C)

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of the Company are in conformity with the regulations and Orders of the Commission, the Company may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory **order** with the Commission.

The liability of the Company to any Customer or third party for any loss or damages due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents, shall be limited to and in no event exceed the lesser of \$1,000 or an amount equivalent to 1/4 the average charge of four billing periods to the Customer for the period of service during which such loss or damage occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred. In no case shall the Company's aggregate liability for multiple claims arising from a single alleged negligent, reckless or intentional act exceed \$100,000. In no event shall the Company be liable for direct, extraordinary, special or consequential damages (including, but not limited to, lost profits) arising in any manner whatsoever.

The Customer will indemnify, defend and hold harmless the Company against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner caused by or resulting from the supply or use of water by the Customer at or on the Customer's side of the point of delivery.

16. General

16.1 Interference with Facilities

No person shall turn the water on or off at any street valve, corporation stop, curb valve or other street connection or disconnect or remove any meter without the consent of the Company. The control of the water supply by the Customer shall be by means of a separate stop and waste valve.

16.2 Inspection of Premises

All service pipes, meters and fixtures, including any and all fixtures within the premise receiving the supply of water, shall, at all reasonable hours, be subject to inspection by any duly authorized employee of the Company.

16.3 Construction of Company Facilities

Water used for construction of Company Facilities (for example flushing a new water main installation), where water service is temporarily furnished or utilized for the construction of Company facilities, shall wherever practical, be supplied through a meter at a rate equal to the production cost of water established in the most recent rate filing of the Company.

16.4 Company Right of Access

The Company's authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, including meters, service connections and other property owned by it on the premises of the Customer, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, for disconnecting service for any proper cause, or for purposes of replacement, maintenance, operation or repair thereof.

(C) means Change

	RULES AND REGULATIONS
	21. Qualified Private Fire Hydrant (cont'd)
21.2	Application for Qualified Private Fire Hydrant (cont'd)
	IN WITNESS WHEREOF the Applicant has hereunto signed name the day and year first above written.
	WITNESS:
	(Applicant) APPROVED
	WITNESS:
	(Chief of Fire Department) of
	IN WITNESS WHEREOF the Water Company hereby accepts the foregoing application this day of, 20
	WITNESS: PENNSYLVANIA-AMERICAN WATER COMPANY
	Authorized Representative (C)
	[End of Application]

SUPPLEMENT NO. 19 TO TARIFF WATER - PA PUC NO. 5 (REDLINE)

Supplement No. 19 to Tariff Water-PA P.U.C. No. 5 (Redlined Version)

PENNSYLVANIA-AMERICAN WATER COMPANY (hereinafter referred to as the "Company") D/B/A Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,

BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,

CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,

LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,

NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,

UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES. (C)

Issued: April 29, 2020

Effective: June 28, 2020

Issued by: F. Michael Doran, President Pennsylvania American Water 852 Wesley Drive Mechanicsburg, PA 17055

https://www.amwater.com/paaw/



This tariff proposes increases in rates and changes in rules and regulations of service. (Refer to pages 1, 2, 4, 5, 6, 10, 11, 13, 14, 16, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 17, 20, 21, 23, 24, 29, 30, 31, 32, 35, 40, 40.1, 40.2, 50, 52, 56, 64, 65, 73)

LIST OF CHANGES

Increases/Decreases

This tariff provides for uniform rates by customer class for Rate Zone 1, Rate Zone 2 (Winola), Rate Zone 3 (McEwensville), Rate Zone 4 (Turbotville) and Rate Zone 5 (Steelton) water sales customers, private fire service and excluding public fire service.

This tariff provides for an additional reduction to base rates for low-income customers.

Resale, Electric Generation and Industrial Standby rates have been changed.

Public Fire – The rate for all public fire hydrants added after January 1, 2000 have been changed, such that the rate will remain at 25% the cost of service. Bradford Township, Turbotville and Steelton public fire hydrant rates have been consolidated into the statewide rate.

Private Fire – The rates for metered and unmetered private fire service have been increased. The Steelton unmetered private fire service and Qualified Private Fire Hydrant rates have been consolidated to the statewide rates.

The Distribution System Improvement Charge will be reduced to zero.

The Company is eliminating the Tax Cuts and Jobs Act Voluntary Surcharge.

The Company is adding a Regionalization and Consolidation Surcharge which will be initially set to 0.00%. Please refer to pages 40 through 40.2. This addition has not been red-lined.

Changes

Title Page – Added Wyoming County for the acquisition of Winola Water Company.

Page 10, 11, 13, 14 – Territories Served is updated for the Winola future acquisition and for changes in Rate Zones.

Original Page 16 is added for Residential rates which were formerly shown on Page 16.1.

Page 16.1 is changed to Commercial, Municipal and Other Water Utilities rates.

Page 16.4 – Rate Zone 2 (Nittany, Sutton Hills, All Seasons, Balsinger and Berry Hollow) has been rolled into Rate Zone 1. Page 16.4 now contains Rate Zone 2 (Winola).

Page 29 – The Steelton District separate unmetered private fire service and qualified private fire hydrant rates are removed.

Page 30 – The Steelton District separate metering equipment language is removed and the statewide metering equipment language will apply.

Page 32 – The Bradford Township, Turbotville and Steelton separate public fire hydrant rates are removed.

Page 35 – Rate Zone – 2, Winola was added to the systems not included in the DSIC.

Page 40 – The Company is eliminating the Tax Cuts and Jobs Act Voluntary Surcharge. Page 40 is replaced with the Regionalization and Consolidation Surcharge, which continues through Page 40.2.

Page 50 – The Company is modifying the language to Rule 6.3, Meter Test Fees.

Page 52 – The Company is adding Rule 7.8, Landlord Assumption of Responsibility.

Page 56 – The Company is modifying the language to Rule 8.5, Application for Public Fire Hydrant Service.

Page 64 and 65 – The Company is modifying the language to Rule 15, Liability of the Company and is eliminating Rules 15.1, 15.2 and 15.3.

Page 73 – The position name for the Company witness is changed.

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Supplement No. 19

First Revised Page

Fourteenth Revised Page

Fourteenth Revised Page

Twelfth Revised Page

Second Revised Page

Second Revised Page First Revised Page

Third Revised Page

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Second Revised Page

Second Revised Page

First Revised Page Second Revised Page

First Revised Page

PENNSYLVANIA-AMERICAN WATER COMPANY

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(I) means Increase, ((C) means Ch	nange and (D) means Decrease

Effective Date: June 28, 2020

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(C) means Change

TERRITORIES SERVED

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<u>Northeastern Pennsylvania</u> <u>Abington District – Rate Zone 1 and Rate Zone 2</u>

(Winola) Lackawanna County The Boroughs of Clarks Green, Clarks Summit and Dalton and the Townships of Waverly and Glenburn and	(C)
adjacent territory in South Abington and Abington Townships Wyoming County Township of Overfield	(C) (C)
Bangor Water District Northampton County – Rate Zone 1 and Rate Zone 2 (Berry Hollow) The Boroughs of Bangor and Roseto and the Townships of Plainfield, Upper Mt. Bethel and Washington and portions of the Township of Lower Mt. Bethel.	(C)
Blue Mountain Lake District Monroe County The Townships of Smithfield and Stroud	
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Poconos District Lackawanna County Portions of the Township of Jefferson Monroe County The Borough of Mount Pocono, the Township of Coolbaugh and the Village of Tobyhanna Wayne County Portions of the Township of Salem	
(C) means Change	

TERRITORIES SERVED

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(C)

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Northeastern Pennsylvania (cont'd)

Scranton District

Lackawanna County

The Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, North Abington, Scott, South Abington and a portion of the Township of Roaring Brook and Fell

Susquehanna County

The Borough of Forest City *Wayne County* The Village of Browndale (Clinton Township)

Susquehanna District

Susquehanna County

The Boroughs of Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland

Wilkes-Barre District

Luzerne County - Rate Zone 1 and Rate Zone 2 (Sutton Hills)

The Cities of Nanticoke, Pittston and Wilkes-Barre, the Boroughs of Ashley, Avoca, Courtdale, Dallas, Dupont, Duryea, Edwardsville, Exeter, Forty Fort, Hughestown, Kingston, Laflin, Larksville, Laurel Run, Luzerne, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Fairview, Hanover, Hunlock, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Wilkes-Barre, Wright, and portions of the Townships of Conyngham, Jackson and Union.

Southeastern Pennsylvania

Coatesville District

Chester County

The City of Coatesville, Parkesburg and South Coatesville and portions of the Townships of Atglen, Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury *Lancaster County*

The Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury

Glen Alsace District

Berks County

The Borough of St. Lawrence and the Townships of Amity and Exeter and portions of Earl and Ruscombmanor

Norristown District

Montgomery County

The Boroughs of Bridgeport and Norristown and portions of the Townships of East Norriton, East Pikeland, Lower Providence, Perkiomen, Plymouth, Upper Merion, West Norriton, Whitemarsh, Whitpain and Worcester and portions of Skippack

(C) means Change

TERRITORIES SERVED

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania (cont'd)

Indiana District

Indiana County

The Borough of Indiana and the Township of White

Kane District

McKean County

The Borough of Kane and the Township of Wetmore

Kittanning District

Armstrong County

The Boroughs of Applewold and Kittanning and portions of the Townships of Manor and Rayburn

Mon-Valley District

Allegheny County

The City of Clairton, the Boroughs of Dravosburg, Elizabeth, Glassport, Liberty, Lincoln, Jefferson and West Elizabeth and the Townships of Elizabeth and Forward

Washington County

The City of Monongahela, the Borough of New Eagle and the Township of Carroll

New Castle District

Lawrence County

The City of New Castle and the Boroughs of New Beaver and South New Castle and the Townships of Hickory, Neshannock, Shenango, Taylor and Union; and portions of the Townships of Mahoning and North Beaver

Philipsburg District

Centre County-Rate Zone 1 and Rate Zone 2 (Nittany)

The Boroughs of Philipsburg and South Philipsburg and the portions of Townships of Boggs, Rush and Walker *Clearfield County*

The Boroughs of Chester Hill, Osceola Mills and Wallaceton and the Townships of Boggs, Bradford, Graham and Morris and a portion of the Township of Decatur.

Clinton County-Rate Zone 1 and Rate Zone 2 (Nittany)

Portions of the Township of Porter

Pittsburgh District

Allegheny County

The City of Pittsburgh [29th, 30th, 31st and 32nd wards and portions of the 16th, 18th, 19th, 20th and 28th wards], the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Green Tree, Heidelburg, Homestead, Ingram, Jefferson, Mount Oliver, Oakdale, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Mt. Lebanon, Scott, South Fayette, South Park, Union and Upper St. Clair and portions of Cecil, Peters, Robinson and Nottingham Townships.

Washington County

The Borough of Finleyville and the Township of Union

(C) means Change

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TERRITORIES SERVED

(By State Region and Company Water District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania (cont'd)

Punxsutawney District

Jefferson County

The Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young

Uniontown District

Fayette County – Rate Zone 1 and Rate Zone 2 (Balsinger) The City of Uniontown and the Townships of Dunbar, German, Menallen, North Union and South Union (C)

Warren District

Warren County

The Borough of Warren and portions of the Townships of Conewango, Glade, Meade and Pleasant

Washington/McDonald

Allegheny County

Portions of the Township of North Fayette

Beaver County

The Borough of Frankfort Springs and the Township of Hanover

Washington County

The City of Washington and the Boroughs of Burgettstown, Canonsburg, Claysville, East Washington, Houston, McDonald, Midway and West Middletown and the Townships of Amwell, Canton, Chartiers, Cross Creek, Hopewell, Independence, Jefferson, Mount Pleasant, North Franklin, North Strabane, South Strabane and portions of the Townships of Buffalo, Cecil, Donegal, East Finley, Fallowfield, Hanover, Morris, Nottingham, Peters, Robinson, Smith, Somerset and South Franklin

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE FOR RESIDENTIAL RATE CLASS

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential Class.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For Residential Rate Class

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge per Month			
	<u>2021</u>		<u>2022</u>	
5/8 inch	<u>\$18.00</u>	(I)	<u>\$18.50</u>	(I)
3/4 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)
1 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)
1-1/2 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)
2 inch	<u>\$118.50</u>	(I)	<u>\$121.80</u>	(I)
3 inch	<u>\$221.00</u>	(I)	<u>\$227.10</u>	(I)
4 inch	<u>\$277.40</u>	(I)	<u>\$285.10</u>	(I)
6 inch	<u>\$415.20</u>	(I)	<u>\$426.70</u>	(I)
8 inch	<u>\$803.90</u>	(I)	<u>\$826.20</u>	(I)

Consumption Charges For Residential Class:

The following rates shall apply per 100 gallons:

	<u>2021</u>	<u>2022</u>
All Usage:	<u>\$1.3854</u> (I)	<u>\$1.4815</u> (I)

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE

FOR COMMERCIAL, MUNICIPAL AND OTHER WATER UTILITY RATE CLASSES (C)

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Municipal and Other Water Utility Classes. (C)

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, except Industrial, Qualified Private Fire Hydrants and Public Fire Hydrants, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates. (C)

RATE

Service Charge For Commercial, Municipal and Other Water Utility Rate Classes

(C)

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge Pe Except Other Wate 2021		Service Charge P Other Water Utiliti 2021	
5/8 inch 3/4 inch 1 inch 1-1/2 inch 2 inch 3 inch 4 inch 6 inch	$\begin{array}{c cccc} \$18.00 & (I) \\ \$27.30 & (I) \\ \$45.40 & (I) \\ \$74.10 & (I) \\ \$118.50 & (I) \\ \$221.00 & (I) \\ \$277.40 & (I) \\ \$415.20 & (I) \end{array}$	$\begin{array}{c} \$18.50 & (I) \\ \$28.10 & (I) \\ \$46.70 & (I) \\ \$76.20 & (I) \\ \$121.80 & (I) \\ \$227.10 & (I) \\ \$285.10 & (I) \\ \$426.70 & (I) \end{array}$	$\begin{array}{c ccc} & $ \underline{\$26.20} & (I) \\ \hline \underline{\$39.30} & (I) \\ \hline \underline{\$65.60} & (I) \\ \hline \underline{\$130.90} & (I) \\ \hline \underline{\$209.60} & (I) \\ \hline \underline{\$392.70} & (I) \\ \hline \underline{\$654.70} & (I) \\ \hline \underline{\$1,309.10} & (I) \end{array}$	$\begin{array}{c cccc} \$26.90 & (I) \\ \$40.40 & (I) \\ \$67.40 & (I) \\ \$134.50 & (I) \\ \$215.40 & (I) \\ \$403.60 & (I) \\ \$403.60 & (I) \\ \$672.90 & (I) \\ \$1,345.50 & (I) \end{array}$
8 inch 10 inch 12 inch	$\begin{array}{c} 5415.20 \\ \$803.90 \\ \$1,164.20 \\ \$1,667.50 \\ \textbf{(I)} \end{array}$	$\frac{5426.70}{\$826.20}$ (I) $\frac{\$1,196.50}{\$1,713.80}$ (I)	\$1,309.10 \$2,095.60 \$3,010.90 \$4,320.00 (I)	$\begin{array}{c} \underline{31,343.50} \\ \underline{\$2,153.80} \\ \underline{\$3,094.50} \\ \underline{\$4,440.00} \\ \mathbf{(I)} \end{array}$

Consumption Charges For Commercial, Municipal and Other Water Utilities Rate Classes: (C) The following rates shall apply per 100 gallons:

2022 2021 Commercial First 16,000 gallons <u>\$1.3854</u> (I) \$1.4815 **(I)** All in excess of 16,000 gallons \$1.0136 (I) \$1.0951 **(I)** Municipal First 16,000 gallons \$1.4742 (I) \$1.5037 (I) All in excess of 16,000 gallons \$0.8890 (I) \$0.9068 **(I) Other Water Utilities** Group A All at \$0.7220 (I) \$0.7710 (I) <u>\$1.4180</u> (I) Group B All at <u>\$1.2480</u> (I) (I) means Increase and (C) means Change

SCHEDULE OF RATES

RATE ZONE 1- GENERAL METERED SERVICE FOR INDUSTRIAL RATE CLASS

APPLICABILITY

The rates under this schedule apply throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Industrial Class.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For Industrial Rate Class

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge	<u>e per Month</u>
	<u>2021</u>	<u>2022</u>
5/8 inch	<u>\$25.40</u> (I)	<u>\$26.10</u> (I)
3/4 inch	<u>\$38.10</u> (I)	<u>\$39.20</u> (I)
1 inch	<u>\$63.60</u> (I)	<u>\$65.40</u> (I)
1-1/2 inch	<u>\$127.10</u> (I)	<u>\$130.60</u> (I)
2 inch	<u>\$203.40</u> (I)	<u>\$209.10</u> (I)
3 inch	<u>\$381.40</u> (I)	<u>\$392.00</u> (I)
4 inch	<u>\$635.60</u> (I)	<u>\$653.30</u> (I)
6 inch	<u>\$1,271.20</u> (I)	<u>\$1,306.50</u> (I)
8 inch	<u>\$2,034.30</u> (I)	<u>\$2,090.80</u> (I)
10 inch	<u>\$2,923.40</u> (I)	<u>\$3,004.60</u> (I)
12 inch	<u>\$4,195.80</u> (I)	<u>\$4,312.40</u> (I)

Consumption Charges For Industrial Rate Class

The following rates shall apply per 100 gallons per month:

	2021	2022
Industrial		
First 16,000	<u>\$1.2796</u> (I)	<u>\$1.3680</u> (I)
Next 584,000	<u>\$0.9736</u> (I)	<u>\$1.0409</u> (I)
All In Excess of 600,000	<u>\$0.7658</u> (I)	<u>\$0.8187</u> (I)
Industrial Curtailment*		
First 16,000	<u>\$1.2796</u> (I)	<u>\$1.3680</u> (I)
Next 584,000	<u>\$0.9736</u> (I)	<u>\$1.0409</u> (I)
Next 14,400,000	\$0.7658 (I)	\$0.8187 (I)
All In Excess of 15,000,000	<u>\$0.4676</u> (I)	<u>\$0.4999</u> (I)

* Subject to the availability criteria and terms and conditions of the Industrial Curtailment Rate of this tariff, the foregoing rates shall apply per 100 gallons per month for service provided under the Industrial Curtailment Rate.

(I) means Increase

2022

SCHEDULE OF RATES

<u>RATE ZONE 1 – GENERAL UNMETERED SERVICE</u> <u>FOR THE RESIDENTIAL CLASS</u>

APPLICABILITY

The rate under this schedule applies throughout the territories, unless otherwise noted on the territories served page, served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a customer in the Residential Class that is added to the Company's service territory through an acquisition and does not have a meter at the customer's service address on the date of closing of such acquisition.

UNMETERED SERVICE

All water supplied by the Company under this rate schedule will be unmetered. However, the Company may install a meter of appropriate size at the customer's premise based on the Company's meter installation schedule as determined by the Company. Upon installation of a meter at the customer's service address by the Company, a customer will no longer be eligible for this rate schedule and will be charged a service charge based on the size of meter required to render adequate service along with a charge for consumption usage based upon the applicable Rate Zone's metered rates in effect for the residential class.

RATE

The following monthly rate for service shall apply:

2021: <u>\$65.91</u> per month (I)

2022: <u>\$69.73</u> per month (I)

(I) means Increase

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SCHEDULE OF RATES

RATE ZONE 2 – GENERAL UNMETERED SERVICE (C)

APPLICABILITY

The rates as set forth below apply in the Winola service territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

UNMETERED SERVICE

All water supplied by the Company under this rate schedule will be unmetered. However, the Company may install a meter of appropriate size at the customer's premise based on the Company's meter installation schedule as determined by the Company.

RATE

Service Charge For All Rate Classes

The following monthly rate for service shall apply:

2021: \$33.23 per month 2022: \$33.23 per month

(C) means Change

SCHEDULE OF RATES

RATE ZONE 3 – GENERAL METERED SERVICE

APPLICABILITY

The rates as set forth below apply in the McEwensville service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in <u>the Residential</u>, <u>Commercial and Municipal</u> Classes. (C)

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	<u>Re</u> 2021	esidenti	<u>al</u> 2022		<u>Commer</u> 2021	rcial an	<u>id Municipal</u> <u>2022</u>	
		(-)		(-)		(-)		(-)
5/8 inch	<u>\$18.00</u>	(I)	<u>\$18.50</u>	(I)	<u>\$18.00</u>	(I)	<u>\$18.50</u>	(I)
3/4 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$27.30</u>	(I)	<u>\$28.10</u>	(I)
1 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$45.40</u>	(I)	<u>\$46.70</u>	(I)
1-1/2 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$74.10</u>	(I)	<u>\$76.20</u>	(I)
2 inch	<u>\$118.50</u>	(I)	<u>\$121.80</u>	(I)	<u>\$118.50</u>	(I)	<u>\$121.80</u>	(I)
3 inch	<u>\$221.00</u>	(I)	<u>\$227.10</u>	(I)	<u>\$221.00</u>	(I)	<u>\$227.10</u>	(I)
4 inch	<u>\$277.40</u>	(I)	<u>\$285.10</u>	(I)	<u>\$277.40</u>	(I)	<u>\$285.10</u>	(I)
6 inch	<u>\$415.20</u>	(I)	<u>\$426.70</u>	(I)	<u>\$415.20</u>	(I)	<u>\$426.70</u>	(I)
8 inch	<u>\$803.90</u>	(I)	<u>\$826.20</u>	(I)	<u>\$803.90</u>	(I)	<u>\$826.20</u>	(I)
10 inch					\$1,164.20) (I)	\$1,196.50	(I)
12 inch					\$1,667.50	<u>)</u> (I)	\$1,713.80	(I)

Consumption Charges For Residential, Commercial and Municipal Rate Classes:

The following rates shall apply per 100 gallons:

	<u>2021</u>		<u>2022</u>	
Residential				
All Usage	<u>\$0.8983</u>	(I)	<u>\$1.4815</u>	(I)
Commercial				
First 16,000 gallons	<u>\$0.8983</u>	(I)	<u>\$1.4815</u>	(I)
All in excess of 16,000 gallons	<u>\$0.8983</u>	(I)	<u>\$1.0951</u>	(I)
Municipal				
First 16,000 gallons	<u>\$0.8983</u>	(I)	<u>\$1.5037</u>	(I)
All in excess of 16,000 gallons	<u>\$0.8983</u>	(I)	<u>\$0.9068</u>	(I)

(I) means Increase, (C) means Change and (D) means Decrease

(C)

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(C)

SCHEDULE OF RATES

RATE ZONE 4 – GENERAL METERED SERVICE

APPLICABILITY

The rates as set forth below apply in the Turbotville service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in all Customer Classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes, shall be metered. All meters shall be read monthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

PENNSYLVANIA-AMERICAN WATER COMPANY

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	<u>Re</u>	esidenti	ial		<u>Commer</u>	cial an	<u>d Municipal</u>	
	<u>2021</u>		<u>2022</u>		<u>2021</u>		<u>2022</u>	
5/8 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)
3/4 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$27.30</u>	(D)	<u>\$28.10</u>	(I)
1 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$45.40</u>	(I)	<u>\$46.70</u>	(I)
1-1/2 inch	<u>\$18.00</u>	(D)	<u>\$18.50</u>	(I)	<u>\$74.10</u>	(I)	<u>\$76.20</u>	(I)
2 inch	<u>\$118.50</u>	(I)	<u>\$121.80</u>	(I)	<u>\$118.50</u>	(I)	<u>\$121.80</u>	(I)
3 inch	<u>\$221.00</u>	(I)	<u>\$227.10</u>	(I)	<u>\$221.00</u>	(I)	<u>\$227.10</u>	(I)
4 inch	<u>\$277.40</u>	(I)	<u>\$285.10</u>	(I)	<u>\$277.40</u>	(I)	<u>\$285.10</u>	(I)
6 inch	<u>\$415.20</u>	(I)	<u>\$426.70</u>	(I)	<u>\$415.20</u>	(I)	<u>\$426.70</u>	(I)
8 inch	<u>\$803.90</u>	(I)	<u>\$826.20</u>	(I)	<u>\$803.90</u>	(I)	<u>\$826.20</u>	(I)
10 inch					<u>\$1,164.20</u>) (I)	<u>\$1,196.50</u>	(I)
12 inch					<u>\$1,667.50</u>	<u>)</u> (I)	<u>\$1,713.80</u>	(I)

Consumption Charges For Residential, Commercial and Municipal Rate Classes:

The following rates shall apply per 100 gallons:

	<u>2021</u>		<u>2022</u>
Residential			
All Usage	<u>\$1.3854</u>	(I)	<u>\$1.4815</u> (I)
Commercial			
First 16,000 gallons	\$0.8983	(I)	\$1.4815 (I)
All in excess of 16,000 gallons	\$0.8983	(I)	\$1.0951 (I)
Municipal		.,	,
First 16,000 gallons	\$1.4742	(I)	\$1.5037 (I)
All in excess of 16,000 gallons	\$0.8890	(I)	<u>\$0.9068</u> (I)

SCHEDULE OF RATES

RATE ZONE 5 - GENERAL METERED SERVICE FOR ALL RATE CLASSES

(C)

APPLICABILITY

The rates as set forth below apply in the Steelton service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers in all rate classes.

METERED SERVICE

All water supplied by the Company under this rate schedule for any and all purposes except, Qualified Private Fire Hydrants and Public Fire Hydrants, shall be metered. All meters shall be read monthly or bimonthly and the water used shall be paid for in accordance with the following schedule of rates.

RATE

Service Charge For All Rate Classes

The following monthly service charge shall apply based on the size of meter required to render adequate service, as determined by the Company:

Size of Meter	Service Charge p	<u>er Month</u>
	<u>2021</u>	<u>2022</u>
5/8 inch	<u>\$17.74</u> (I)	<u>\$20.68</u> (I)
3/4 inch	<u>\$17.74</u> (I)	<u>\$20.68</u> (I)
1 inch	<u>\$38.84</u> (I)	<u>\$45.29</u> (I)
1-1/2 inch	<u>\$69.95</u> (I)	<u>\$81.56</u> (I)
2 inch	<u>\$101.04</u> (I)	<u>\$117.81</u> (I)
3 inch	<u>\$229.27</u> (I)	<u>\$267.33</u> (I)
4 inch	<u>\$299.42</u> (I)	<u>\$349.12</u> (I)
6 inch	<u>\$479.08</u> (I)	<u>\$558.61</u> (I)
8 inch	<u>\$695.96</u> (I)	<u>\$811.49</u> (I)
16 inch	<u>\$1,391.93</u> (I)	<u>\$1,391.93</u> (I)
18 inch	<u>\$1,565.92</u> (I)	<u>\$1,565.92</u> (I)
20 inch	<u>\$1,739.90</u> (I)	<u>\$1,739.90</u> (I)

Consumption Charges For All Rate Classes:

The following rates shall apply per 100 gallons:

	<u>2021</u>		<u>2022</u>	
All Customers				
First 1,700 gallons	Service Charge		Service Charge	
Next 18,300 gallons	<u>\$0.9912</u>	(I)	<u>\$1.1557</u>	(I)
Next 30,000 gallons	<u>\$1.0944</u>	(I)	<u>\$1.2761</u>	(I)
All over 50,000 gallons per month	<u>\$0.9456</u>	(I)	<u>\$1.1026</u>	(I)

(D)

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of 150% based on the Federal Poverty Level. To remain eligible for this rate, such customer must continually make timely payments on the discounted bills.

RATE

The rates for the service charge or minimum bill under this tariff will be 15% of the prevailing service charge or minimum bill in the rate zone where service is rendered.

The rate for water usage shall be billed at <u>90% of</u> the existing rates applicable to the rate zone where service is rendered.

(D) means Decrease

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a new industrial customer that has an alternative supply source or an existing industrial customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must execute a Service Agreement with the Company for a period of not less than two years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of supplement 49 to Tariff Water Pa. P.U.C. No. 4 (August 28, 1998).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis, an interruptible basis or combinations thereof. Customers electing to receive Standby Service on an interruptible basis will be subject to the same Terms and Conditions of curtailment as set forth in the Industrial Curtailment Rate.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The sum of the customer's nominated firm and interruptible Maximum Day Demands shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for the industrial rate classification.

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm and interruptible standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	Firm Sta	andby	Service		Interruptible	Stand	<u>Iby Service</u>	
	<u>2021</u>		<u>2022</u>		<u>2021</u>		2022	
Average Day Demand	<u>\$21.3886</u>	(I)	<u>\$22.9815</u>	(I)	<u>\$5.7193</u>	(I)	<u>\$5.9974</u>	(I)
Maximum Day Demand	<u>\$2.8460</u>	(I)	<u>\$3.0741</u>	(I)	<u>\$0.9174</u>	(I)	<u>\$0.9598</u>	(I)
Maximum Hour Demand	<u>\$31.6855</u>	(I)	<u>\$34.0885</u>	(I)	<u>\$5.4191</u>	(I)	<u>\$5.7385</u>	(I)

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE (CONT'D)

RATE (cont'd)

Consumption Charges

In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	Zone 1 Industrial Rates	
Next gallons - Firm Average Day Demand Nomination multiplied by the days during the standby event	2021: \$ <u>0.0664</u> per hundred gallons 2022: \$ <u>0.0680</u> per hundred gallons	(I) (I)
Next gallons - Interruptible Average Day Demand Nomination multiplied by the days during the standby event	2021: \$ <u>0.9031</u> per hundred gallons 2022: \$ <u>0.9754</u> per hundred gallons	(I) (I)
All amounts above sum of previously described amounts	2021: \$ <u>1.3854</u> per hundred gallons 2021: \$ <u>1.4815</u> per hundred gallons	(I) (I)

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm and interruptible standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

(I) means Increase

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

APPLICABILITY

This rate applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rate is available to a new customer that has an alternative supply or an existing customer that develops or obtains a new source of supply. To obtain service under this rate, the customer must purchase water from the Company for resale or electric generation purposes and execute a Service Agreement with the Company for a period of not less than ten years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of supplement 49 to Tariff Water Pa. P.U.C. No. 4 (August 28, 1998).

NOMINATION OF STANDBY SERVICE

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The customer's nominated firm Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

RATE

Service Charge

The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates Applicable to Rate Zone 1 for the customer's rate classification.

Demand Charges

The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	Firm Stand	by Service		
	<u>2021</u>		<u>2022</u>	
Average Day Demand	<u>\$21.3886</u>	(I)	<u>\$22.9815</u>	(I)
Maximum Day Demand	<u>\$2.8460</u>	(I)	<u>\$3.0741</u>	(I)
Maximum Hour Demand	<u>\$31.6855</u>	(I)	<u>\$34.0885</u>	(I)

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE (CONT'D)

RATE (cont'd)

Consumption Charges

In addition to the Service Charge and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event	Applicable Zone 1 Industrial Rates	
Next gallons - Firm Average Day Demand Nomination multiplied by the days during the standby event	2021: \$ <u>0.0664</u> per hundred gallons 2022: \$ <u>0.0680</u> per hundred gallons	(I) (I)
All amounts above sum of previously described amounts	2021: \$ <u>1.3854</u> per hundred gallons 2021: \$ <u>1.4815</u> per hundred gallons	(I) (I)

TERMS AND CONDITIONS

Initial Notification of Company. Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nomination of firm standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service. Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event. When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

Use in Excess of Contractual Demands. If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment. The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

(I) means Increase

Issued: April 29, 2020

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page

AVAILABILITY

The rates under this schedule are available to any existing unmetered private fire service customer who continues to utilize the service connection solely for fire prevention purposes in connection with the customer's fire sprinkler system, standpipe connection, or any other emergency or fire protection facilities.

RATE

Service Charge

PENNSYLVANIA-AMERICAN WATER COMPANY

The following shall apply based on the size of service line connection required to render adequate service, as determined by the Company:

Size of Connection				
with Main	Service C	<u>Charge per l</u>	<u>Month</u>	
	<u>2021</u>		<u>2022</u>	
1 inch	<u>\$5.09</u>	(I)	<u>\$5.37</u>	(I)
1-1/4 inch	<u>\$5.09</u>	(I)	<u>\$5.37</u>	(I)
1-1/2 inch	<u>\$7.33</u>	(I)	<u>\$7.73</u>	(I)
2 inch	<u>\$13.04</u>	(I)	<u>\$13.76</u>	(I)
3 inch	<u>\$29.65</u>	(I)	<u>\$31.28</u>	(I)
4 inch	<u>\$52.19</u>	(I)	<u>\$55.06</u>	(I)
6 inch	<u>\$118.60</u>	(I)	<u>\$125.12</u>	(I)
8 inch	<u>\$211.10</u>	(I)	<u>\$222.71</u>	(I)
10 inch	<u>\$329.69</u>	(I)	<u>\$347.82</u>	(I)
12 inch	<u>\$474.38</u>	(I)	\$500.47	(I)

Steelton District - S	Service Charge:	
All size connections	s with main	\$0.00 per month

(C)

Qualified Private Fire Hydrants

Service under this classification is subject to regulations set forth in Section 2.11 "Qualified Private Fire Hydrants".

Qualified Private Fire Hydrants	\$26.87 per month	
Steelton District: Qualified Private Fire Hydrants	\$0.00 per month	(C)

(I) means Increase and (C) means Change

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – UNMETERED (CONT'D)

TERMS AND CONDITIONS

Billing. Bills for unmetered private fire service and Qualified Private Fire Hydrants will be rendered monthly in arrears.

Inspection. The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours' notice and shall permit inspection thereof to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof. The Company shall have the right to install a consumption detection device on the service line or use other investigative measures to determine whether the service line is being utilized for purposes other than fire protection.

Metering Equipment. Whenever, inspection of consumption detection devices on the service line or other investigative measures, indicate the service connection is being utilized for purposes other than fire protection, the Company will require the installation of a meter of appropriate size, and shall charge for service at the rates set forth under the Company's metered private fire service.

Steelton District - Metering Equipment. Whenever, inspection of consumption detection devices on the service line or other investigative measures, indicate the service connection is being utilized for purposes other than fire protection, the Company will require the installation of a meter of appropriate size, and shall charge for service at the rates set forth under the Company's Rate Zone 5 – General Metered Service.

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – METERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to a customer that has existing private fire services that were previously unmetered and subsequently became metered in accordance with the terms and conditions of the rate schedule "Private Fire Service – Unmetered".

RATE

Size of Connection		
with Main	<u>Minimum per</u>	
	<u>2021</u>	2022
1 inch	<u>\$41.68</u> (I)	<u>\$43.97</u> (I)
1-1/4 inch	<u>\$41.68</u> (I)	<u>\$43.97</u> (I)
1-1/2 inch	<u>\$59.54</u> (I)	<u>\$62.81</u> (I)
2 inch	<u>\$95.28</u> (I)	<u>\$100.52</u> (I)
3 inch	<u>\$178.63</u> (I)	<u>\$188.45</u> (I)
4 inch	<u>\$223.30</u> (I)	<u>\$235.58</u> (I)
6 inch	\$334.95 (I)	\$353.37 (I)
8 inch	\$513.58 (I)	\$541.83 (I)
10 inch	\$722.00 (I)	\$761.71 (I)
12 inch	\$1,083.39(I)	\$1,142.97 (I)
	()	
SPRINKLERED RISK – Minimum charge		2021: <u>\$62.14</u> (I)
Including 200 Heads		
Including 200 Heads 2022: <u>\$65.56</u> (I)		
SPRINKLERED RISK – Over 200 Heads		2021: <u>\$0.16</u> (I)
Per Head		2022: <u>\$0.17</u> (I)
		<u> </u>
STANDPIPE SERVICE		2021: <u>\$48.31</u> (I)
	-	2022: <u>\$50.97</u> (I)
		$\underline{-}\underline{-}\underline{-}\underline{-}\underline{-}\underline{-}\underline{-}\underline{-}\underline{-}\underline{-}$

TERMS AND CONDITIONS

Amount of Use. If the service is utilized as a general water service line as indicated by a continuing use of water in excess of 10,000 gallons per month for a period of three or more consecutive months, the customer shall be transferred to the Company's general service rate schedule and the minimum rate by size of meter will apply to this service in addition to the consumption charge.

(I) means Increase

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers with applications accepted by the Company under Section 8.5 of this tariff. Service under this classification is subject to regulations set forth in Section No. 8 "Public Fire Hydrants".

RATE

Replacement of existing public fire hydrants with Company owned public fire hydrants will in all circumstances be charged at a rate of \$240.00 per annum or \$20 per month unless stated otherwise below.

The annual charge for each public fire hydrant is \$240.00 per annum or \$20.00 per month except as noted below:

All hydrants added after January 1, 2000, will be billed at 25% of the cost of service or as follows:

\$<u>16.87</u> per month in 2021 (D) \$<u>17.80</u> per month in 2022. (I)

	Monthly Cha	arge for Each	
<u>Municipalities</u>	Public Fire I	<u>-lydrant</u>	
	<u>2021</u>	2022	
Moshannon Valley Area			
Bradford Township for hydrants			
contracted prior to February 18, 1988	\$6.25		(C)
Brownsville Area	\$17.55	<u>\$17.80</u>	(I)
California Area	\$18.05	\$18.05	
Reading Area	\$18.19	\$18.19	
Turbotville Area	\$15.10		(C)
Steelton District	\$0.00		(C)

(I) means Increase, (C) means Change and (D) means Decrease

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

EXCEPT PUBLIC FIRE PROTECTION

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all bills rendered (D) with an ending read date on and after the Effective Date shown on the bottom of this page. This charge applies to all Rate Zones except <u>Rate Zone 2 – Winola</u>, Rate Zone 4 – Turbotville and (C) Rate Zone 5 – Steelton.

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 36, 37 and 38 of this tariff.

(C) means Change and (D) means Decrease

(C)

PENNSYLVANIA-AMERICAN WATER COMPANY

TCJA VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates as follows:

A negative surcharge of -6.79% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2018. This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

This negative surcharge will be reconciled at the end of each calendar year (or fiscal year if not on a calendar year basis) and will remain in place until the utility files and the Commission approves new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Voluntary Surcharge.

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE

1. General Description

Purpose: To recover the revenue deficiency created by the acquisition of water and wastewater utilities acquired at their fair market value pursuant to 66 Pa. C.S. § 1329 in order to further the regionalization and consolidation of water and wastewater systems throughout the Commonwealth.

Effective Date: The RCS will become effective for bills rendered on and after [date].

2. Computation of the RCS

Calculation: The RCS will be updated annually to reflect eligible acquisitions closed during the twelvemonth period ending three months prior to the effective date of each RCS update. Thus, changes in the RCS rate will occur as follows:

Effective Date of Change April 1

Date to which RCS-Eligible Acquisitions Reflected December 31

The revenue deficiency of eligible fair market value acquisitions will consist of depreciation, pre-tax return, operation and maintenance expenses, including taxes other than income, less revenues at present rates from the acquired system, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the Commission-approved cost of RCS-eligible property the annual accrual rates employed in the Company's last base rate case

for the plant accounts in which each retirement unit of RCS-eligible property is recorded, unless the Commission approves different depreciation rates.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the period ending three months prior to the effective date of the RCS and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the RCS. If more than two years shall have elapsed between the entry of such a final order and the effective date of the RCS, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Operation and Maintenance Expenses: The operation and maintenance (O&M) expenses will be determined by multiplying the Company's current per-customer O&M expense by the number of customers of the acquired system. The Company's current per-customer O&M expenses will be determined by dividing the Company's total O&M expenses by the Company's total number of customers, both as shown in the most recent Annual Report to the Commission.

(C) means Change

Issued: April 29, 2020

Effective Date: June 28, 2020

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

2. Computation of the RCS (cont'd)

RCS Amount: The RCS will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service, the State Tax Adjustment Surcharge (STAS), and the Distribution System Improvement Charge (DSIC). To calculate the RCS, the annual acquisition-related revenue requirement deficiency will be divided by the Company's projected revenue for sales of water and wastewater (including all applicable clauses and riders) for the annual period during which the charge will be collected, exclusive of revenues from customers acquired under 66 Pa. C.S. § 1329 since the last base rate case, public fire protection service, the STAS and the DSIC.

Formula: The formula for calculation of the RCS surcharge is as follows:

RCS =	(RMRB * PTRR)+Dep+O&M + <u>e</u> PAR PAR	
Where:		
RMRB	The ratemaking rate base as established in the 66 Pa. C.S. § 1329 proceeding, net of accumulated depreciation since acquisition.	
PTRR	 Pre-tax return rate applicable to RCS-eligible property. 	
Dep	 Depreciation expense related to RCS-eligible property. 	
O&M	= Operation and maintenance expenses including taxes other than income.	
е	 Amount calculated (+/-) under the annual reconciliation feature or Commission Audit as described below. 	
PAR	= Projected annual revenues for service (including all applicable clauses and riders) from existing water and wastewater customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period, will be based on the applicable twelve-month period, including any revenue from acquired companies that are now being charged the rates of the acquiring company, and excluding any revenue from systems acquired pursuant to 66 Pa. C.S. §1329 since the Company's last base rate case.	
Annual Unde	tes: Supporting data for each appual update will be filed with the Commission	

Annual Updates: Supporting data for each annual update will be filed with the Commission and served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate at least sixty (60) days prior to the effective date of the update.

3. Safeguards

Cap: The RCS will be capped at 5.00% of the amount billed to water and wastewater customers under otherwise applicable rates and charges.

SCHEDULE OF RATES REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

3. Safeguards, cont'd

Audit/Reconciliation: The RCS will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with this tariff shall be credited to applicable customer accounts. It will also be subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the RCS to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the RCS for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307 (e), over a one-year period commencing April 1 of each year, or in the next quarter if permitted by the Commission. If RCS revenues exceed RCS-eligible costs, such overcollections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an overcollection. The Company is not permitted to accrue interest on under collections.

New Base Rates: The RCS charge will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had theretofore been recovered under the RCS. Thereafter, only the revenue requirement deficiency of new eligible acquisitions, that have not previously been reflected in the Company's rate base, would be reflected in the annual updates of the RCS.

All Customer Classes: The RCS shall be applied equally to all customer classes exclusive of customers acquired under 66 Pa. C.S. § 1329 since the Company's last base rate proceeding.

Earning Reports: The charge will also be reset at zero if, at the time of the annual update, the data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency under the RCS as described in the Pre-tax return section. The Company shall file a tariff supplement implementing the reset of the RCS to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency.

Customer Notice: Customers shall be notified of changes in the RCS by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the RCS rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the RCS rate is reset to zero. The utility shall refund any over collection to customers and is entitled to recover any under collections as set forth in Section 3 – Audit Reconciliation. Once the Company determines the specific amount of the residual over or under collection amount after the RCS rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (60) days prior to the effective date of the supplement.

Public Fire Protection: The RCS will not apply to public fire protection customers.

RULES AND REGULATIONS

6. Meter Tests

6.1 Meter Tests

The Company may at any time remove any meter for routine tests, repairs or replacement and may, at its option and expense, test any meter when it has reason to believe that the meter is registering inaccurately.

6.2 Request Tests

Any Customer may request the Company to make a special test of the accuracy of a meter, which test will be made in accordance with 52 Pa. Code § 65.8. The test of a meter requested by a Customer may be witnessed by the Customer or his duly authorized representative.

6.3 Meter Test Fees

(C)

When a fee is to be paid for athe Company makes a special test of the accuracy of a meter at the <u>Customer's request</u>, the fee shall be paid in advance by the Customer. Should<u>and</u> the meter be is found upon said test to be incorrect inaccurate to the prejudice of the Customer according to the standard percentage variable set forth in 52 Pa. Code § 65.8, there shall be no meter test fee so paid shall be returned to by the Customer. If said meter is found to be incorrect, and the Customer's bill shall be adjusted in accordance with 52 Pa. Code § 65.9. When a fee is to be paid forfor the Company makes a special tests of the accuracy of a meters made uponat the Customer's request by the Customer and the meter is found upon said test to be accurate according to the standard percentage variable set forth in 52 Pa. Code § 65.8, the following meter fees shall apply in accordance with 52 Pa. Code § 65.8.

Size of Meter Fee for Test

5/8" to 1" inclusive	As currently in effect
1-1/4" to 2"	As currently in effect
Larger than 2"	—As currently in effect

RULES AND REGULATIONS

7. Credit (cont'd)

7.3 Customer's Deposit (cont'd):

(c) Residential (cont'd):

(3) Prior to reconnection of service, deposits may be required from a Residential Applicant or Residential Customer whose service was terminated for any of the following reasons: (a) nonpayment of an undisputed delinquent account; (b) failure to complete payment of a deposit, providing a guarantee or establish credit; (c) failure to permit access to meters, service connections or other property of Company for the purpose of replacement, maintenance, repair or meter reading; (d) Unauthorized Use of Service on or about the affected

dwelling; (e) failure to comply with the material terms of a settlement or payment arrangement; (f) fraud or material misrepresentation of identity for the purposes of obtaining utility service; (g) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment; or (h) violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's water distribution system.

7.4 Deposit Amount

For Residential Applicants or Customers, the cash deposit required shall be in an amount equal to 1/6 of an Applicant's or Customer's estimated annual bill at the time the Company determines the deposit is required. For Non-Residential Applicants or Customers, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule.

7.5 Return of Deposit for Current Service

Deposits secured from Non-Residential Customers will be returned when the Customer discontinues service and has no unpaid bills or at the Company's discretion. Deposits secured from Residential Customers shall be returned to the depositor when the Customer has paid all bills for service in full and on time for twelve (12) consecutive months.

7.6 Interest on Deposits for Current Service

Interest on deposits will be accrued until is returned to the Customer. Interest for all Customer deposits shall be computed at the rate governed by 66 Pa. C.S. §1404(c)(6). On deposits held for more than a year, the Company will pay to the depositor, at the end of each calendar year, the interest accrued thereon. Deposits shall cease to bear interest upon termination or discontinuance of the service covered by the deposit.

7.7 Payment Period for Deposits

Any Non-Residential Applicant or Customer shall pay the required deposit in full prior to the provision of service. Any Residential Applicant or Customer shall have up to 90 days to pay the deposit in full and may elect to pay the required deposit in three installments: 50% billed upon the determination that the deposit is required; 25% billed 30 days after the determination; and 25% billed 60 days after the determination. The Residential Applicant or Customer may elect to pay the deposit in full before the due date.

7.8 Landlord Assumption of Responsibility

If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

(C) means Change

RULES AND REGULATIONS

8. Public Fire Hydrants (cont'd)

8.5 Application for Public Fire Hydrant Service (cont'd)

Eighth: The Applicant agrees to provide any permits required by the Applicant relative to this application for public fire hydrant(s) contracted for or its future replacement.

IN WITNESS WHEREOF the Applicant through a duly authorized official has hereunto signed this Application the day and year first above written.

WITNESS A

APPLICANT

____ By_____

IN WITNESS WHEREOF the Water Company hereby accepts the foregoing Application this day of

_____, 20___.

WITNESS PENNSYLVANIA-AMERICAN WATER COMPANY

By___

(Vice) PresidentAuthorized Representative

[End of Application]

RULES AND REGULATIONS

15. Liability of Company

(C)

15.1 Liability for Damages

In accordance with the Public Utility Code, the Company will provide service which shall be reasonably continuous and without unreasonable interruptions or delay, but the Company does not guarantee a continuous, uninterrupted, or regular supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system.

<u>The Company shall not be considered an insurer of property or persons or to have undertaken to</u> <u>extinguish fire or to protect persons or property against loss or damage by fire or otherwise.</u>

The Company shall not be liable to any Customer or third party for any loss or damage due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents:

(1) where the loss or damage involves an act of God, accident, strike, storm, riot, fire, flood, epidemic, pandemic, or any other cause beyond the Company's control;

(2) where the loss or damage does not involve a duty of the Company, its employees or agents, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in facilities of other utilities located in the same trench or in the Customer's own service line, meter vault, pressure reducing valve, back flow prevention device, check valve, pressure relief valve, or any other control valve, internal plumbing or fixture, or any other device installed on the customer facility, or due to the materials out of which those facilities are made:

(3) where the loss or damage does not involve a breach of a duty of the Company, its employees or agents, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a vault, meter pit, curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, facility owner or other person or event; or

(4) where the claim involves strict products liability, breach of contract, or breach of actual or implied warranties of merchantability or fitness for a particular purpose, express or implied.

The liability of the Company for any loss or damages due to any negligent act of omission or commission, by the Company, shall be limited to and in no event exceed an amount equivalent to 1/4 the average charge of 4 billing periods to the Customer for the period of service during which such deficiency has occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred.

The Company has limited liability for a service termination performed at the request of a municipality or municipal authority conducted pursuant to 53 P.S. § 3102.501 et seq. or any agreement executed thereunder; all such requests shall be deemed reasonable and proper by the Company without further inquiry. If the Company is found liable for any damages caused by terminating service pursuant to an agreement executed under the law, liability shall be limited to the customer charge for the period in question.

(C) means Change

RULES AND REGULATIONS

15. Liability of Company (Cont'd)

(C)

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of the Company are in conformity with the regulations and Orders of the Commission, the Company may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory judgment_order_with the Commission.

The liability of the Company to any Customer or third party for any loss or damages due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents, shall be limited to and in no event exceed the lesser of \$1,000 or an amount equivalent to 1/4 the average charge of four billing periods to the Customer for the period of service during which such loss or damage occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred. In no case shall the Company's aggregate liability for multiple claims arising from a single alleged negligent, reckless or intentional act exceed \$100,000. In no event shall the Company be liable for direct, extraordinary, special or consequential damages (including, but not limited to, lost profits) arising in any manner whatsoever.

The Customer will indemnify, defend and hold harmless the Company against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner caused by or resulting from the supply or use of water by the Customer at or on the Customer's side of the point of delivery.

The Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or condition in the Customer's own service line, meter vault, pressure reducing valve, back flow prevention device, check valve, pressure relief valve, or any other control valve, internal plumbing or fixture, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or other person or event.

15.2 Defect in Customer's Service or Customer-Owned Meter

The Company shall in no event be liable for any loss or damage caused by reasons of any break, leak or defect in the Customer's own service pipe, line or fixtures or Customer-owned meter not caused by any negligent act of omission or commission of the Company.

15.3 Responsibility for Repair and Replacement of Private Water Service Pipe

The maintenance, repair or replacement of a private water service pipe is the responsibility of the Customer served by the pipe. The Company reserves the right to require the Customer served by a private water service pipe to repair or replace the pipe, or enter into a main extension deposit agreement, at the Customer's option, if the pipe is leaking, can no longer be used for whatever reason, or is otherwise endangering the public's safety. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform such repair or replacement, at the Customer's own expense. The Customer must perform the Company that the pipe is endangering the public safety or within ten days after receiving notice from the Company that the pipe is leaking or can no longer be used. The Company reserves the right to terminate water service to the Customer after legal notice if such required action is not taken within the time indicated above.

16. General

16.1 Interference with Facilities

No person shall turn the water on or off at any street valve, corporation stop, curb valve or other street connection or disconnect or remove any meter without the consent of the Company. The control of the water supply by the Customer shall be by means of a separate stop and waste valve.

16.2 Inspection of Premises

All service pipes, meters and fixtures, including any and all fixtures within the premise receiving the supply of water, shall, at all reasonable hours, be subject to inspection by any duly authorized employee of the Company.

16.3 Construction of Company Facilities

Water used for construction of Company Facilities (for example flushing a new water main installation), where water service is temporarily furnished or utilized for the construction of Company facilities, shall wherever practical, be supplied through a meter at a rate equal to the production cost of water established in the most recent rate filing of the Company.

16.4 Company Right of Access

The Company's authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, including meters, service connections and other property owned by it on the premises of the Customer, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, for disconnecting service for any proper cause, or for purposes of replacement, maintenance, operation or repair thereof.

(C) means Change

Issued: April 29, 2020

Effective Date: June 28, 2020

		Supplement No. 19 to Tariff Water-PA P.U.C. No. 5 Second Revised Page 73
PENNSY	LVANIA-AMERICAN WATER COMPANY	Canceling First Revised Page 73
	RULES AND REGULATIONS	
	21. Qualified Private Fire Hydrant (cont'd)	
21.2	Application for Qualified Private Fire Hydrant (cont'd)	
	IN WITNESS WHEREOF the Applicant has	hereunto signed
	name the day and year first above written.	
	WITNESS:	
	(Applicant)	
	APPROVED	
	WITNESS:	
	(Chief of Fire Department) of	
	IN WITNESS WHEREOF the Water Company hereby accepts the day of, 20	e foregoing application this
	WITNESS: PENNSYLVANIA-AMERICAN WATER COM	MPANY
	<u>Au</u>	(Manager) hthorized Representative (C)
	[End of Application]	

SUPPLEMENT NO. 19 TO TARIFF WASTEWATER - PA PUC NO. 16 (CLEAN)

Supplement No. 19 to Tariff Wastewater PA P.U.C. No. 16

PENNSYLVANIA-AMERICAN WATER COMPANY Wastewater Division (hereinafter referred to as the "Company") D/B/A Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHINGS OF

WASTEWATER COLLECTION AND DISPOSAL SERVICE

IN CERTAIN MUNICIPALITES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, BERKS COUNTY,

CHESTER COUNTY, CLARION COUNTY, CUMBERLAND COUNTY, LACKAWANNA COUNTY,

MCKEAN COUNTY, MONROE COUNTY, NORTHUMBERLAND COUNTY, PIKE COUNTY, (C)

WASHINGTON COUNTY AND YORK COUNTY

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued: April 29, 2020

Effective: June 28, 2020

Issued by: F. Michael Doran, President Pennsylvania American Water 852 Wesley Drive Mechanicsburg, PA 17055

https://www.amwater.com/paaw/

NOTICE

This tariff proposes increases in rates and changes in rules and regulations of service. (Refer to pages 1, 2, 4, 5, 6, 8, 9, 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 11.10, 11.11, 15, 16, 18.1, 19, 19.1, 19.2, 33, 35 and 52.)

LIST OF CHANGES

Increases/Decreases

This tariff provides for uniform rates by customer class for Rate Zone 1, Rate Zone 2 (New Cumberland), Rate Zone 3 (Scranton), Rate Zone 4 (Kane), and Rate Zone 6 (McKeesport) wastewater sales customers.

Miscellaneous Fees and Charges – Fees under Section E, Wastewater Plant, Residential Septage and Commercial Waste Disposal have been increased.

This tariff provides for an increase in the low-income customer discount.

The Distribution System Improvement Charge will be reduced to zero.

The Company is eliminating the Tax Cuts and Jobs Act Voluntary Surcharge.

The Company is adding a Regionalization and Consolidation Surcharge which will be initially set to 0.00%. Please refer to pages 19 through 19.2.

Changes

Title Page – Added McKean County for the acquisition of Kane Borough Authority.

Pages 8 and 9 – Territories Served are updated for the Kane and Delaware future acquisitions and for changes in Rate Zones.

Pages 11.3 – Rate Zone 2 rate structure is modified.

Page 11.5 – Rate Zone 4 (Koppel) has been rolled into Rate Zone 1 and repurposed as Rate Zone 4 (Kane).

Page 11.6 – Rate Zone 5 (Franklin) has been rolled into Rate Zone 1 and Page 11.6 is held for future use.

Page 11.7 and 11.8 – Rate Zone 6 (McKeesport) is now only on Page 11.7. All rates have been consolidated under a modified rate structure. Page 11.8 is held for future use.

Page 11.9 – Rate Zone 7 (Sadsbury) has been rolled into Rate Zone 1. Page 11.9 is being held for future use.

Page 11.10 – Rate Zone 8 (Turbotville) has been rolled into Rate Zone 1. Page 11.10 is being held for future use.

Page 11.11 – Rate Zone 9 (Exeter) has been rolled into Rate Zone 1. Page 11.11 is being held for future use.

Page 15 – Applicability of Wastewater Plant, Residential Septage and Commercial Waste Disposal Fee is modified.

Page 18.1 – Rate Zones and Districts to which the DSIC is applied are changed consistent with the proposed changes in rate zones.

Page 33 – The Company is adding Section G.5, Landlord Assumption of Responsibility.

Page 35 – The Company is modifying Section I and eliminating Section I.2, Liability for Damages.

Page 52 – The Company is modifying the language of Section Q, Liability of the Company.

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(I) means Increase, (C) means Change and (D) means Decrease

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(C) means Change

TERRITORIES SERVED (By State Region and Company Wastewater System District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Central Pennsylvania

York County. Portions of Fairview Township. **Franklin District** (C) Adams County. Portions of the Townships of Franklin, Hamiltonban and Highland. **McEwensville District** Northumberland County. McEwensville Borough. New Cumberland District – Rate Zone 2 Cumberland County. The Borough of New Cumberland. **Turbotville District** (C) Northumberland County. Portions of The Borough of Turbotville.

Northeastern Pennsylvania

Northeast District – Lehman Pike, Blue Mountain Lakes, Clean Treatment and Delaware
Monroe County. Portions of the Townships of Middle Smithfield, Smithfield and Stroud.
Pike County. Portions of Delaware and Lehman Townships.

Pocono District

Fairview District

Monroe County. A portion of Coolbaugh Township.

Scranton Sewer District – Rate Zone 3

Lackawanna County. The City of Scranton and the Borough of Dunmore.

Southeastern Pennsylvania

Coatesville District

(C) Chester County. The City of Coatesville, the Borough of Parkesburg and portions of the Borough of South Coatesville and portions of the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury.

Exeter Sewer District

Berks County. Portions of the Townships of Exeter, Alsace and Lower Alsace (and related points of bulk service interconnection).

(C)

(C)

(C)

<u>TERRITORIES SERVED (CONT'D)</u> (By State Region and Company Wastewater System District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania

Clarion County. Clarion Borough and portions of the Townships of Clarion and Monroe.

Claysville District

Clarion District

Washington County. Claysville Borough and portions of the Townships of Donegal.

Kane District – Rate Zone 4

McKean County. Kane Borough.

Koppel District

Beaver County. Koppel Borough.

McKeesport District – Rate Zone 6

Allegheny County. The City of McKeesport, the City of Duquesne, Port Vue Borough, the Borough of Dravosburg, and a portion of West Mifflin Borough (and related points of bulk service interconnection).

Paint-Elk District

Clarion County. Shippenville Borough and portions of the Townships of Elk and Paint.

SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff, unless otherwise noted on the territories served page, for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Municipal and Industrial classes.

<u>METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)</u> All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU).

_		<u>2021</u>		<u>2022</u>	
Α.	<u>Residential</u> Service Charge per month:	\$11.00	(I)	\$12.00	(I)
	Usage Charge per 100 gallons:	\$1.7631	(I) (I)	\$12.00 \$1.8754	(I) (I)
	osage onarge per roo gallons.	φ1.7001	(1)	ψ1.0704	(1)
В.	Commercial				
	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
_					
C.	Industrial	* • -- - •	(-)	* ~~ ~~	(-)
	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
П	Municipal				
D.	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
	oougo onargo por roo ganono.	φ1.0000	(1)	φ1.1000	(1)
E.	Special Rate Charges				
	Bulk Metered Usage – Caln Twp.,				
	Valley Twp., V.A. Hospital and West				
	Brandywine Twp.				
	Service Charge per month:	\$275.00	(I)	\$300.00	(I)
	Usage Charge per 100 gallons:	\$0.9639	(I)	\$1.0000	(I)
	Mittal Steel and Victory Brewing Company	.	<i></i>		
	Service Charge per month:	\$275.00	(I)	\$300.00	(I)
	Usage Charge per 100 gallons:	\$0.9300	(I)	\$1.0200	(I)

SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

UNMETERED CHARGES - This charge is a flat rate fee for customers not metered for water consumption.

	<u>2021</u>		<u>2022</u>	
A. <u>Residential</u> Flat rate per month, per EDU:	\$71.97	(I)	\$76.85	(I)
B. <u>Commercial</u> Flat rate per month, per EDU:	\$71.97	(I)	\$76.85	(I)
C. Special Rate Charges				
Knouss Foods, flat rate per month:	\$5,219.33	(I)	\$5,595.37	(I)
Strattanville Borough, flat rate per month:	\$3,884.64	(I)	\$4,164.52	(I)
Penn State Special Metals, flat rate per month:	\$1,805.06	(I)	\$2,006.44	(I)
PSC Metals, flat rate per month:	\$698.84	(I)	\$776.80	(I)
Koppel Steel, flat rate per month:	\$10,843.95	(I)	\$12,053.72	(I)

SCHEDULE OF RATES

RATE ZONE 2 – METERED

APPLICABILITY

The rates as set forth below apply in the Borough of New Cumberland service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers located in the Borough of New Cumberland.

<u>METERED CHARGES:</u> (Based on Water Usage or Sewage Flows, determined at PAWC's discretion) All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU). (C)

		<u>2021</u>		<u>2022</u>	
Α.	<u>Residential</u>				
	Service Charge per month:	\$11.00	(I)	\$12.00	(I)
	Usage Charge per 100 gallons:	\$1.2300	(I)	\$1.4760	(I)
В.	<u>Commercial</u>				
	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.0400	(I)	\$1.2480	(I)
C.	<u>Municipal</u>				
	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.0400	(I)	\$1.2480	(I)

SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED

APPLICABILITY

The rates as set forth below will apply in the Scranton Sewer service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Industrial and Municipal classes.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)

All metered customers shall be subject to a monthly service charge per equivalent dwelling unit (EDU).

	<u>2021</u>		<u>2022</u>	
A. <u>Residential</u>		<i>.</i>		
Service Charge per month:	\$19.50	(I)	\$19.50	(I)
Usage Charge per 100 gallons:	\$0.7212	(I)	\$0.7336	(I)
Flat Rate	\$41.91		\$41.91	
B. Commercial – Apartments and Non-Residential				
Customers billed under the residential rate by Scranton				
Sewer Authority				
Service Charge per month:	\$19.50	(I)	\$19.50	(I)
Usage Charge per 100 gallons:	\$0.7212	(I)	\$0.7336	(I)
C. <u>Commercial (Other than Customers in subsection (B)</u>				
above), Industrial and Municipal				
Service Charge per month:	\$19.50	(I)	\$19.50	(I)
Usage Charge per 100 gallons:				
First 5,000 gallons per month	\$0.7212	(I)	\$0.7336	(I)
All Over 5,000 gallons per month	\$1.0365	(I)	\$1.0542	(I)

SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED

(C)

APPLICABILITY

The rates as set forth below will apply in the Kane service territory (former territory served by the Borough of Kane Authority) served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)

All metered customers shall be subject to a monthly service charge.

	<u>2021</u>		2022	
A. <u>5/8" Meter Size</u>				
Service Charge per month:	\$50.15	(I)	\$60.00	(I)
Usage Charge per 100 gallons:				
First 2,000 gallons per month	Service Charg	ge	Service Cha	rge
Next 8,000 gallons per month	\$0.8052	(I)	\$0.9634	(I)
Next 20,000 gallons per month	\$0.8943	(I)	\$1.0700	(I)
All over 30,000 gallons per month	\$0.9760	(I)	\$1.1678	(I)
B. <u>Other Meter Sizes</u>				
Service Charge per month:	\$100.31	(I)	\$120.02	(I)
Usage Charge per 100 gallons:				
First 2,000 gallons per month	Service Charg	ge	Service Cha	rge
Next 8,000 gallons per month	\$0.8052	(I)	\$0.9634	(I)
Next 20,000 gallons per month	\$0.8943	(I)	\$1.0700	(I)
All over 30,000 gallons per month	\$0.9760	(I)	\$1.1678	(I)

UNMETERED CHARGES

This charge is a flat fee for customers not metered for water consumption. All flat rates will be billed monthly.

	<u>2021</u>		<u>2022</u>	
All Unmetered Customers	\$61.89	(D)	\$74.05	(I)

SCHEDULE OF RATES

[Intentionally blank]

SCHEDULE OF RATES

RATE ZONE 6 – METERED AND UNMETERED

APPLICABILITY

The rates as set forth below will be in effect for all former customers of the Municipal Authority of the City of McKeesport.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Industrial, Municipal and Bulk classes.

<u>METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)</u> (C) All metered customers shall be subject to a monthly or quarterly service charge.

		<u>2021</u>		<u>2022</u>	
Α.	<u>Residential</u>				
	Service Charge per month:	\$11.00	(I)	\$12.00	(I)
	Usage Charge per 100 gallons:	\$1.7631	(I)	\$1.8754	(I)
в	Commercial				
υ.	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
			\- /	• • • • • • •	(-)
C.	Industrial				
	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
D.	Municipal				
	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
Ε.					
	•	ssport, Linc	oln, North V	ersailles,	
	•	\$0.9830	(I)	\$1.0520	(I)
	Flat Rate Account	,	\ /	,	\ - /
	Per month, based on 6,000 gallons per month:	\$59.00	(I)	\$63.10	(I)
	Per quarter, based on 18,000 gallons per quarter:	\$176.90	.,	\$189.30	
E.	<u>Special Rate Charges</u> Bulk Customers – Versailles, Elizabeth, Liberty, Glas White Oak and East McKeesport Usage Charge per 100 gallons: Flat Rate Account Per month, based on 6,000 gallons per month:	ssport, Lind \$0.9830 \$59.00		′ersailles, \$1.0520 \$63.10	(I) (I) (I) (I)

Provided sewage flow meters are installed, on or after January 1, 2018, during any billing period in which the gross volume of sewage from the municipality exceeds 350% of the aggregate quantity of water used by the municipality's water users, the municipality shall pay PAWC's prevailing rates for handling the excess, in addition to the sewage charges set forth above.

[Deleted separate rate schedules for Duquesne, Dravosburg and West Mifflin – All Customers and for Port Vue – All Customers]

(C)

(I) means Increase and (C) means Change

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(C)

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SCHEDULE OF RATES Miscellaneous Fees and Charges (cont'd)

E. <u>Wastewater Plant, Residential Septage and Commercial Waste Disposal Fee.</u>

The Fee to be paid by private contractors to the Company to dispose of private residential septage and commercial Wastes at the Company's wastewater treatment plant.

The following rates shall be charged to haulers of residential septic waste who deliver waste:

All Rate Zones (excluding McKeesport and Exeter Township)

<u>%Solids</u>	<u>% Solids</u>	<u>Cost Per Gallon</u>	
	< = 0.5%	\$0.0450	(I)
> 1%	< = 1% < = 2%	\$0.0450 \$0.0450	(I) (I)
> 2%	< = 3%	\$0.0450	(I)
> 3%	< = 4%	\$0.0550	(I)
> 4%	< = 5%	\$0.0600	(I)
> 5%	< = 6%	\$0.0650	(I)
> 6%	< = 7%	\$0.0710	(I)
> 7%	< = 8%	\$0.1000	(I)

Rate Zone 6 (McKeesport Area)

<u>%Solids</u>	<u>Cost Per Gallon</u>
< = 4%	\$0.040
> 4%	\$0.010 per % Solids

Rate Zone 1 (Exeter Township)

Holding Tanks waste delivered and discharged (including sampling and lab work), per gallon	\$0.022
Septage waste delivered and discharged (including sampling end lab work), per gallon	\$0.032
Wash waters - coolant or rinse, per gallon	\$0.020
Leachate delivered and discharged (including sampling and lab work), per gallon	\$0.018
Extra Strength Leachate, per gallon	\$0.022
Industrial Wastewater- per gallon To be determined by characteristics of the waste stream	\$0.022 minimal
Portable Toilets, per gallon	\$0.032

(I) means Increase and (C) means Change

(C)

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of 150% based on the Federal Poverty Level. To remain eligible for this rate, such customer must continually make timely payments on the discounted bills.

RATE

Customers under this rate schedule will receive a **30%** discount off their total wastewater bill. (D)

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to bills rendered **(D)** on or after the Effective Date shown on the bottom of this page.

This Charge will be applicable to: All Rate Zones except the following:

(C)

Rate Zone 1 – Sadsbury Operations, Exeter and Turbotville Districts Rate Zone 4 – Kane

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 18.2,18.3 and 18.4 of this tariff.

[TCJA Voluntary Surcharge eliminated]

(C)

(C)

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE

1. General Description

Purpose: To recover the revenue deficiency created by the acquisition of water and wastewater utilities acquired at their fair market value pursuant to 66 Pa. C.S. § 1329 in order to further the regionalization and consolidation of water and wastewater systems throughout the Commonwealth.

Effective Date: The RCS will become effective for bills rendered on and after [date].

2. Computation of the RCS

Calculation: The RCS will be updated annually to reflect eligible acquisitions closed during the twelvemonth period ending three months prior to the effective date of each RCS update. Thus, changes in the RCS rate will occur as follows:

> Effective Date of Change April 1

Date to which RCS-Eligible Acquisitions Reflected December 31

The revenue deficiency of eligible fair market value acquisitions will consist of depreciation, pre-tax return, operation and maintenance expenses, including taxes other than income, less revenues at present rates from the acquired system, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the Commission-approved cost of RCS-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of RCS-eligible property is recorded, unless the Commission approves different depreciation rates.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the period ending three months prior to the effective date of the RCS and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the RCS. If more than two years shall have elapsed between the entry of such a final order and the effective date of the RCS, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Operation and Maintenance Expenses: The operation and maintenance (O&M) expenses will be determined by multiplying the Company's current per-customer O&M expense by the number of customers of the acquired system. The Company's current per-customer O&M expense will be determined by dividing the Company's total O&M expenses by the Company's total number of customers, both as shown in the most recent Annual Report to the Commission.

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

2. Computation of the RCS (cont'd)

RCS Amount: The RCS will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service, the State Tax Adjustment Surcharge (STAS), and the Distribution System Improvement Charge (DSIC). To calculate the RCS, the annual acquisition-related revenue requirement deficiency will be divided by the Company's projected revenue for sales of water and wastewater (including all applicable clauses and riders) for the annual period during which the charge will be collected, exclusive of revenues from customers acquired under 66 Pa. C.S. § 1329 since the last base rate case, public fire protection service, the STAS and the DSIC.

Formula: The formula for calculation of the RCS surcharge is as follows:

RCS = <u>(</u> Where:	<u>RMRB * PTRR)+</u> Dep+O&M + <u>e</u> PAR PAR PAR	
RMRB	The ratemaking rate base as established in the 66 Pa. C.S. § 1329 proceeding, net of accumulated depreciation since acquisition.	
PTRR	 Pre-tax return rate applicable to RCS-eligible property. 	
Dep	 Depreciation expense related to RCS-eligible property. 	
O&M	=Operation and maintenance expenses including taxes other than income.	
е	 Amount calculated (+/-) under the annual reconciliation feature or Commission Audit as described below. 	
PAR	= Projected annual revenues for service (including all applicable clauses and riders) from existing water and wastewater customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period, will be based on the applicable twelve-month period, including any revenue from acquired companies that are now being charged the rates of the acquiring company, and excluding any revenue from systems acquired pursuant to 66 Pa. C.S. §1329 since the Company's last base rate case.	
Annual Indates: Supporting data for each annual undate will be filed with the Commission		

Annual Updates: Supporting data for each annual update will be filed with the Commission and served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate at least sixty (60) days prior to the effective date of the update.

3. Safeguards

Cap: The RCS will be capped at 5.00% of the amount billed to water and wastewater customers under otherwise applicable rates and charges.

SCHEDULE OF RATES REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

3. Safeguards, cont'd

Audit/Reconciliation: The RCS will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with this tariff shall be credited to applicable customer accounts. It will also be subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the RCS to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the RCS for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307 (e), over a one-year period commencing April 1 of each year, or in the next quarter if permitted by the Commission. If RCS revenues exceed RCS-eligible costs, such overcollections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an overcollection. The Company is not permitted to accrue interest on under collections.

New Base Rates: The RCS charge will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had theretofore been recovered under the RCS. Thereafter, only the revenue requirement deficiency of new eligible acquisitions, that have not previously been reflected in the Company's rate base, would be reflected in the annual updates of the RCS.

All Customer Classes: The RCS shall be applied equally to all customer classes exclusive of customers acquired under 66 Pa. C.S. § 1329 since the Company's last base rate proceeding.

Earning Reports: The charge will also be reset at zero if, at the time of the annual update, the data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency under the RCS as described in the Pre-tax return section. The Company shall file a tariff supplement implementing the reset of the RCS to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency.

Customer Notice: Customers shall be notified of changes in the RCS by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the RCS rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the RCS rate is reset to zero. The utility shall refund any over collection to customers and is entitled to recover any under collections as set forth in Section 3 – Audit Reconciliation. Once the Company determines the specific amount of the residual over or under collection amount after the RCS rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (60) days prior to the effective date of the supplement.

Public Fire Protection: The RCS will not apply to public fire protection customers.

RULES AND REGULATIONS

Section G – Credit/Deposits (cont'd)

3. Residential Customers' Deposits (cont'd):

- (a) Prior to reconnection of service, deposits may be required from a Residential Applicant or Residential Customer whose service was terminated for any of the following reasons: (a) nonpayment of an undisputed delinquent account; (b) failure to complete payment of a deposit, providing a guarantee or establish credit; (c) failure to permit access to meters, service connections or other property of Company for the purpose of replacement, maintenance, repair or meter reading; (d) Unauthorized Use of Service on or about the affected dwelling; (e) failure to comply with the material terms of a settlement or payment arrangement; (f) fraud or material misrepresentation of identity for the purposes of obtaining utility service; (g) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment; or (h) violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's water distribution system.
- (b) Deposit Amount and Payment Period For Residential Applicants or Customers, the cash deposit required shall be in an amount equal to 1/6 of an Applicant's or Customer's estimated annual bill at the time the Company determines the deposit is required. Any Residential Applicant or Customer shall have up to 90 days to pay the deposit in full and may elect to pay the required deposit in three installments: 50% bill upon the determination that the deposit is required; 25% billed 30 days after the determination; and 25% billed 60 days after the determination. The Residential Applicant or Customer may elect to pay the deposit in full before the due date.
- (c) Deposit Refunds and Interest—A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the prior 12-month period without having been late on more than two (2) occasions and is not currently delinquent. Interest on deposits will be accrued until is returned to the Customer or upon termination or discontinuance of the service covered by the deposit. Deposits from residential customers shall bear simple interest at the rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of The Fiscal Code (72 P.S. § 806). The applicable interest rate for each year shall be determined as of January 1 of that year.

4. Nonresidential Customers' Deposits:

- (a) The Company may charge deposits to Non-Residential Applicants and Non-Residential Customers if they have bad credit, lack Creditworthiness, or for other reasonable grounds determined by the Company, and as permitted by Federal Bankruptcy Law.
- (b) The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (c) Deposit Refunds and Interest— A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

1. Landlord Assumption of Responsibility

If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

(C) means Change

RULES AND REGULATIONS

Section I- Service Continuity

Regularity of Service: The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.

[Paragraph deleted]

(C)

(C) means Change

RULES AND REGULATIONS

Section Q – Liability of Company

In accordance with the Public Utility Code, the Company will provide service which shall be reasonably continuous and without unreasonable interruptions or delay, but the Company does not guarantee continuous, uninterrupted, or regular service. The Company may, without liability, interrupt or limit service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system.

The Company shall not be liable to any Customer or third party for any loss or damage due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents:

where the loss or damage involves an act of God, accident, strike, storm, riot, fire, flood, epidemic, pandemic, or any other cause beyond the Company's control;

where the loss or damage does not involve a duty of the Company, its employees or agents, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in facilities of other utilities located in the same trench or in the Customer's own service line, sewer trap, grinder pump, internal plumbing or fixture, or due to the materials out of which those facilities are made;

where the loss or damage does not involve a breach of a duty of the Company, its employees or agents, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a sewer trap or grinder pump that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or other person or event; or

where the claim involves strict products liability, breach of contract, or breach of actual or implied warranties of merchantability or fitness for a particular purpose, express or implied.

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of the Company are in conformity with the regulations and Orders of the Commission, the Company may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory order with the Commission.

The liability of the Company to any Customer or third party for any loss or damages due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents, shall be limited to and in no event exceed the lesser of \$1,000 or an amount equivalent to 1/4 the average charge of four billing periods to the Customer for the period of service during which such loss or damage occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred. In no case shall the Company's aggregate liability for multiple claims arising from a single alleged negligent, reckless or intentional act exceed \$100,000. In no event shall the Company be liable for direct, extraordinary, special or consequential damages (including, but not limited to, lost profits) arising in any manner whatsoever.

The Customer will indemnify, defend and hold harmless the Company against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner caused by or resulting from leaks in the Customer service line or any pipe or fixtures in or upon the customer's premises.

(C) means Change

SUPPLEMENT NO. 19 TO TARIFF WASTEWATER - PA PUC NO. 16 (REDLINE)

Supplement No. 19 to Tariff Wastewater PA P.U.C. No. 16 (Redlined Version)

PENNSYLVANIA-AMERICAN WATER COMPANY Wastewater Division (hereinafter referred to as the "Company") D/B/A Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHINGS OF

WASTEWATER COLLECTION AND DISPOSAL SERVICE

IN CERTAIN MUNICIPALITES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, BERKS COUNTY,

CHESTER COUNTY, CLARION COUNTY, CUMBERLAND COUNTY, LACKAWANNA COUNTY,

MCKEAN COUNTY, MONROE COUNTY, NORTHUMBERLAND COUNTY, PIKE COUNTY, (C)

WASHINGTON COUNTY AND YORK COUNTY

ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued: April 29, 2020

Effective: June 28, 2020

Issued by: F. Michael Doran, President Pennsylvania American Water 852 Wesley Drive Mechanicsburg, PA 17055

https://www.amwater.com/paaw/

NOTICE

This tariff proposes increases in rates and changes in rules and regulations of service. (Refer to pages 1, 2, 4, 5, 6, 8, 9, 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 11.10, 11.11, 15, 16, 18.1, 19, 19.1, 19.2, 33, 35 and 52.)

LIST OF CHANGES

Increases/Decreases

This tariff provides for uniform rates by customer class for Rate Zone 1, Rate Zone 2 (New Cumberland), Rate Zone 3 (Scranton), Rate Zone 4 (Kane), and Rate Zone 6 (McKeesport) wastewater sales customers.

Miscellaneous Fees and Charges – Fees under Section E, Wastewater Plant, Residential Septage and Commercial Waste Disposal have been increased.

This tariff provides for an increase in the low-income customer discount.

The Distribution System Improvement Charge will be reduced to zero.

The Company is eliminating the Tax Cuts and Jobs Act Voluntary Surcharge.

The Company is adding a Regionalization and Consolidation Surcharge which will be initially set to 0.00%. Please refer to pages 19 through 19.2. This addition has not been red-lined.

Changes

Title Page – Added McKean County for the acquisition of Kane Borough Authority.

Pages 8 and 9 – Territories Served are updated for the Kane and Delaware future acquisitions and for changes in Rate Zones.

Pages 11.3 – Rate Zone 2 rate structure is modified.

Page 11.5 – Rate Zone 4 (Koppel) has been rolled into Rate Zone 1 and repurposed as Rate Zone 4 (Kane).

Page 11.6 – Rate Zone 5 (Franklin) has been rolled into Rate Zone 1 and Page 11.6 is held for future use.

Page 11.7 and 11.8 – Rate Zone 6 (McKeesport) is now only on Page 11.7. All rates have been consolidated under a modified rate structure. Page 11.8 is held for future use.

Page 11.9 – Rate Zone 7 (Sadsbury) has been rolled into Rate Zone 1. Page 11.9 is being held for future use.

Page 11.10 – Rate Zone 8 (Turbotville) has been rolled into Rate Zone 1. Page 11.10 is being held for future use.

Page 11.11 – Rate Zone 9 (Exeter) has been rolled into Rate Zone 1. Page 11.11 is being held for future use.

Page 15 – Applicability of Wastewater Plant, Residential Septage and Commercial Waste Disposal Fee is modified.

Page 18.1 – Rate Zones and Districts to which the DSIC is applied are changed consistent with the proposed changes in rate zones.

Page 33 – The Company is adding Section G.5, Landlord Assumption of Responsibility.

Page 35 – The Company is modifying Section I and eliminating Section I.2, Liability for Damages.

Page 52 – The Company is modifying the language of Section Q, Liability of the Company.

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(I) means Increase, (C) means Change and (D) means Decrease

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(C)

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(C) means Change

York County. Portions of Fairview Township.

TERRITORIES SERVED (By State Region and Company Wastewater System District)

(All territories are subject to Rate Zone 1 unless otherwise noted)

Central Pennsylvania

Franklin District – Rate Zone 5 Adams County. Portions of the Townships of Franklin, Hamiltonban and Highland.	(C)
McEwensville District Northumberland County. McEwensville Borough.	
New Cumberland District – Rate Zone 2 Cumberland County. The Borough of New Cumberland.	
Turbotville District – Rate Zone 8 Northumberland County. Portions of The Borough of Turbotville.	(C)

Northeastern Pennsylvania

Northeast District – Lehman Pike, Blue Mountain Lakes, Clean Treatment and Delaware	(C)
Monroe County. Portions of the Townships of Middle Smithfield, Smithfield and Stroud.	
Pike County. Portions of Delaware and Lehman Townships.	

Pocono District

Fairview District

Monroe County. A portion of Coolbaugh Township.

Scranton Sewer District – Rate Zone 3

Lackawanna County. The City of Scranton and the Borough of Dunmore.

Southeastern Pennsylvania

Coatesville District - Rate Zone 1 and Rate Zone 7 (Sadsbury Township)

(C) Chester County. The City of Coatesville, the Borough of Parkesburg and portions of the Borough of South Coatesville and portions of the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury.

Exeter Sewer District - Rate Zone 9

Berks County. Portions of the Townships of Exeter, Alsace and Lower Alsace (and related points of bulk service interconnection).

(C) means Change

(C)

(C)

<u>TERRITORIES SERVED (CONT'D)</u> (By State Region and Company Wastewater System District) (All territories are subject to Rate Zone 1 unless otherwise noted)

Western Pennsylvania

Clarion County. Clarion Borough and portions of the Townships of Clarion and Monroe.

Claysville District

Clarion District

Washington County. Claysville Borough and portions of the Townships of Donegal.

Kane District – Rate Zone 4 McKean County. Kane Borough.

Koppel District – Rate Zone 4 Beaver County. Koppel Borough.

McKeesport District – Rate Zone 6

Allegheny County. The City of McKeesport, the City of Duquesne, Port Vue Borough, the Borough of Dravosburg, and a portion of West Mifflin Borough (and related points of bulk service interconnection).

Paint-Elk District

Clarion County. Shippenville Borough and portions of the Townships of Elk and Paint.

SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

APPLICABILITY

The rates under this schedule apply throughout the territories served under this tariff, unless otherwise noted on the territories served page, for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Municipal and Industrial classes.

<u>METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)</u> All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU).

		<u>2021</u>		<u>2022</u>	
Α.	Residential	¢11.00	(1)	¢10.00	(1)
	Service Charge per month: Usage Charge per 100 gallons:	<u>\$11.00</u> \$1.7631	(I) (I)	<u>\$12.00</u> <u>\$1.8754</u>	(I) (I)
	Usage Charge per 100 gallons.	<u> </u>	(1)	<u>\$1.0734</u>	(1)
В.	Commercial				
	Service Charge per month:	<u>\$27.50</u>	(I)	<u>\$30.00</u>	(I)
	Usage Charge per 100 gallons:	<u>\$1.3000</u>	(I)	<u>\$1.4000</u>	(I)
-					
C.	Industrial	ФО Т ГО	(1)	\$ 00.00	(1)
	Service Charge per month:	<u>\$27.50</u>	(I)	<u>\$30.00</u>	(I)
	Usage Charge per 100 gallons:	<u>\$1.3000</u>	(I)	<u>\$1.4000</u>	(I)
D.	Municipal				
5.	Service Charge per month:	\$27.50	(I)	\$30.00	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
		<u> </u>			()
Ε.	Special Rate Charges				
	Bulk Metered Usage – Caln Twp.,				
	Valley Twp., V.A. Hospital and West				
	Brandywine Twp.				
	Service Charge per month:	<u>\$275.00</u>	(I)	<u>\$300.00</u>	(I)
	Usage Charge per 100 gallons:	<u>\$0.9639</u>	(I)	<u>\$1.0000</u>	(I)
	Mittal Steel and Victory Brewing Company				
	Service Charge per month:	\$275.00	(I)	<u>\$300.00</u>	(I)
	Usage Charge per 100 gallons:			<u>\$300.00</u> \$1.0200	
	Usaye Unalye per 100 gallons.	<u>\$0.9300</u>	(I)	<u>ψ1.0200</u>	(I)

SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

UNMETERED CHARGES - This charge is a flat rate fee for customers not metered for water consumption.

A Decidential	<u>2021</u>		<u>2022</u>	
A. <u>Residential</u> Flat rate per month, per EDU:	<u>\$71.97</u>	(I)	<u>\$76.85</u>	(I)
B. <u>Commercial</u> Flat rate per month, per EDU:	<u>\$71.97</u>	(I)	<u>\$76.85</u>	(I)
C. Special Rate Charges				
Knouss Foods, flat rate per month:	<u>\$5,219.33</u>	(I)	<u>\$5,595.37</u>	(I)
Strattanville Borough, flat rate per month:	<u>\$3,884.64</u>	(I)	<u>\$4,164.52</u>	(I)
Penn State Special Metals, flat rate per month:	<u>\$1,805.06</u>	(I)	<u>\$2,006.44</u>	(I)
PSC Metals, flat rate per month:	<u>\$698.84</u>	(I)	<u>\$776.80</u>	(I)
Koppel Steel, flat rate per month:	<u>\$10,843.95</u>	(I)	<u>\$12,053.72</u>	(I)

SCHEDULE OF RATES

RATE ZONE 2 – METERED

APPLICABILITY

The rates as set forth below apply in the Borough of New Cumberland service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers located in the Borough of New Cumberland.

RATESMETERED CHARGES: (Based on Water Usage or Sewage Flows, determined at PAWC's discretion) All metered customers shall be subject to a monthly service per equivalent dwelling unit (EDU). (C)

	<u>2021</u>	2022
 A. <u>Residential</u> Service Charge per month: Usage Charge per 100 gallons: 	<u>\$11.00</u> (I) <u>\$1.2300</u> (I)	\$12.00 (I) \$1.4760 (I)
 B. <u>Commercial</u> Service Charge per month: Usage Charge per 100 gallons: 	<u>\$27.50</u> (I) <u>\$1.0400</u> (I)	<u>\$30.00</u> (I) <u>\$1.2480</u> (I)
C. <u>Municipal</u> Service Charge per month: Usage Charge per 100 gallons:	<u>\$27.50</u> (I) <u>\$1.0400</u> (I)	<u>\$30.00</u> (I) <u>\$1.2480</u> (I)

(I) means Increase and (C) means Change

SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED

<u>APPLICABILITY</u>

The rates as set forth below will apply in the Scranton Sewer service territory served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Industrial and Municipal classes.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)

All metered customers shall be subject to a monthly service charge per equivalent dwelling unit (EDU).

A. Residential	<u>2021</u>		<u>2022</u>	
Service Charge per month:	\$19.50	(I)	\$19.50	(I)
Usage Charge per 100 gallons:	<u>\$0.7212</u>	(I)	\$0.7336	(I)
Flat Rate	\$41.91		\$41.91	
B. <u>Commercial – Apartments and Non-Residential</u> <u>Customers billed under the residential rate by Scranton</u> Sewer Authority				
Service Charge per month:	\$19.50	(I)	\$19.50	(I)
Usage Charge per 100 gallons:	\$0.7212	(I)	<u>\$0.7336</u>	(I)
C. <u>Commercial (Other than Customers in subsection (B)</u> above), Industrial and Municipal				
Service Charge per month:	<u>\$19.50</u>	(I)	<u>\$19.50</u>	(I)
Usage Charge per 100 gallons:		(-)	*	(_)
First 5,000 gallons per month	<u>\$0.7212</u>	(I)	<u>\$0.7336</u>	(I)
All Over 5,000 gallons per month	<u>\$1.0365</u>	(I)	<u>\$1.0542</u>	(I)

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED

APPLICABILITY

The rates as set forth below will apply in the Kane service territory (former territory served by the Borough of Kane Authority) served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

The rates under this schedule are available to all customers.

METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)

All metered customers shall be subject to a monthly service charge.

<u>2021</u>		<u>2022</u>	
<u>\$50.15</u>	(I)	<u>\$60.00</u>	(I)
Service Charg	je	Service Cha	arge
<u>\$0.8052</u>	(I)	<u>\$0.9634</u>	(I)
<u>\$0.8943</u>	(I)	<u>\$1.0700</u>	(I)
<u>\$0.9760</u>	(I)	<u>\$1.1678</u>	(I)
<u>\$100.31</u>	(I)	<u>\$120.02</u>	(I)
Service Charg	je	Service Cha	arge
<u>\$0.8052</u>	(I)	<u>\$0.9634</u>	(I)
<u>\$0.8943</u>	(I)	<u>\$1.0700</u>	(I)
<u>\$0.9760</u>	(I)	<u>\$1.1678</u>	(I)
	\$50.15 Service Charg \$0.8052 \$0.8943 \$0.9760 \$100.31 Service Charg \$0.8052 \$0.8943	\$50.15 (I) Service Charge \$0.8052 (I) \$0.8943 (I) \$0.9760 (I) \$100.31 (I) Service Charge \$0.8052 \$0.8052 (I) \$0.8052 (I) \$0.8052 (I) \$0.8943 (I)	\$50.15 (I) \$60.00 Service Charge Service Charge \$0.8052 (I) \$0.9634 \$0.8943 (I) \$1.0700 \$0.9760 (I) \$1.1678 \$100.31 (I) \$120.02 Service Charge Service Charge \$0.8052 (I) \$0.9634 \$0.8052 (I) \$1120.02 Service Charge Service Charge \$0.8052 (I) \$0.9634 \$0.8943 (I) \$1.0700

UNMETERED CHARGES

This charge is a flat fee for customers not metered for water consumption. All flat rates will be billed monthly.

	<u>2021</u>		<u>2022</u>	
All Unmetered Customers	<u>\$61.89</u>	(D)	<u>\$74.05</u>	(I)

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

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(C) means Change

SCHEDULE OF RATES

RATE ZONE 6 – METERED AND UNMETERED

<u>APPLICABILITY</u>

The rates as set forth below will be in effect for all former customers of the Municipal Authority of the City of McKeesport.

AVAILABILITY

The rates under this schedule are available to customers in the Residential, Commercial, Industrial, Municipal and Bulk classes.

<u>METERED CHARGES (Based on Water Usage or Sewage Flows, determined at PAWC's discretion)</u> (C)

All metered customers shall be subject to a monthly or quarterly service charge.

۸	Residential	<u>2021</u>		<u>2022</u>	
А.	Service Charge per month:	<u>\$11.00</u>	(I)	<u>\$12.00</u>	(I)
	Usage Charge per 100 gallons:	<u>\$1.7631</u>	(I)	<u>\$1.8754</u>	(I)
			()		()
В.	Commercial				
	Service Charge per month:	<u>\$27.50</u>	(I)	<u>\$30.00</u>	(I)
	Usage Charge per 100 gallons:	<u>\$1.3000</u>	(I)	<u>\$1.4000</u>	(I)
-					
C.	Industrial		(T)	\$ 00.00	(7)
	Service Charge per month:	<u>\$27.50</u>	(I)	<u>\$30.00</u>	(I)
	Usage Charge per 100 gallons:	<u>\$1.3000</u>	(I)	<u>\$1.4000</u>	(I)
D.	Municipal				
υ.	Service Charge per month:	<u>\$27.50</u>	(I)	<u>\$30.00</u>	(I)
	Usage Charge per 100 gallons:	\$1.3000	(I)	\$1.4000	(I)
Ε.	Special Rate Charges				
	Bulk Customers – Versailles, Elizabeth, Liberty, Glas	ssport, Lind	oln, North V	ersailles,	
	White Oak and East McKeesport	•		• • • • • • •	
	Usage Charge per 100 gallons:	<u>\$0.9830</u>	(I)	<u>\$1.0520</u>	(I)
	Flat Rate Account	•			
	Per month, based on 6,000 gallons per month:	<u>\$59.00</u>	(I)	<u>\$63.10</u>	(I)
	Per quarter, based on 18,000 gallons per quarter:	<u>\$176.90</u>	(I)	<u>\$189.30</u>	(I)

Provided sewage flow meters are installed, on or after January 1, 2018, during any billing period in which the gross volume of sewage from the municipality exceeds 350% of the aggregate quantity of water used by the municipality's water users, the municipality shall pay PAWC's prevailing rates for handling the excess, in addition to the sewage charges set forth above.

[Deleted separate rate schedules for Duquesne, Dravosburg and West Mifflin – All Customers and for Port Vue – All Customers]

(C)

(I) means Increase and (C) means Change

[Intentionally blank]

(C)

(C) means Change

[Intentionally blank]

[Intentionally blank]

(C)

[Intentionally blank]

(C)

(C)

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES Miscellaneous Fees and Charges (cont'd)

E. Wastewater Plant, Residential Septage and Commercial Waste Disposal Fee.

The Fee to be paid by private contractors to the Company to dispose of private residential septage and commercial Wastes at the Company's wastewater treatment plant.

The following rates shall be charged to haulers of residential septic waste who deliver waste:

All Rate Zones (excluding McKeesport and Exeter Township)1 through 5

$\sim -0.5\%$ \$0.0450 (I)	olids <u></u> 9	<u>6 Solids</u>	Cost Per	Gallon
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	<pre> </pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <pre> <!--</td--><td>= 2% = 3% = 4% = 5% = 6% = 7%</td><td>\$0.0450 \$0.0450 \$0.0550 \$0.0600 \$0.0650 \$0.0710</td><td>(I) (I) (I) (I) (I) (I)</td></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre></pre>	= 2% = 3% = 4% = 5% = 6% = 7%	\$0.0450 \$0.0450 \$0.0550 \$0.0600 \$0.0650 \$0.0710	(I) (I) (I) (I) (I) (I)

Rate Zone 6 (McKeesport Area)

<u>%Solids</u>	Cost Per Gallon	
< = 4%	\$0.040	
> 4%	\$0.010 per % Solids	

Rate Zone 19 (Exeter Township)

Holding Tanks waste delivered and discharged (including sampling and lab work), per gallon	\$0.022
Septage waste delivered and discharged (including sampling end lab work), per gallon	\$0.032
Wash waters - coolant or rinse, per gallon	\$0.020
Leachate delivered and discharged (including sampling and lab work), per gallon	\$0.018
Extra Strength Leachate, per gallon	\$0.022
Industrial Wastewater- per gallon To be determined by characteristics of the waste stream	\$0.022 minimal
Portable Toilets, per gallon	\$0.032

SCHEDULE OF RATES

LOW-INCOME RIDER – ALL RATE ZONES FOR QUALIFYING RESIDENTIAL CUSTOMERS

APPLICABILITY

This rider applies throughout the territories served under this tariff for service rendered on and after the Effective Date shown at the bottom of this page.

AVAILABILITY

This rider is available for a customer in the Residential Class that meets the low-income criteria of 150% based on the Federal Poverty Level. To remain eligible for this rate, such customer must continually make timely payments on the discounted bills.

RATE

Customers under this rate schedule will receive a <u>30</u>% discount off their total wastewater bill. (D)

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to bills rendered (D) on or after the Effective Date shown on the bottom of this page.

This Charge will be applicable to: <u>All Rate Zones except the following:</u>

(C)

<u>Rate Zone 1 – Sadsbury Operations, Exeter and Turbotville Districts</u> <u>Rate Zone 4 – Kane</u>

All Rate Zones except Rate Zone 7 – Sadsbury, Rate Zone 8 – Turbotville and Rate Zone 9 – Exeter.

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 18.2,18.3 and 18.4 of this tariff.

(C) means Change and (D) means Decrease

PENNSYLVANIA-AMERICAN WATER COMPANY

TCJA VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania-Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to-Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018 and June 14, 2018, the Commission entered an Order and Reconsideration Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates as follows:

A negative surcharge of -7.68% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2018 for wastewater Rate Zones 1, 2, 4 and 5. A negative surcharge of -5.47% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2018 for wastewater Rate Zone 3 (Scranton). This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

This negative surcharge will be reconciled at the end of each calendar year (or fiscal year if not on a calendar year basis) and will remain in place until the utility files and the Commission approves new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes.

Interest on over or under collections shall be computed monthly at the residential mortgagelending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occursto the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Voluntary Surcharge.

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE

1. General Description

Purpose: To recover the revenue deficiency created by the acquisition of water and wastewater utilities acquired at their fair market value pursuant to 66 Pa. C.S. § 1329 in order to further the regionalization and consolidation of water and wastewater systems throughout the Commonwealth.

Effective Date: The RCS will become effective for bills rendered on and after [date].

2. Computation of the RCS

Calculation: The RCS will be updated annually to reflect eligible acquisitions closed during the twelvemonth period ending three months prior to the effective date of each RCS update. Thus, changes in the RCS rate will occur as follows:

> Effective Date of Change April 1

Date to which RCS-Eligible Acquisitions Reflected December 31

The revenue deficiency of eligible fair market value acquisitions will consist of depreciation, pre-tax return, operation and maintenance expenses, including taxes other than income, less revenues at present rates from the acquired system, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the Commission-approved cost of RCS-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of RCS-eligible property is recorded, unless the Commission approves different depreciation rates.

Pre-tax return: The pre-tax return will be calculated using the state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the period ending three months prior to the effective date of the RCS and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the RCS. If more than two years shall have elapsed between the entry of such a final order and the effective date of the RCS, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission Staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Operation and Maintenance Expenses: The operation and maintenance (O&M) expenses will be determined by multiplying the Company's current per-customer O&M expense by the number of customers of the acquired system. The Company's current per-customer O&M expense will be determined by dividing the Company's total O&M expenses by the Company's total number of customers, both as shown in the most recent Annual Report to the Commission.

(C) means Change

Issued: April 29, 2020

Effective Date: June 28, 2020

SCHEDULE OF RATES

REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

2. Computation of the RCS (cont'd)

RCS Amount: The RCS will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service, the State Tax Adjustment Surcharge (STAS), and the Distribution System Improvement Charge (DSIC). To calculate the RCS, the annual acquisition-related revenue requirement deficiency will be divided by the Company's projected revenue for sales of water and wastewater (including all applicable clauses and riders) for the annual period during which the charge will be collected, exclusive of revenues from customers acquired under 66 Pa. C.S. § 1329 since the last base rate case, public fire protection service, the STAS and the DSIC.

Formula: The formula for calculation of the RCS surcharge is as follows:

RCS =	<u>(RMRB * PTRR)+</u> Dep+O&M + <u>e</u> PAR PAR
Where:	
RMRB	The ratemaking rate base as established in the 66 Pa. C.S. § 1329 proceeding, net of accumulated depreciation since acquisition.
PTRR	 Pre-tax return rate applicable to RCS-eligible property.
Dep	 Depreciation expense related to RCS-eligible property.
O&M	=Operation and maintenance expenses including taxes other than income.
е	 Amount calculated (+/-) under the annual reconciliation feature or Commission Audit as described below.
PAR	= Projected annual revenues for service (including all applicable clauses and riders) from existing water and wastewater customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period, will be based on the applicable twelve-month period, including any revenue from acquired companies that are now being charged the rates of the acquiring company, and excluding any revenue from systems acquired pursuant to 66 Pa. C.S. §1329 since the Company's last base rate case.
Annual Up	dates: Supporting data for each annual update will be filed with the Commission

Annual Updates: Supporting data for each annual update will be filed with the Commission and served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate at least sixty (60) days prior to the effective date of the update.

3. Safeguards

Cap: The RCS will be capped at 5.00% of the amount billed to water and wastewater customers under otherwise applicable rates and charges.

SCHEDULE OF RATES REGIONALIZATION AND CONSOLIDATION SURCHARGE (CONT'D)

3. Safeguards, cont'd

Audit/Reconciliation: The RCS will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with this tariff shall be credited to applicable customer accounts. It will also be subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the Company may elect to subject the RCS to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the RCS for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307 (e), over a one-year period commencing April 1 of each year, or in the next quarter if permitted by the Commission. If RCS revenues exceed RCS-eligible costs, such overcollections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. § 101, et seq.) and will be refunded in the same manner as an overcollection. The Company is not permitted to accrue interest on under collections.

New Base Rates: The RCS charge will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had theretofore been recovered under the RCS. Thereafter, only the revenue requirement deficiency of new eligible acquisitions, that have not previously been reflected in the Company's rate base, would be reflected in the annual updates of the RCS.

All Customer Classes: The RCS shall be applied equally to all customer classes exclusive of customers acquired under 66 Pa. C.S. § 1329 since the Company's last base rate proceeding.

Earning Reports: The charge will also be reset at zero if, at the time of the annual update, the data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency under the RCS as described in the Pre-tax return section. The Company shall file a tariff supplement implementing the reset of the RCS to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Company has earned a rate of return that would exceed the allowable rate of return used to calculate its revenue requirement deficiency.

Customer Notice: Customers shall be notified of changes in the RCS by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The Company shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the RCS rate has been reset to zero. The Company can collect or credit the residual over/under collection balance when the RCS rate is reset to zero. The utility shall refund any over collection to customers and is entitled to recover any under collections as set forth in Section 3 – Audit Reconciliation. Once the Company determines the specific amount of the residual over or under collection amount after the RCS rate is reset to zero, the Company shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Commission's Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (60) days prior to the effective date of the supplement.

Public Fire Protection: The RCS will not apply to public fire protection customers.

RULES AND REGULATIONS

Section G – Credit/Deposits (cont'd)

3. Residential Customers' Deposits (cont'd):

- (a) Prior to reconnection of service, deposits may be required from a Residential Applicant or Residential Customer whose service was terminated for any of the following reasons: (a) nonpayment of an undisputed delinquent account; (b) failure to complete payment of a deposit, providing a guarantee or establish credit; (c) failure to permit access to meters, service connections or other property of Company for the purpose of replacement, maintenance, repair or meter reading; (d) Unauthorized Use of Service on or about the affected dwelling; (e) failure to comply with the material terms of a settlement or payment arrangement; (f) fraud or material misrepresentation of identity for the purposes of obtaining utility service; (g) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment; or (h) violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the Company's water distribution system.
- (b) Deposit Amount and Payment Period For Residential Applicants or Customers, the cash deposit required shall be in an amount equal to 1/6 of an Applicant's or Customer's estimated annual bill at the time the Company determines the deposit is required. Any Residential Applicant or Customer shall have up to 90 days to pay the deposit in full and may elect to pay the required deposit in three installments: 50% bill upon the determination that the deposit is required; 25% billed 30 days after the determination; and 25% billed 60 days after the determination. The Residential Applicant or Customer may elect to pay the deposit in full before the due date.
- (c) Deposit Refunds and Interest—A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the prior 12-month period without having been late on more than two (2) occasions and is not currently delinquent. Interest on deposits will be accrued until is returned to the Customer or upon termination or discontinuance of the service covered by the deposit. Deposits from residential customers shall bear simple interest at the rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of The Fiscal Code (72 P.S. § 806). The applicable interest rate for each year shall be determined as of January 1 of that year.

4. Nonresidential Customers' Deposits:

- (a) The Company may charge deposits to Non-Residential Applicants and Non-Residential Customers if they have bad credit, lack Creditworthiness, or for other reasonable grounds determined by the Company, and as permitted by Federal Bankruptcy Law.
- (b) The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (c) Deposit Refunds and Interest— A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

1. Landlord Assumption of Responsibility

(C)

If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

(C) means Change

RULES AND REGULATIONS

Section I- Service Continuity

1. **Regularity of Service:** The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.

[Paragraph deleted]

2. Liability for Damages:

(C)

(a) Limitation of Damages for Service Interruptions: The Company's liability to a customer for any lossor damage from any excess or deficiency in the wastewater collection service due to any cause other thanwillful misconduct or negligence by the Company, its employees or agents shall be limited to an amountno more than the Customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations inservice, but cannot and does not guarantee that such will not occur.

(b) Responsibility for Customer Facilities: The Company shall not be liable for any loss or damage caused by reason of any break, blockage, leak or other defect in a Customer's service line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from a blockage of the customer's service line or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.

(c) When the Company incurs costs and the blockage or defect is determined to be on the customer's service line, the Company may request reimbursement and the Customer is responsible to reimburse the Company for associated costs.

RULES AND REGULATIONS

Section Q – Liability of Company

(C)

(General)

In accordance with the Public Utility Code, the Company will provide service which shall be reasonably continuous and without unreasonable interruptions or delay, but the Company does not guarantee continuous, uninterrupted, or regular service. The Company may, without liability, interrupt or limit service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system.

The Company shall not be liable to any Customer or third party for any loss or damage due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents:

where the loss or damage involves an act of God, accident, strike, storm, riot, fire, flood, epidemic, pandemic, or any other cause beyond the Company's control;

where the loss or damage does not involve a duty of the Company, its employees or agents, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in facilities of other utilities located in the same trench or in the Customer's own service line, sewer trap, grinder pump, internal plumbing or fixture, or due to the materials out of which those facilities are made;

where the loss or damage does not involve a breach of a duty of the Company, its employees or agents, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a sewer trap or grinder pump that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or other person or event; or

where the claim involves strict products liability, breach of contract, or breach of actual or implied warranties of merchantability or fitness for a particular purpose, express or implied.

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of the Company are in conformity with the regulations and Orders of the Commission, the Company may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory order with the Commission.

The liability of the Company to any Customer or third party for any loss or damages due to any negligent, reckless or intentional act of omission or commission, by the Company, its employees or agents, shall be limited to and in no event exceed the lesser of \$1,000 or an amount equivalent to 1/4 the average charge of four billing periods to the Customer for the period of service during which such loss or damage occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred. In no case shall the Company's aggregate liability for multiple claims arising from a single alleged negligent, reckless or intentional act exceed \$100,000. In no event shall the Company be liable for direct, extraordinary, special or consequential damages (including, but not limited to, lost profits) arising in any manner whatsoever.

The Customer will indemnify, defend and hold harmless the Company against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner caused by or resulting from leaks in the Customer service line or any pipe or fixtures in or upon the customer's premises.

1. The liability of the Company for any loss or damages due to any negligent act of omission or commission, by the Company, shall be limited to and in no event exceed an amount equivalent to 1/4-

the average charge of 4 billing periods to the Customer for the period of service during which such deficiency has occurred. Such average shall be determined by reference to the billed charges to the Customer for the four billing periods immediately prior to the billing period during which the loss or damage occurred.

(C)

- 2. In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of the Company are in conformity with the regulation and Order of the Commission, the Company may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory judgment with the Commission.
- 3. Notwithstanding any provision in this tariff to the contrary, the Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, includingbreaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects orcondition in the Customer's own service line, meter vault, pressure reducing valve, back flow prevention device, check valve, pressure relief valve, or any other control valve, internal plumbing or fixture, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (locatedwithin the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a curb box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or other person or event.

(C) means Change

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