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June 15, 2018

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

Dear Secretary Chiavetta,

Re: Tax Cuts and Jobs Act of 2017 – Pennsylvania American Water Company
– Wastewater Division Docket No. R-2018-3000725.

In accordance with the above-captioned matter, attached please find Supplement No. 7 to Tariff Wastewater Pa P.U.C. No. 16 for Pennsylvania American Water Company, which bears the issue date of June 15, 2018.

In accordance with Commission Order and Reconsideration Order at Docket No. R-2018-3000725 adopted and entered on May 17, 2018 and June 14, 2018 respectively, Tariff Supplement No. 7 establishes a negative surcharge of -7.68% for wastewater Rate Zones 1, 2, 4 and 5, and a negative surcharge of -5.47% for Rate Zone 3 (Scranton) distributed equally among customer classes effective July 1, 2018, to implement the effects of the Tax Cuts & Jobs Act.

Sincerely,

John Cox
Director of Rates and Regulations

cc. Office of Consumer Advocate
Bureau of Investigation and Enforcement
Office of Small Business Advocate
Marie Intrieri
Audit Bureau
Bureau of Technical Utility Services

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 MUNICIPALITIES AND TERRITORIES LOCATED IN:

ADAMS COUNTY, ALLEGHENY COUNTY, BEAVER COUNTY, CHESTER COUNTY,
CLARION COUNTY, CUMBERLAND COUNTY, LACKAWANNA COUNTY, MONROE COUNTY,
NORTHUMBERLAND COUNTY, PIKE COUNTY, WASHINGTON COUNTY AND YORK COUNTY
ALL IN THE COMMONWEALTH OF PENNSYLVANIA

Issued: June 15, 2018

Effective: July 1, 2018

Issued by:
Jeffery McIntyre, President
Pennsylvania American Water
800 West Hersheypark Drive
Hershey, PA 17033

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

Filed in compliance with the order and reconsideration order of Pennsylvania Public Utility Commission of May 17, 2018 and June 14, 2018 respectively, at Docket No. R-2018-3000725. These orders cancel and supersede the temporary rates filed in response to the Commission’s Temporary Rates Order of March 15, 2018.

NOTICE

This tariff makes decreases in rates.

Refer to Pages 2, 4 and 19.

LIST OF CHANGES

Tariff Supplement No. 7 establishes a negative surcharge of -7.68% for wastewater Rate Zones 1, 2, 4 and 5, and a negative surcharge of -5.47% for Rate Zone 3 (Scranton) distributed equally among customer classes effective July 1, 2018, to implement the effects of the Tax Cuts & Jobs Act.

PENNSYLVANIA-AMERICAN WATER COMPANY

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(C) means Change (D) means Decrease

TCJA VOLUNTARY SURCHARGE

(D)

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.

(D) means Decrease