

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of the Township of Sadsbury
66 Pa. C.S. §1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2018-_____**

18. Rates.
- d. Provide a copy of the notification sent to affected customers describing the filing and the proposed rates.

RESPONSE:

- d. At Closing, PAWC will send the welcome letter from President Jeffrey McIntyre and new customer brochures to the new customers. Drafts of the welcome letters and form brochures are attached, but may be subject to change.



Dear Customer,

I am pleased to announce that on [DATE], Pennsylvania American Water acquired the wastewater system assets of Sadsbury Township. We welcome you as a new wastewater customer, and we will continue to provide the same high-quality, reliable water service that Sadsbury Township residents and businesses have received for years.

Pennsylvania American Water is the largest water and wastewater utility in the state, providing service to approximately 2.4 million people in more than 400 communities. Our company is a subsidiary of American Water, the largest publicly traded U.S. water and wastewater utility company in the nation. Pennsylvania American Water's network of experts and resources across the Commonwealth ensures that we are able to provide high quality, reliable water and wastewater service.

The enclosed welcome booklet provides more information about our company, services and payment options. You can reach our customer service center from 7 a.m. to 7 p.m. Monday through Friday at 1-800-565-7292. For emergencies, we're available 24/7 at the same number. Also, visit our website at www.pennsylvaniaamwater.com for more information.

In the agreement approved by the Pennsylvania Public Utility Commission (PUC), Pennsylvania American Water has adopted Sadsbury Township's existing wastewater rates. Pennsylvania American Water's wastewater tariff on file with the PUC will apply with respect to all other rates, rules and regulations of wastewater service. As a regulated utility, our rates, rules and regulations of service are regulated by the PUC.

Important Notice About Your Bill

You will continue to be billed on a monthly cycle, and you will receive a combined monthly bill from Pennsylvania American Water for water and wastewater service. We anticipate that you will receive your first combined water and wastewater bill from Pennsylvania American Water around [DATE].

If you are not enrolled in our Auto Pay program, we encourage you to sign up today. Your bill will be paid on time, every time, directly from your checking or savings account. Your bill is paid automatically -- No stamps required! Go entirely paperless and sign up for Paperless Billing. To enroll in Auto Pay, please complete the form in the enclosed brochure or you can enroll online through our web self-service portal at www.amwater.com.

We are pleased to welcome you as a new wastewater customer. Pennsylvania American Water has been providing high-quality water and wastewater service to homes and businesses for more than a century, and we are committed to providing you with this same standard of excellence.

Respectfully,

Jeffrey McIntyre, President



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You will transition from the current quarterly billing to a monthly billing cycle, and you will receive a combined monthly bill from Pennsylvania American Water for water and wastewater service. We anticipate that you will receive your first combined water and wastewater bill from Pennsylvania American Water around [DATE].

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Important Notice About Your Bill

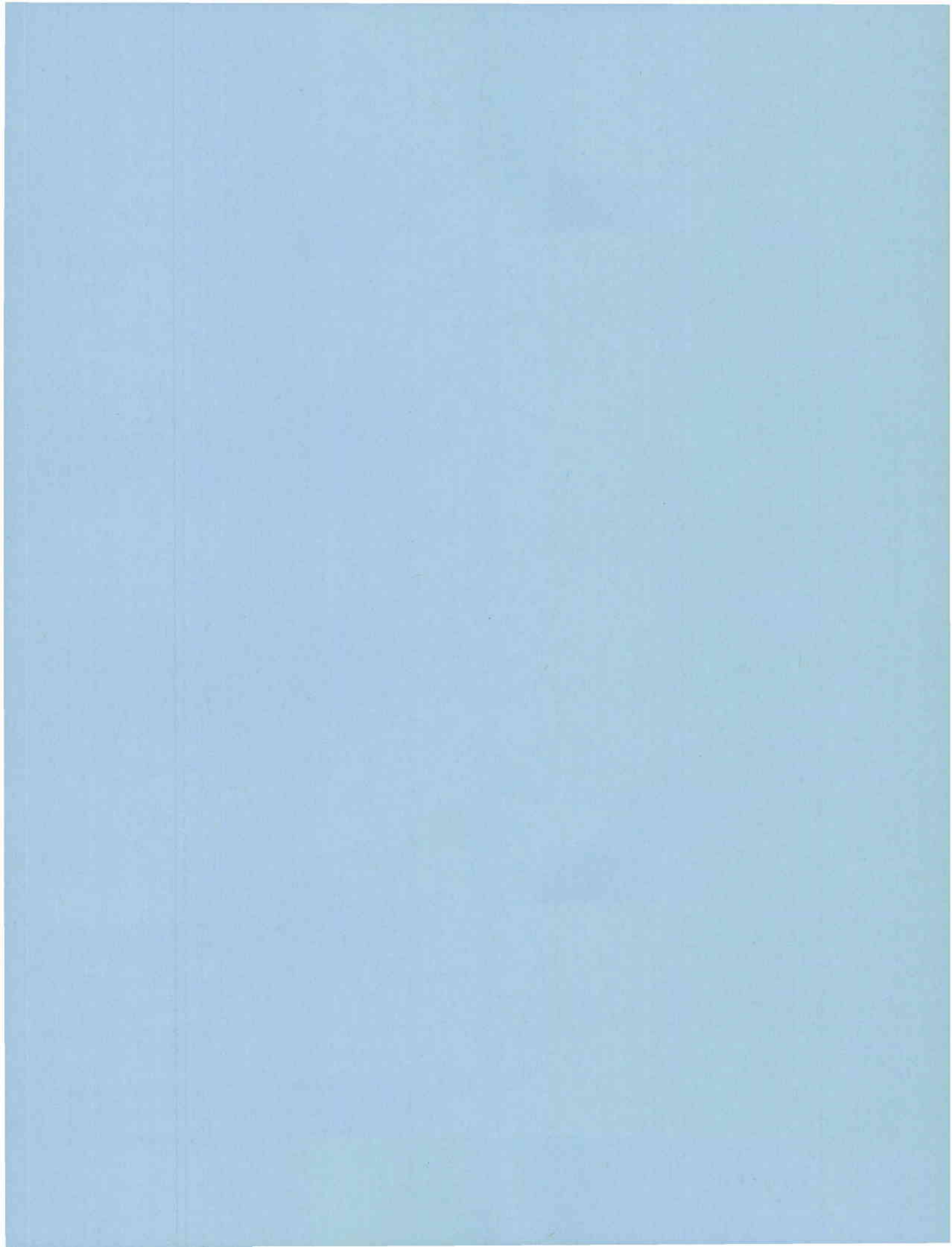
Following the acquisition, Pennsylvania American Water will install a new meter at your property. You will be charged the current service charge of \$25 per month plus the wastewater metered rate, which is \$1.418 per hundred gallons. You will continue to be billed on a monthly cycle. We anticipate that you will receive your first wastewater bill from Pennsylvania American Water around [DATE].

If you are not enrolled in our Auto Pay program, we encourage you to sign up today. Your bill will be paid on time, every time, directly from your checking or savings account. Your bill is paid automatically – No stamps required! Go entirely paperless and sign up for Paperless Billing. To enroll in Auto Pay, please complete the form in the enclosed brochure or you can enroll online through our web self-service portal at www.amwater.com.

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Respectfully,

Jeffrey McIntyre, President





Sign up for **paperless billing.**
IT'S FREE, CLEAN AND GREEN!



Save time. Cut clutter.

Sign up for Paperless Billing, and you'll never have to sort and file a paper bill again. We'll notify you by e-mail when your bill is available to view online. It's simple, secure, and—best of all—free!



Save money too.

Tired of paying stamps and writing checks? You can enroll in our Auto Pay Program at the same time. It's the free and easy way to make sure your bill gets paid on time, every time.



Save a tree. Or two.

Sign up today at My Account. If you're not yet registered for My Account, just visit amwater.com/myaccount. Be sure to have your account number handy.



PENNSYLVANIA AMERICAN WATER
www.pennsylvaniaamwater.com



American Water Works Company, Inc., together with its subsidiaries, is referred to as American Water. © 2013

ABOUT PENNSYLVANIA AMERICAN WATER



Providing high-quality water service and environmental excellence

Pennsylvania American Water monitors water quality every step of the way, from the source, through the treatment process and along the thousands of miles of pipeline in our distribution system. In fact, every year, we perform millions of water quality tests at our facilities. Water samples are tested and analyzed at American Water's national laboratory and Pennsylvania American Water's accredited laboratories—staffed by water-quality specialists and analysts/operators who are specially trained in quality assurance. Pennsylvania American Water does all of this so that you can feel confident that your water service is of the highest quality and that it complies with state and federal drinking water standards.

We take water quality so seriously that most of our water treatment plants have been nationally recognized with Directors Awards for participating in the Environmental Protection Agency's (EPA) Partnership for Safe Water program. This prestigious award recognizes voluntary efforts to raise drinking water quality above regulatory standards. For a complete listing, visit us on line at www.pennsylvaniaamwater.com and select **Water Quality**.

A hand of support for those in need

It's easy to take water for granted. At Pennsylvania American Water, we don't, because we understand the value of providing high-quality water and wastewater service and what it means to our customers on a daily basis. Unfortunately, some individuals and families in Pennsylvania are at risk of losing service, because they can't pay their water and/or wastewater bills. For disadvantaged customers who need assistance, Pennsylvania American Water's H2O Help to Others Program™ can help.

The program offers three main services:

- Assistance grants of up to \$500
- Discount on the monthly service fee
- Water-saving devices for the home and information on how to use water wisely

To apply or for more information on qualification requirements, contact Pennsylvania American Water's program administrator, the Dollar Energy Fund, toll-free, at 1-888-282-8816. If you wish to contribute to the program, simply follow the instructions on your water bill for adding a donation.

Partnering with our communities

Pennsylvania American Water plays an active role in its communities by supporting environmental and educational initiatives related to water. Our involvement ranges from watershed clean-up efforts to educational programs focused on drinking water and source water protection. Our community programs include:

- Environmental Grant Program
- Protect Our Watersheds Art Contest
- Stream of Learning Scholarship Program
- Firefighting Support Grant
- Speakers Bureau

Have questions about our service or billing? Call us.
1-800-565-7292
800HS (Monday-Friday, 7 a.m. to 7 p.m.)
TOLL FREE (Saturdays, Sundays and holidays 24/7)

Once you receive your account number with your first bill, you can also manage your account online by visiting www.amwater.com/myaccount. You can pay and view your bill, sign up for our Auto Pay or Paperless Billing programs, schedule appointments to turn your water service on or off and view your water usage history. Learn more at www.pennsylvaniaamwater.com.



WELCOME TO PENNSYLVANIA AMERICAN WATER.

We deliver quality, care and value in every drop.



Wastewater service provider.
Welcome. We are pleased to be your new water and/or wastewater service provider.



A MESSAGE FROM OUR PRESIDENT



We are committed to meeting our customers' water and wastewater needs. This brochure will answer questions you may have about our company and the services we provide.

It is my privilege to welcome you as a customer of Pennsylvania American Water, and I thank you for taking a few minutes to learn more about our company, our services and our mission. We are proud to provide quality water and/or wastewater service to approximately 2.4 million Pennsylvanians. In fact, Pennsylvania American Water is the largest water service provider in the Keystone State.

Pennsylvania American Water employs approximately 1,000 skilled professionals, ranging from water quality specialists and plant operators to distribution and field service personnel. All employees share one common goal: to provide safe, reliable water and wastewater service around the clock.

Through our state-accredited laboratories in Pennsylvania and at our national laboratory, we continually conduct water quality tests. Each year, we provide a water quality report to our customers with results that show that our water meets and often surpasses federal and state

drinking water standards. We also regularly upgrade our systems and invest millions each year in infrastructure improvements to enhance the quality of services we provide, as well as support job creation and economic development in the communities we serve.

We are committed to meeting our customers' water and wastewater needs. This brochure will answer questions you may have about our company and the services we provide. You will find useful information on how to read your bill and what optional payment services we offer.

If you still have questions about Pennsylvania American Water or any of our services, our customer service professionals are happy to help you. Please don't hesitate to call.

Sincerely,
Jeffrey L. McInyre
Jeffrey L. McInyre
President

Water service is an exceptional value

Water is a life essential resource—you need it every day for almost everything you do. Pennsylvania American Water takes its responsibility to provide reliable water service very seriously, and that's why we are continually looking for ways to improve the service we deliver. Water and wastewater service is a great value when you consider all that is involved in providing these services.



Visit us online at www.pennsylvaniaamwater.com

LIKE US www.facebook.com/pennsylvaniaamwater FOLLOW US twitter.com/pennsylvaniaamwater WATCH US youtube.com/pennsylvaniaamwater FOLLOW US linkedin.com/company/pennsylvaniaamwater

SERVICE ARRANGEMENTS

We work hard to make it easy for you to manage your Pennsylvania American Water service, whether you're moving into a new home, having your meter read or arranging for special service.



Water Line, Sewer Line and In-Home Plumbing Protection Programs

You might not realize it, but as a homeowner, you own the service lines that run through your property.* Normal wear and tear, temperature variations and overgrown tree roots can cause sudden leaks or breaks in your water line or damaging clogs and blockages in your sewer line. Sooner or later, most homes experience a plumbing emergency, such as a burst pipe, an overflowing toilet or a clogged drain. When any of these situations happen, you're responsible for the repairs, which can cost you hundreds, even thousands of dollars to repair. Worst of all, most homeowners' insurance policies do not cover these types of repairs.

For a nominal fee, service line protection programs can help you avoid unexpected costly repairs. Made available to you through American Water Resources, LLC, an affiliate of Pennsylvania American Water, these programs can offer the peace of mind that comes with knowing that you are covered from repair costs and the hassle of finding qualified contractors. For more information on Water Line, Sewer Line or In-Home Plumbing Protection Programs, call 1-855-705-8434 or visit AWRUSA.com.

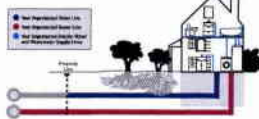
*Typical water line responsibility extends from the property line to your home and typical sewer line responsibility extends from the sewer clean to your home. Your responsibilities may vary. Please contact your local government, PUC or services to determine your service line responsibility. If you live in a dwelling like a condo, please contact your local homeowners association to determine your responsibilities.

Meter reading - Accurate meter readings are an essential part of our service and help to ensure that you are being billed correctly. Meter readings are also used to detect possible leaks. Estimated reads are performed when necessary, such as in cases of severe weather.

Please help us provide you with timely meter readings. If you have an indoor meter, arrange for someone to allow our service person to access the property. If the meter is outside, please keep walkways cleared and outdoor pets away from the device. For customers who have outside meters in underground pits, access to the pit should only be granted to Pennsylvania American Water personnel.

Beginning service - For properties receiving water service for the first time, a service employee will be sent to turn on the water. For properties with previous service, a service person must obtain a meter reading for billing to begin.

Ending service - Please inform us at least three days in advance of the date when service is to be stopped, so that we can arrange for a final meter reading and obtain your new billing address. Also, please refer the new customer to Pennsylvania American Water to help them start the process of opening an account. Residential customers can schedule an appointment to have their water service shut off online at awwater.com/myaccount.



Protect yourself from utility imposters

- Ask for company photo ID
- Look for the tags on uniforms and vehicles
- Never give cash - our employees never collect credit card information or cash in the field
- If you're still unsure, call 9-1-1
- Learn more at pennsylvaniaamwater.com

BILLING MADE EASY

Your bill is designed to provide the information you need to know about your account. The information below is provided to help you understand the charges on your water bill. To learn more about your current rates, visit pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water Rates."

- CUSTOMER ACCOUNT INFORMATION**
 - **Account Number:** When calling our call center, it's helpful to have your account number handy.
 - **Total Due and Due Date:** Includes current and any past due amounts, and when your bill is due.
 - **If Paid After Due Date:** Be sure to pay by the due date to avoid late payment charges. Any portion of the water and wastewater charges not paid by the due date is subject to a 1.50% penalty.
- BILLING PERIOD AND METER READINGS**
 - **Billing Date:** Date the bill was mailed.
 - **Billing Period:** Period in which the water was used and is being billed to.
 - **Next Reading on/About:** Estimate of when the next meter reading will take place.
 - **Customer Type:** How the property being served is classified (i.e., residential, commercial, industrial).
 - **Meter Reading / Billing Measurement:** How your meter is read, and how you are billed. Some customers' meters are read in cubic feet or 1,000 gallons. We bill all customers in 100 gallon increments to make it easier to understand.
 - **Meter Charge:** Meter identification number and size as well as the meter reading for the current and previous billing period. We also specify if the reading was an actual read or if it was estimated.
 - **Total Water Used and Water Usage Graph:** Amount of water used during the billing period, compared to the same billing period the previous year. In time, the graph will show water usage over the last 12 months.
- PAST DUE AMOUNT (if applicable)**
 - **Prior Balance:** This should be paid immediately.
- CURRENT CHARGES**
 - **Current Water Service Charge**
 - **Water Service Charge:** Based on the size of the water meter, this fixed charge represents operating and capital costs related to meters and services meter reading, billing, and collections.
 - **Water Charge Charge:** This is based on the amount of water used during the billing period. It represents the cost related to operating and maintaining source of supply, pumping, treatment, transmission and distribution facilities, as well as the capital costs associated with these facilities.
 - **Current Wastewater Services (if applicable)**
 - **If we own the wastewater system:** The fixed **Wastewater Service Charge** represents costs related to pumping and maintaining the sewer service to the property. The **Wastewater Use Charge** is based on your water consumption as indicated by your water meter reading. These charges may vary based on the district.



Other Charges

- **Distribution System Improvement Charge (DSIC):** This charge helps to fund the replacement of aging water distribution system facilities, such as water mains, valves and fire hydrants. Accelerating needed infrastructure improvements benefits customers through enhanced service reliability, water quality and fire protection. The DSIC is approved by the PUC and updated every three months based on work completed. It will not exceed 7.5 percent of the water service charge.
- **Wastewater DSIC:** This charge funds the replacement of aging wastewater collection system facilities. This too must be preapproved by the PUC. The charge is adjusted quarterly and will not exceed 5 percent of the wastewater bill.
- **State Tax Adjustment Surcharge:** This PUC-approved surcharge is a pass-through fee that allows the company to recover costs associated with state tax assessments.
- This section also includes charges for optional services, including contributions to the H2O Help to Others program, as well as the service line and in-home plumbing protection programs.

PAYMENT OPTIONS
List of convenient payment options available to pay your bill. This box will appear only when rates allow.

PAYMENT MADE EASY

Pay by Mail
Mail your check to the address provided on your bill. Include the pre-addressed payment stub, write your account number and address on your check or money order, and use the envelope provided. Please do not send paper clips, staples or cash.

Pay Automatically - No Stamps Required
Save on postage by enrolling in our recurring Auto Pay Program, and your bill will be paid automatically on time, every time directly from your checking or savings account on the date it is due. No stamps required. No checks to write. Customers can sign up for this program online at awwater.com/myaccount. Or, you can complete the form on the right and mail or fax it to the address provided.

Pay Online or by Phone
Pay your bill online with an e-check, credit card or debit card at www.amwater/billpay or by calling 1-855-748-6066. Be sure to have your account number handy. NOTE: Our payment partner, Paymentus, charges \$1.95 per transaction for e-check, credit card and debit card payments. There is no charge to pay by check through My Account at awwater.com/myaccount.

Pay in Person
Pennsylvania American Water has agreements with businesses across the state where you can pay your bill in person. For a listing of authorized payment locations, visit pennsylvaniaamwater.com. Under Customer Service, select "Billing & Payment Information."

Pay Through a Third Party
If someone handles paying your bills, such as a relative, trustee or social service organization, we can send a copy of your bill, as well as any reminder, past-due and shut-off notices, to that third party. Call the customer service center phone number provided on the bottom of your bill to arrange for this service.

How should we reach you in an emergency?

Pennsylvania American Water uses a high-speed mass notification system called "CodeRED" to keep customers informed about water-related emergencies and notifications. Once you receive your account number on your first bill, log on to our Web self-service portal, My Account (www.amwater.com/myaccount) to make sure your contact information is up to date. While you're there, tell us how you prefer to receive your alerts and notifications: phone, text and/or email.

* Intermittent text, check and phone calls may apply.

AUTO PAY (electronic funds transfer) AUTHORIZATION

If you prefer to enroll online, visit www.amwater.com/myaccount (be sure to have your account number handy if you're not enrolled in our web self-service program).

Please print information below as shown on bill)

Name _____
Billing Address (as shown on bill) _____
City _____ State _____ Zip _____
For service to (if different than above) _____
City _____ State _____ Zip _____
Phone Number (_____) _____
Pennsylvania American Water Account Number _____

To participate in Pennsylvania American Water's electronic funds transfer program, called Auto Pay Program, I authorize the company to instruct my financial institution to transfer payments directly from my bank account to pay my bill on the date that my bill is due.

I understand the company will send me a copy of my bill - or make it available online for viewing if I am enrolled in paperless billing - in advance so that I will know the amount that will be deducted from my bank account. I understand the amount due on my bill will be transferred electronically from my bank account on the due date appearing on my bill. I also understand that my bill may contain charges related to service as authorized by the company's currently effective water and/or wastewater tariff, as well as related to other services as I may authorize.

If I receive a combined water and wastewater bill from the company, I acknowledge that to be eligible to participate in the company's Auto Pay Program, I agree to pay the amount due for the combined water and wastewater bill and that partial bill payments will not be accepted.

I acknowledge that handling fees may be applied for insufficient funds or returned checks.

I understand that the information I provide herein will be used solely for the purposes of the automatic payment service and understand that it may take up to 45 days for the automatic funds transfer to begin.

I understand that I may cancel my participation in Auto Pay Program at any time without fees or penalty. If I decide to discontinue my participation, I must notify the company and understand that it may take up to 30 days to process the request. I authorize the company to instruct my financial institution named below to make my bill payments from the following account on the date the bill is due:

Name of Bank, Savings & Loan, or Credit Union _____
Savings or Checking Account Number _____
Routing Number (if checking account) _____
Account Holder Name (please print): _____
Bank Account Holder's Signature _____
Date _____

Notes for commercial accounts: Commercial account requests must be accompanied by a statement from the account holder's bank or bank letterhead indicating that the signature on the form is the approved signature for the commercial account at the bank. This letter must be signed by a bank officer.

Please mail your completed form to:
Pennsylvania American Water, P.O. Box 576, Allentown, PA 18102
You may also fax this form to 1-610-433-9259 or email it to info@amwater.com.
Have questions? Contact our customer service center at 1-800-565-7292, M-F, 7 a.m. to 7 p.m.



Rights and responsibilities

High-quality, reliable water service is more than a goal of ours—it is your right as a customer. Learn more about your rights and responsibilities in a free booklet called "Rights & Responsibilities as a Water Utility Customer." Information provided includes:

- How to recognize that your bill is too high
- When you might have to pay a security deposit
- Paying for water service after moving
- When your bill is estimated
- How to read your water meter
- What to do if you can't pay your bill
- When your service can be shut off
- Penalties for late payment

To obtain a free copy of this booklet, visit us online at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Rights & Responsibilities." Customers can also call a Customer Service Center at 1-800-565-7292.

