

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**2022 GENERAL BASE RATE CASE  
R-2022-3031672 (WATER)  
R-2022-3031673 (WASTEWATER)**

**FILING REQUIREMENTS  
VI, VII, VIII, IX, X, XI**

**Volume 7**  
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Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Depreciation

**Pennsylvania-American Water Company**  
**VI. Depreciation**

1. Provide a description of the depreciation methods used to calculate annual depreciation amounts and depreciation reserves, together with a discussion of the factors which were considered in arriving at estimates of service life and dispersion by account. Supply a comprehensive statement of any changes made in method of depreciation. Provide dates of all field inspections and facilities visited.
2. Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.
3. Provide the surviving original cost at historic test year-end by vintage by account and include applicable depreciation reserves and accruals. These calculations should be provided for plan in service as well as other categories of plant, including contributions in aid of construction and customers' advances for construction.
4. Provide a comparison of the calculated depreciation reserve used for ratemaking purposes v. the book reserve by account at the end of the test year, if they differ.
5. Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate:
  - a. For the purposes of this filing.
  - b. For the purposes of the most recent rate increase filing prior to the current proceedings.
6. Provide an exhibit showing gross salvage, cost of removal, and net salvage for the 5 most recent calendar or fiscal years by account.

**Answer:**

Please refer to PAWC Statement No. 11 and accompanying exhibits for the above filing requirements.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.1

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

1. Provide capitalization and capitalization ratios for the last five-year period and projected through the next two years (with short-term debt and without short-term debt) for the Company, Parent and Consolidated System.
  - a. Provide year-end interest coverages before and after taxes for the last three years and at latest date, including Indenture and Securities and Exchange Commission (SEC) bases, for the Company, Parent and Consolidated System.
  - b. Provide year-end preferred stock dividend coverages for the last three years and at latest date, including Charter and SEC bases.

**Answer:**

Please refer to Exhibit No. 13-A for the capitalization and capitalization ratios related to projections for years 2022-2023 for the Company. Projections for Parent for years 2022-2023 are not currently available. For (b.), Pennsylvania-American Water and Parent did not pay preferred dividends over the analytical period.

Pennsylvania-American Water and Parent capitalization and capitalization ratios and (a.) year-end interest coverages before and after taxes for the last five-year period are provided in FR VII.01\_Attachment.



<b><u>PA AW</u></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Capitalization					
Long-Term Debt	1,809,702,000	1,784,935,000	1,668,269,000	1,563,533,000	1,369,184,000
Short-Term Debt	282,739,000	134,010,000	114,384,000	77,958,000	321,689,000
Preferred Stock	452,000	1,652,000	2,852,000	3,874,000	5,252,000
Common Equity	<u>2,244,248,000</u>	<u>2,177,597,000</u>	<u>2,036,293,000</u>	<u>1,852,195,000</u>	<u>1,604,607,000</u>
Total Capital	4,337,141,000	4,098,194,000	3,821,798,000	3,497,560,000	3,300,732,000
Permanent Capital	4,054,402,000	3,964,184,000	3,707,414,000	3,419,602,000	2,979,043,000

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Capital Structure Ratios (Based on Total Capital)					
Long-Term Debt	41.73%	43.55%	43.65%	44.70%	41.48%
Short-term Debt	6.52%	3.27%	2.99%	2.23%	9.75%
Preferred Stock	0.01%	0.04%	0.07%	0.11%	0.16%
Common Equity	51.74%	53.14%	53.28%	52.96%	48.61%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Capital Structure Ratios (Based on Permanent Capital)					
Long-Term Debt	44.64%	45.03%	45.00%	45.72%	45.96%
Preferred Stock	0.01%	0.04%	0.08%	0.11%	0.18%
Common Equity	55.35%	54.93%	54.92%	54.16%	53.86%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Times interest earned- pre-tax	4.52	4.28	4.4	4.85	4.95
Times Interest earned- post-tax	3.54	3.37	3.43	3.26	3.32

<b><u>Parent</u></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Capitalization					
Long-Term Debt	10,398,000,000	9,658,000,000	8,667,000,000	7,640,000,000	6,812,000,000
Short-Term Debt	584,000,000	1,282,000,000	786,000,000	964,000,000	905,000,000
Preferred Stock	3,000,000	4,000,000	5,000,000	7,000,000	8,000,000
Common Equity	<u>7,298,000,000</u>	<u>6,454,000,000</u>	<u>6,121,000,000</u>	<u>5,864,000,000</u>	<u>5,385,000,000</u>
Total Capital	18,283,000,000	17,398,000,000	15,579,000,000	14,475,000,000	13,110,000,000
Permanent Capital	17,699,000,000	16,116,000,000	14,793,000,000	13,511,000,000	12,205,000,000

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Capital Structure Ratios (Based on Total Capital)					
Long-Term Debt	56.87%	55.51%	55.63%	52.78%	51.96%
Short-term Debt	3.19%	7.37%	5.05%	6.66%	6.90%
Preferred Stock	0.02%	0.02%	0.03%	0.05%	0.06%
Common Equity	39.92%	37.10%	39.29%	40.51%	41.08%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Capital Structure Ratios (Based on Permanent Capital)					
Long-Term Debt	58.75%	59.93%	58.59%	56.55%	55.81%
Preferred Stock	0.02%	0.02%	0.03%	0.05%	0.07%
Common Equity	41.23%	40.05%	41.38%	43.40%	44.12%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Times interest earned- pre-tax	5.11	3.34	3.18	3.25	3.67
Times Interest earned- post-tax	4.17	2.79	2.63	2.62	2.25

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.2

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

2. Provide latest Prospectus for the Company and the Parent.

**Answer:** Please refer to the Investor Relations / Financials / SEC Filings section of the American Water internet site (<http://amwater.com>). Select Year 2021 and Filter filing type: Other and choose the document named “424B2” filed on May 11, 2021.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.3

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

3. Supply projected capital requirements and the sources of Company, Parent and Consolidated System for the historic test year and each of three (3) comparable future years.

**Answer:**

The following are the historic total company capital requirements for 2021, and the projected total company capital requirements for 2022 and 2023. The capital requirements for the future year 2024 are not available currently.

<b>Description</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Bank Loans	282,368,383	337,057,758	45,016,993
Long-Term Debt	1,810,537,202	2,060,659,024	2,328,239,723
Preferred Stock	1,651,500	451,500	451,500
Common Equity	2,244,248,201	2,552,149,510	2,868,992,798

The following are the historic Consolidated capital requirements for 2021. The projected Consolidated capital requirements for 2022 – 2024 are not available currently.

<b>Description</b>	<b>2021</b>
Bank Loans	584,000,000
Long-Term Debt	10,398,000,000
Preferred Stock	3,000,000
Common Equity	7,298,000,000

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.4

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

4. Provide a schedule of debt and preferred stock of Company, Parent and Consolidated System as of historic test year-end and latest date, detailing for each issue (if applicable):
- a. Date of issue
  - b. Date of maturity
  - c. Amount issued
  - d. Amount outstanding
  - e. Amount retired
  - f. Amount required
  - g. Gain on reacquisition
  - h. Coupon rate
  - i. Discount or premium at issuance
  - j. Issuance expenses
  - k. Net proceeds
  - l. Sinking Fund requirements
  - m. Effective interest rate
  - n. Dividend rate
  - o. Effective cost rate
  - p. Total average weighted effective Cost Rate

**Answer:** Please refer to Exhibit No. 13-A for the information as of December 31, 2021. Exhibit No. 13-A contains the schedules supporting PAWC Statement No. 13.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.5

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

5. Supply financial data of Company and/or Parent for last five years:
  - a. Earnings-price ratio (average)
  - b. Earnings-book value ratio (per share basis) (avg. book value)
  - c. Dividend yield (average)
  - d. Earnings per share (dollar)
  - e. Dividends per share (dollars)
  - f. Average book value per share yearly
  - g. Average yearly market price per share (monthly high-low basis)
  - h. Pre-tax funded debt interest coverage
  - i. Post-tax funded debt interest coverage
  - j. Market price-book value ratio

**Answer:**

Please see FR VII.5\_Attachment.

**FR VII.05**

<b>American Water Works Company, Inc.</b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
(1) Diluted Earnings Per Share (GAAP)	3.03	3.30	3.61	3.91	6.95
(2) Dividend Paid per Common Share	1.62	1.78	1.96	2.15	2.36
(3) Common Shareholders Equity (in thousands)	5,385,000	5,864,000	6,121,000	6,454,000	7,298,000
(4) Diluted Average Shares Outstanding (in thousands)	179,000	180,000	181,000	182,000	182,000
a Price to earnings ratio	26.62	26.00	31.19	34.93	23.51
b Book value to earnings ratio	9.93	9.87	9.37	9.07	5.77
c Dividend yield	2.01%	2.07%	1.74%	1.57%	1.44%
d Earnings per share (dollars)	3.03	3.30	3.61	3.91	6.95
e Dividends paid per common share (dollars)	1.62	1.78	1.96	2.15	2.36
f Book value per share	30.08	32.58	33.82	35.46	40.10
g Average yearly market price per share (monthly high-low basis)	80.65	85.79	112.61	136.57	163.36
h Pre-tax funded debt interest coverage	3.67	3.25	3.18	3.34	5.11
i Post-tax funded debt interest coverage	2.25	2.62	2.63	2.79	4.17
j Market price-book value ratio	268.09%	263.34%	332.99%	385.12%	407.40%

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.6

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

6. Provide AFUDC charged by company at historic test year-end and latest date, explain method by which rate was calculated and provide workpaper showing derivation of the Company's current AFUDC rate.

**Answer:** The Company is using the AFUDC methodology proposed by the OTS and adopted by the Commission in PAWC's rate proceeding at Docket No. R-922428. Attached please see a memo dated May 7, 1993, which explains the calculations necessary to derive the AFUDC rate. Also attached is the detailed AFUDC rate calculation for the month of December 2021.

# **ATTACHMENT A**



# Pennsylvania-American Water Company

600 West Hershey Park Drive • P.O. Box 888 • Hershey, PA 17033-0888  
(717) 533-5000

TO: J. L. Nader  
FROM: Pete Mecca  
DATE: May 7, 1993  
RE: Revised Calculation of AFUDC

In order to comply with a recent PUC order, it will be necessary to modify the method of calculating AFUDC for inclusion into rate base.

The new calculation shall be as follows:

Short Term Debt Portion

A. Daily Short Term Debt Outstanding + Beginning Balance  
Number Of Days In Month + 1

÷

B. Average Balance In CWIP Prior To Transfers To Plant For The Month

X

C. Federal Funds Rate At Month End + Applicable Basis Points

Other Capital Portion

+

D. 1 - % Calculated In A. Above

X

E. Cost Of Capital Allowed In Latest Rate Case



PENNSYLVANIA-AMERICAN WATER COMPANY  
 AFUDC CALCULATION BASED ON SHORT TERM DEBT  
 FOR: **Dec-21**

A	Average Daily Borrowing : (Provided by Treasury)			<u>\$ 230,743,921</u>
B	Beginning balance of CWIP	oct	<b>170,037,547</b>	
C	Ending Balance prior to Transfer	nov	<b>214,163,009</b>	
D	Average CWIP balance			<u>192,100,278</u>
E	Short term debt % (A / D)			100.00%
F	AMERICAN WATER CAPITAL CORPORATION	nov rate	WA Debt Rate 0.1349%	
G	Weighted ST Debt Rate			<b>0.1349%</b>
H	Short term debt % X Adj Fed Funds Rate (E x G)			<u>0.134900%</u>
I	1 - % calculated in E			0.0000%
J	Long Term Debt Rate	Last Rate Case R-2020-3019369		1.9600%
K	Long Term Debt Rate X 1 - % Calculated in E (J x I)			0.0000%
L	Total Debt % (H + K)			0.1349%
M	Equity Rate allowed in latest rate case	Last Rate Case R-2020-3019369		5.4700%
N	Equity Rate X 1 - % Calculated in E (M X I)			<u>0.0000%</u>
O	AFUDC Rate per annum (M + I)			<u><u>0.1349%</u></u>

	DEBT	EQUITY	TOTAL
AFUDC rate per month	<b>0.0112%</b>	<b>0.0000%</b>	0.0112%
AFUDC rate per half-month	0.0056%	0.0000%	0.0056%
AFUDC rate per quarter-month	0.0028%	0.0000%	0.0028%

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.7

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

7. Set forth provisions of Company's and Parent's charter and indentures, if applicable, which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

**Answer:** Coverage Requirements\*:

The Thirty-Fourth Supplemental Indenture dated as of December 1, 2019, supplemental to The Indenture of Mortgage dated May 1, 1968, states that so long as any of the bonds of the 2019 Series Band C are outstanding, without the consent of the registered owners of at least sixty-six and two-thirds per cent (66-2/3%) in principal amount of the bonds of the 2019 Series Band B and the Bands of the 2019 Series C then outstanding, the Company shall not issue and the Trustee shall not authenticate additional bonds under Section 2.03 and Section 2.04 of the Original Indenture unless the net income of the Company has been equal to at least one and one-half times the aggregate annual interest charges on all Long Term Debt outstanding immediately after such bonds are issued.

The Company shall meet the requirements of this Section by delivering to the Trustee (together with the resolutions, opinions, certificates and instruments provided for in Section 2.03 and section 2.04 of the original indenture) a "Certificate of Required Net Income for Debt" which shall state in substance that the net income of the Company, calculated as hereinafter provided, for a period of twelve consecutive calendar months within the fifteen calendar months immediately preceding the first day of the month in which the additional bonds are to be issued by the Trustee has been equal to at least one and one-half times the aggregate annual interest charges on all Long Term Debt of the Company to be outstanding immediately after such bonds are issued; provided, however, that in all calculations of such net income effect shall be given to the issue or retirement of any indebtedness that will be accomplished prior to or on the date of such issue and there shall be excepted from such Long Term Debt any thereof for the payment or redemption of which moneys in the necessary amounts have been irrevocably set aside by the Company or

deposited with the Trustee or other holder of a mortgage or other lien securing any such Long Term Debt.

Limits:

The Thirty-Fourth Supplemental Indenture dated as of December 1, 2019, supplemental to The Indenture of Mortgage dated May 1, 1968, limits the issuance of bonds, so that the principal amount of all the outstanding long-term debt does not exceed 65% of the total capitalization of the Company.

Dividend Restriction:

The Thirty-Fourth Supplemental Indenture dated as of December 1, 2019, states that so long as any bonds of the 2009 Series A are outstanding, without the consent of the registered owners of a least sixty-six and two-thirds per cent (66-2/3%) in principal amount of the bonds of the 2019 Series B and the Bands of the 2019 Series C then outstanding, if any, no dividends shall be declared or paid on any shares of Common Stock of the Company (except dividends payable solely in the shares of its Common Stock), nor shall any shares of Common Stock of the Company be purchased or otherwise acquired by the Company, if immediately after or as the result of any such declaration, payment, purchase or other acquisition, the sum of the aggregate of the capital of the Company attributable to its Common Stock plus the amount of all surplus accounts of the Company would be reduced to less than \$42,000,000. In determining the aggregate of the capital of the Company attributable to its Common Stock and the amount of all surplus accounts for the purpose hereof, any write-up or write-down of assets or write-off of the excess over original cost of property made on the books of the Company subsequent to December 31, 1980, shall be disregarded.

\* Covenant requirement contained in all subsequent outstanding supplemental indentures.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.8

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

8. Attach copies of the summaries of the Company's projected revenues, expenses and capital budgets for the next two years.

**Answer:** Please see below for a summary of the total Company's water and wastewater projected revenues, expenses, and capital budget for 2022 and 2023.

<b>DESCRIPTION</b>	<b>2022</b>	<b>2023</b>
	<b>(Thousands)</b>	<b>(Thousands)</b>
Revenues	\$ 799,476	\$ 806,286
Operating & Maintenance Expense	246,524	261,400
Depreciation and Amortization	175,006	193,186
Taxes Other than Income	14,896	15,487
Income Taxes	62,480	65,955
Utility Operating Income	300,570	270,258
Income Deductions	61,942	67,448
Net Income to Common	<u>\$ 238,628</u>	<u>\$ 202,810</u>

<b>DESCRIPTION</b>		
Capital Expenditures	\$ 502,369	\$ 621,909
Contributions	(3,500)	(3,500)
Advances	(6,000)	(6,000)
Refunds	5,000	5,000
Total	<u>\$ 497,869</u>	<u>\$ 617,409</u>

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.9

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

9. Describe long-term debt reacquisitions by Company and Parent as follows:
  - a. Reacquisitions by issue by year.
  - b. Total gain on reacquisitions by issue by year.
  - c. Accounting of gain for income tax and book purposes.

**Answer:**

Since the last rate case, a December 2021 maturity was called early to capture favorable interest rates, resulting in a required make-whole payment accounted for as an issuance cost of the replacement debt. See below schedules for details.

Debt was not called early in 2020.

Annual Savings Analysis											
5.77% due 2021										10-year	
Entity	Face Value	Term	Issue Date	Maturity	Current Coupon Rate	NPV	Make Whole Premium	Current Interest Expense	Reoffer Interest Expense @ 2.3%*	Annual MW Amortization	Annual Savings
Pennsylvania-American Wat	45,135	15	1/31/2007	12/21/2021	5.77%	0.082	1,223	2,604	1,038	122	1,444

\* Interest Expense calculation factors in MW premium

# 5.77% Notes Due 2021 - Detail NPV Calculation Support



Calculation of Make Whole Premium		PA	Calculation of NPV Using Payments		PA
<i>\$ in millions</i>			Payments		
Date of Transaction		6/14/2021	Old Bond Payments from Make Whole Redemption Date to next Coupon Date		
Original Maturity Date		12/21/2021		6/14/2021	
Coupon Rate		5.77%		6/21/2021	0.05
Matched Maturity NewBond Rate		0.20%	New Bond Payments		
Par		100		6/14/2021	
				6/21/2021	0.00
Make Whole Price from Calculations (excluding accrued interest)	\$	102.71	Net Change in Payments		<u>0.05</u>
Outstanding Notional	\$	45.14	PV of Comparison of OLD and New Bond Payments		
Reacquisition Price	\$	46.36	Days 360		0.04
Make Whole Premium	\$	1.223	Discount Factor		1.000
			PV of Above Payment		<u>0.05</u>
			(Outstanding Notional * 5.77%)- Entire Payoff (Outstanding Notional)		
				6/21/2021	
				12/21/2021	46.44
			(Reacquisition Price * New Rate (0.20%))		
				6/21/2021	
				12/21/2021	46.40
			Net Change in Payments		<u>0.03</u>
			PV of Above Payment		
			Days 360		1.04
			Discount Factor		0.9990
			PV of Above Payment		<u>0.03</u>
			<b>NPV</b>		<b>0.082</b>

Note: JP Morgan provided supporting calculations

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.10

**Pennsylvania-American Water Company**

**VII. Rate of Return**

10. Provide the following information concerning compensating bank balances requirements for the actual test year:
- a. Name of each bank
  - b. Address of each bank
  - c. Type of accounts with each bank (checking, savings, escrow, other services, etc.)
  - d. Average Daily Balance in each account
  - e. Amount and percentage requirements for compensating bank balances at each bank
  - f. Average daily compensating bank balance at each bank
  - g. Documents from each bank explaining compensating bank balance requirements
  - h. Interest earned on each type of account

**Answer:**

- a. BNY Mellon
- b. The Bank of New York Mellon  
500 Ross Street  
Suite 1260  
Pittsburgh, PA 15262-0001
- c. Lockbox account
- d-h. No compensating bank balances were required during the test year.



Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.11

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

11. Provide the following information concerning bank notes payable for the actual per book test year:
- a. Line of Credit at each bank.
  - b. Average daily balances of notes payable to each bank, by name of bank.
  - c. Interest rate charged on each bank note (Prime rate, formula)
  - d. Purpose of each bank note (for example, construction, fuel storage, working capital, debt retirement).
  - e. Prospective future need for this type of financing.

**Answer:**

- a. Pennsylvania-American has a short-term credit facility with American Water Capital Corp. (AWCC) that is renewed each year.
- b. The average daily short-term debt balance with AWCC in 2021 was \$184,446,652.
- c. The average interest rate on short-term borrowings was 0.16% for the year ending 12/31/21.
- d. Pennsylvania-American uses the short-term credit facility with AWCC to finance its day-to-day working capital needs.
- e. Pennsylvania-American will require this type of borrowing in the foreseeable future to meet working capital needs.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.12

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

12. Submit details on Company or Parent common stock offerings for the past five years to present as follow:
- a. Date of Prospectus.
  - b. Date of offering.
  - c. Record date.
  - d. Offering period including dates and number of days.
  - e. Amount and number of shares of offering.
  - f. Offering ratio, if rights offering.
  - g. Percent subscribed.
  - h. Offering price.
  - i. Gross proceeds per share.
  - j. Expenses per share.
  - k. Net proceeds per share in i and j above.
  - l. Market price per share.
    1. At record date.
    2. At offering date.
    3. One month after close of offering.
  - m. Average market price during offering.
    1. Price per share.
    2. Rights per share—average value of rights.
  - n. Latest reported earnings per share at time of offering.
  - o. Latest reported dividends at time of offering.

**Answer:**

Please see the table on the following page.

**Parent (AWK) Stock Offerings**

	<u>2018</u>
a. Date of Prospectus	April 11, 2018
b. Date of Offering	April 12, 2018
c. Record Date	N/A
d. Offering Period (days)	1 day
e. # Of Shares	2,320,000
f. Offering Ratio	N/A
g. Percent Subscribed	N/A
h. Offering Price	\$80.50
i. Gross Proceeds/Share	\$79.36
j. Expenses/Share	\$0.35
k. Net Proceeds/Share	\$79.01
l. Market Price/Share	
(1). At Record Date	N/A
(2). At Offering Date	\$80.50
(3). One Month After Close	\$88.48
m. Average Market Price	
(1). Price/Share	N/A
(2). Rights/Share	N/A
n. Reported Earnings at Offering	\$3.03
o. Reported Dividends at Offering	\$0.415

Pennsylvania American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.13

**Pennsylvania American Water Company**

**VII. Rate of Return**

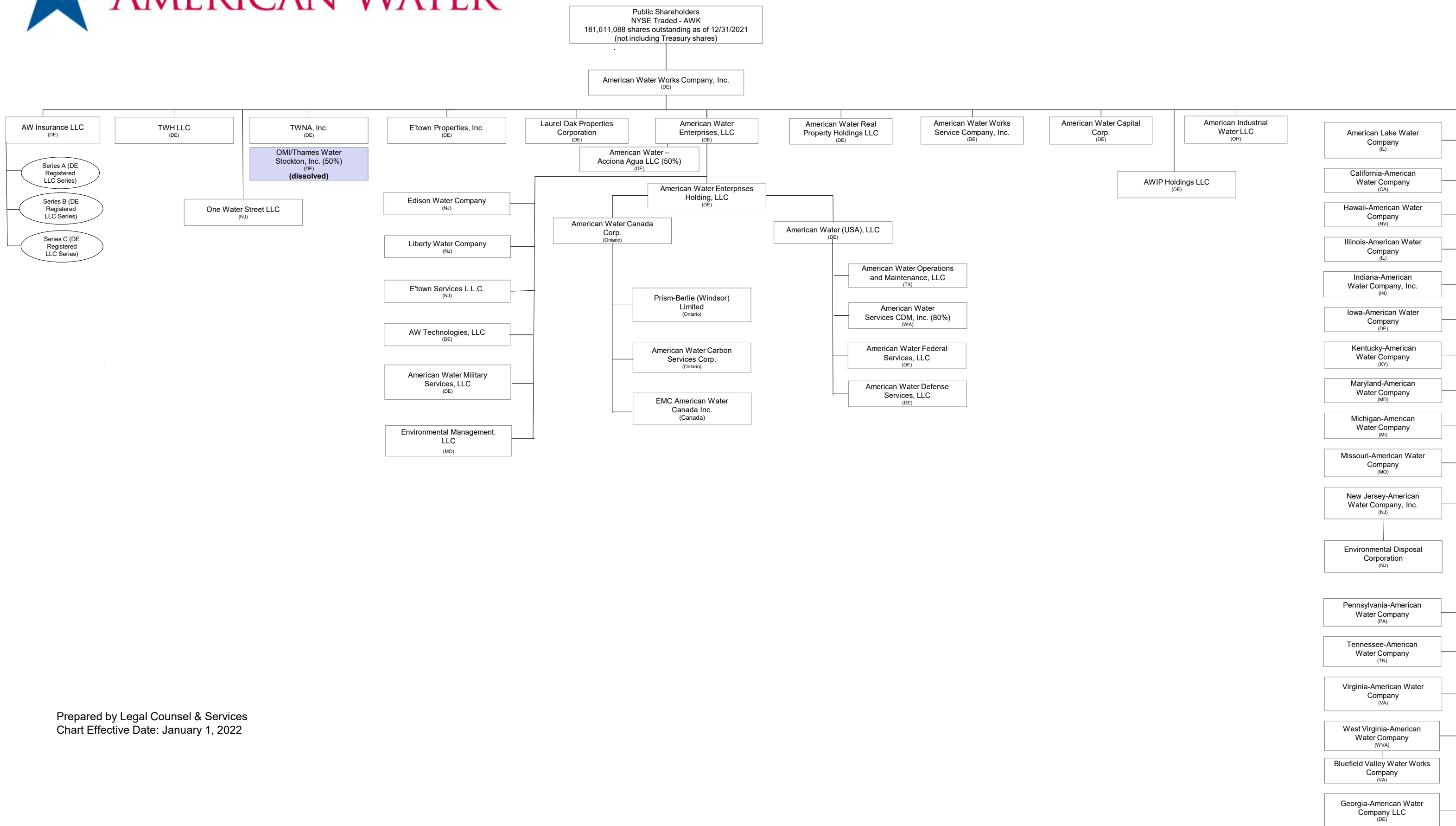
13. Attach chart explaining Company's corporate relationship to its affiliates showing system structure.

**Answer:** Please see FR VII.13\_Attachment.



# AMERICAN WATER

## Organizational Chart – American Water Works Company, Inc.



Prepared by Legal Counsel & Services  
Chart Effective Date: January 1, 2022

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.14

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

14. If the utility plans to make a formal claim for a specified allowable rate of return, provide the following data in statement or exhibit form:
- a. Claimed capitalization and capitalization ratios with supporting data.
  - b. Claimed cost of long-term debt with supporting data.
  - c. Claimed cost of short-term debt with supporting data.
  - d. Claimed cost of total debt with supporting data.
  - e. Claimed cost of preferred stock with supporting data.
  - f. Claimed cost of common equity with supporting data.

**Answer:** Please refer to Exhibit No. 13-A which contains the schedules supporting PAWC Statement No. 13.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.15

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

15. Supply copies of the following documents for the Company and, if applicable, its parent:
- a. Most recent Annual Report to shareholders including any statistical supplements;
  - b. Most recent SEC Form 10K;
  - c. All SEC Form 10Q reports issued within the preceding 12 months of the date of submittal of the rate increase request.

**Answer:**

- a. Please see attached for Pennsylvania American's 2020 and 2019 Annual Reports. Pennsylvania American's 2021 Annual Report will be provided when it becomes available. The Parent Company Annual Report can be accessed through the Investor Relations section of the American Water website ([www.amwater.com](http://www.amwater.com)). See Financials \ Annual Reports & Proxy Statements.
- b. Parent company – see the Investor Relations \ Financials\ SEC Filings section of the American Water website ([www.amwater.com](http://www.amwater.com)).
- c. See response to part b above.

**Pennsylvania-American Water Company**

**(A wholly-owned subsidiary of  
American Water Works Company, Inc.)  
Financial Statements**

**As of and for the years ended December 31, 2020 and 2019**





## Report of Independent Auditors

To the Board of Directors of  
Pennsylvania-American Water Company

We have audited the accompanying financial statements of Pennsylvania-American Water Company which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, cash flows, and changes in common stockholder's equity for the years then ended.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pennsylvania-American Water Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

April 14, 2021

**PENNSYLVANIA-AMERICAN WATER COMPANY****Balance Sheets****For the Years Ended December 31, 2020 and 2019**

(Dollars in thousands)

**Assets**

	<b>2020</b>	<b>2019</b>
<b>Property, plant and equipment, net</b>		
Utility plant, net	\$ 5,229,983	\$ 4,940,213
Utility plant acquisition adjustments	11,500	11,839
Non-utility plant, net	572	588
<b>Total property, plant and equipment</b>	<b>5,242,055</b>	<b>4,952,640</b>
<b>Current assets</b>		
Cash	1,748	3,182
Accounts receivable	80,842	63,663
Allowance for uncollectible accounts	(24,227)	(15,663)
Unbilled utility revenues	40,448	36,826
Accounts receivable - affiliated company	—	4,361
Federal income tax receivable - affiliated company	—	177
State income tax receivable	4,549	10,229
Materials and supplies	10,347	10,187
Other	6,142	10,119
<b>Total current assets</b>	<b>119,849</b>	<b>123,081</b>
<b>Regulatory and other long-term assets</b>		
Regulatory assets	145,403	125,052
Goodwill	75,640	78,006
Prepaid pension expense	9,993	6,391
Prepaid postretirement benefit expense	9,723	2,627
Operating lease right-of-use assets	462	401
Other	1,281	1,358
<b>Total regulatory and other long-term assets</b>	<b>242,502</b>	<b>213,835</b>
<b>Total assets</b>	<b>\$ 5,604,406</b>	<b>\$ 5,289,556</b>

The accompanying notes are an integral part of these financial statements

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**Balance Sheets**

**For the Years Ended December 31, 2020 and 2019**

(Dollars in thousands)

<b>Capitalization and Liabilities</b>		
	<b>2020</b>	<b>2019</b>
<b>Capitalization</b>		
Common stockholder's equity	\$ 2,177,597	\$ 2,036,293
Long-term debt, excluding current portion	1,713,406	1,661,926
Preferred stock with mandatory redemption requirements	1,652	2,852
<b>Total capitalization</b>	<b>3,892,655</b>	<b>3,701,071</b>
<b>Current liabilities</b>		
Notes payable - affiliated company	134,010	114,384
Current portion of long-term debt	71,529	6,343
Accounts payable	96,868	121,138
Accounts payable - affiliated company	2,025	3,555
Federal income tax payable - affiliated company	590	—
Accrued taxes	20	1,174
Accrued interest	19,643	18,945
Refunds due to customers	2,832	2,464
Other	30,625	27,905
<b>Total current liabilities</b>	<b>358,142</b>	<b>295,908</b>
<b>Regulatory and other long-term liabilities</b>		
Regulatory liabilities	343,468	349,285
Advances for construction	63,846	62,850
Deferred income taxes, net	687,026	632,082
Deferred investment tax credits	4,205	4,438
Deferred revenue	55	115
Other tax liabilities	51,379	43,141
Operating lease liability	239	231
Other	389	469
<b>Total regulatory and other long-term liabilities</b>	<b>1,150,607</b>	<b>1,092,611</b>
<b>Contributions in aid of construction</b>	<b>203,002</b>	<b>199,966</b>
<b>Commitments and contingencies (see Note 17)</b>	<b>—</b>	<b>—</b>
<b>Total capitalization and liabilities</b>	<b>\$ 5,604,406</b>	<b>\$ 5,289,556</b>

The accompanying notes are an integral part of these financial statements

**PENNSYLVANIA-AMERICAN WATER COMPANY****Statements of Income****For the Years Ended December 31, 2020 and 2019**

(Dollars in thousands)

	<b>2020</b>	<b>2019</b>
<b>Operating revenues</b>	<u>\$ 733,061</u>	<u>\$ 689,129</u>
<b>Operating expenses (income)</b>		
Operation and maintenance	227,795	223,279
Depreciation	133,040	122,158
Amortization	20,794	14,011
General taxes	13,883	7,681
Gain on asset dispositions	(250)	(8,121)
Total operating expenses, net	<u>395,262</u>	<u>359,008</u>
<b>Operating income</b>	<u>337,799</u>	<u>330,121</u>
<b>Other income (expenses)</b>		
Interest on long-term debt	(75,716)	(77,342)
Interest on short-term debt - affiliated company	(2,001)	(1,333)
Allowance for other funds used during construction	3,164	3,116
Allowance for borrowed funds used during construction	1,689	1,751
Amortization of debt issuance costs	(1,653)	(1,447)
Non-operating benefit costs, net	11,097	3,063
Other, net	(946)	(245)
Total other expenses	<u>(64,366)</u>	<u>(72,437)</u>
<b>Income before income taxes</b>	273,433	257,684
<b>Provision for income taxes</b>	76,273	70,938
<b>Net income</b>	<u>\$ 197,160</u>	<u>\$ 186,746</u>

The accompanying notes are an integral part of these financial statements

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**Statements of Cash Flows**

**For the Years Ended December 31, 2020 and 2019**

(Dollars in thousands)

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 197,160	\$ 186,746
Adjustments to reconcile net cash flows provided by operating activities		
Depreciation and amortization	153,834	136,169
Amortization of debt issuance costs	1,653	1,447
Provision for deferred income taxes	58,332	58,868
Amortization of deferred investment tax credits	(234)	(234)
Provision for losses on accounts receivable	10,172	10,677
Allowance for other funds used during construction	(3,164)	(3,116)
Gain on asset dispositions	(250)	(8,121)
Pension and non-pension postretirement benefits	(4,673)	2,829
Other, net	(10,281)	(1,260)
Changes in assets and liabilities		
Accounts receivable and unbilled revenues	(25,459)	(5,455)
Accounts receivable - affiliated company	4,361	5,517
Federal income tax from affiliated company	774	(177)
State income taxes	5,680	(3,624)
Other current assets	3,678	(7,351)
Pension and non-pension postretirement benefit contributions	(6,768)	(5,307)
Accounts payable	56	687
Accounts payable - affiliated company	78	(10,665)
Accrued interest	698	(1,084)
Accrued taxes	(1,154)	(1,610)
Other current liabilities	4,103	(250)
Net cash provided by operating activities	<u>388,596</u>	<u>354,686</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(419,578)	(349,128)
Acquisitions	(17,584)	(125,191)
Removal costs from property, plant and equipment retirements, net	(26,116)	(25,136)
Proceeds from the disposition of property, plant and equipment	164	12,152
Net cash used in investing activities	<u>(463,114)</u>	<u>(487,303)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt	—	173,553
Proceeds from issuance of long-term debt - affiliated company	121,970	110,000
Repayment of long-term debt	(5,143)	(178,520)
Debt issuance costs	(1,902)	(3,992)
Net repayments of notes payables - affiliated company	19,626	36,426
Advances and contributions, net of refunds of \$6,444 in 2020 and \$4,418 in 2019	(3,979)	(2,634)
Capital contributions	90,000	130,000
Redemption of preferred stock	(1,200)	(1,200)
Dividends paid	(146,288)	(132,600)
Net cash provided by financing activities	<u>73,084</u>	<u>131,033</u>
<b>Net decrease in cash</b>	<u>(1,434)</u>	<u>(1,584)</u>
<b>Cash at beginning of year</b>	<u>3,182</u>	<u>4,766</u>
<b>Cash at end of year</b>	<u>\$ 1,748</u>	<u>\$ 3,182</u>
<b>Cash paid during the year for</b>		
Interest, net of capitalized amount	\$ 71,830	\$ 73,756
Income taxes	\$ 13,133	\$ 23,400
<b>Non-cash investing activity</b>		
Capital expenditures acquired on account but unpaid as of year end	\$ 65,194	\$ 89,660
<b>Non-cash financing activity</b>		
Capital contributions by stockholder	\$ 432	\$ 80

The accompanying notes are an integral part of these financial statements

**PENNSYLVANIA-AMERICAN WATER COMPANY**  
**Statements of Changes in Common Stockholder's Equity**  
**For the Years Ended December 31, 2020 and 2019**  
(Dollars in thousands)

	<u>Common Stock</u>		<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Par Value</u>			
<b>Balance at December 31, 2018</b>	3,910,343	\$ 21,507	\$ 1,191,960	\$ 638,728	\$ 1,852,195
Net income	—	—	—	186,746	186,746
Capital contributions	—	—	130,080	—	130,080
Cumulative effect of change in accounting principle	—	—	—	(128)	(128)
Dividends	—	—	—	(132,600)	(132,600)
<b>Balance at December 31, 2019</b>	3,910,343	\$ 21,507	\$ 1,322,040	\$ 692,746	\$ 2,036,293
Net income	—	—	—	197,160	197,160
Capital contributions	—	—	90,432	—	90,432
Dividends	—	—	—	(146,288)	(146,288)
<b>Balance at December 31, 2020</b>	<u>3,910,343</u>	<u>\$ 21,507</u>	<u>\$ 1,412,472</u>	<u>\$ 743,618</u>	<u>\$ 2,177,597</u>

The accompanying notes are an integral part of these financial statements

# PENNSYLVANIA-AMERICAN WATER COMPANY

## Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

### Note 1: Organization and Operation

Pennsylvania-American Water Company (the “Company”) provides water and wastewater service in the Commonwealth of Pennsylvania. As a public utility operating in Pennsylvania, the Company functions under rules and regulations prescribed by the Pennsylvania Public Utility Commission (the “Commission”). The Company is a wholly-owned subsidiary of American Water Works Company, Inc. (“AWW”).

### Note 2: Significant Accounting Policies

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires that management make estimates, assumptions and judgments that could affect the Company’s financial condition, results of operations and cash flows. Actual results could differ from these estimates, assumptions and judgments. The Company considers its critical accounting estimates to include (i) the application of regulatory accounting principles and the related determination and estimation of regulatory assets and liabilities, (ii) revenue recognition and the estimates used in the calculation of unbilled revenue, (iii) accounting for income taxes, (iv) benefit plan assumptions, and (v) the estimates and judgments used in determining loss contingencies. The Company’s critical accounting estimates that are particularly sensitive to change in the near term are amounts reported for regulatory assets and liabilities, income taxes, benefit plan assumptions and contingency-related obligations.

#### *Regulation*

The Company is subject to regulation by the Commission, the Pennsylvania Department for Environmental Protection and the U.S. Environmental Protection Agency. As such, the Company follows authoritative accounting principles required for rate regulated utilities, which requires the effects of rate regulation to be reflected in the Company’s Financial Statements. The Commission generally authorizes revenue at levels intended to recover the estimated costs of providing service, plus a return on net investments, or rate base. The Commission may also approve accounting treatments, long-term financing programs and cost of capital, capital expenditures, operation and maintenance (“O&M”) expenses, taxes, affiliated transactions and relationships, reorganizations and mergers, and acquisitions, along with imposing certain penalties or granting certain incentives. Due to timing and other differences in the collection of utility revenue, an incurred cost that would otherwise be charged as an expense could be deferred as a regulatory asset if it is probable that such cost is recoverable through future rates. Conversely, GAAP requires the creation of a regulatory liability for amounts collected in rates to recover costs expected to be incurred in the future, or amounts collected in excess of costs incurred and refundable to customers. See Note 8—Regulatory Assets and Liabilities for additional information.

#### *Property, Plant and Equipment*

Property, plant and equipment consist primarily of utility plant. Additions to utility plant and replacement of retirement units of utility plant are capitalized and include costs such as materials, direct labor, payroll taxes and benefits, indirect items such as engineering and supervision, transportation and an allowance for funds used during construction (“AFUDC”). Costs for repair, maintenance and minor replacements are charged to O&M expense as incurred.

# PENNSYLVANIA-AMERICAN WATER COMPANY

## Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

The cost of property, plant and equipment is depreciated using the straight-line average remaining life group method. The Company records depreciation in conformity with amounts approved by the Commission after regulatory review of the information the Company submits to support its estimates of the assets' remaining useful lives.

Nonutility property consists primarily of buildings and equipment utilized by the Company for internal operations. This property is stated at cost, net of accumulated depreciation, which is calculated using the straight-line method over the useful lives of the assets.

When units of property, plant and equipment are replaced, retired or abandoned, the carrying value is credited against the asset and charged to accumulated depreciation. To the extent the Company recovers cost of removal or other retirement costs through rates after the retirement costs are incurred, a regulatory asset is recorded. In some cases, the Company recovers retirement costs through rates during the life of the associated asset and before the costs are incurred. These amounts result in a regulatory liability being reported based on the amounts previously recovered through customer rates, until the costs to retire those assets are incurred.

Utility plant acquisition adjustments represent the difference between the fair value of plant at the date of purchase and its original cost when first devoted to public service, less accumulated depreciation, and are amortized to expense over amortization periods authorized by the Commission. Amortization of utility plant acquisition adjustments was \$339 and \$745 for the years ended December 31, 2020 and 2019 respectively. The remaining useful lives range from 17 to 33 years.

The costs incurred to acquire and internally develop computer software for internal use are capitalized as a unit of property. The carrying value of these costs amounted to \$56,676 and \$56,170 as of December 31, 2020 and 2019, respectively.

### *Cash*

Substantially all cash is invested in interest-bearing accounts.

### *Accounts Receivable and Unbilled Revenues*

The majority of the Company's accounts receivable is due from utility customers and represents amounts billed to the Company's customers on a cycle basis. Credit is extended based on the guidelines of the Commission and collateral is generally not required. Unbilled revenues are accrued when service has been provided but has not been billed to customers.

### *Allowance for Uncollectible Accounts*

Allowances for uncollectible accounts are maintained for estimated probable losses resulting from the Company's inability to collect receivables from customers. Accounts that are outstanding longer than the payment terms are considered past due. A number of factors are considered in determining the allowance for uncollectible accounts, including the length of time receivables are past due, previous loss history, current economic and societal conditions and reasonable and supportable forecasts that affect the collectability of receivables from customers. The Company generally writes off accounts when they become uncollectible or are over a certain number of days outstanding. The increase in the allowance for uncollectible accounts for the year ended December 31, 2020 reflects the impacts from the current novel coronavirus ("COVID-19") pandemic,



# PENNSYLVANIA-AMERICAN WATER COMPANY

## Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

including an increase in uncollectible accounts expense and a reduction in amounts written off due to shutoff moratoria in place.

### *Materials and Supplies*

Materials and supplies are stated at the lower of cost or net realizable value. Cost is determined using the average cost method.

### *Leases*

On January 1, 2019, the Company adopted Accounting Standards Update 2016-02, Leases (Topic 842), and all related amendments (collectively, the “Standard”). The Company implemented the guidance in the Standard using the modified retrospective approach and applied the optional transition method, which allowed entities to apply the new Standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Standard includes practical expedients, which relate to the identification and classification of leases that commenced before the adoption date, initial direct costs for leases that commenced before the adoption date, the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset and the ability to carry forward accounting treatment for existing land easements.

Adoption of the Standard resulted in the recognition of operating lease right-of-use (“ROU”) assets and operating lease liabilities as of January 1, 2019 of approximately \$665 and \$793, respectively. The Standard did not materially impact the Company’s consolidated results of operations and had no impact on cash flows.

The Company has operating and finance leases involving real property, including facilities, utility assets, vehicles, and equipment. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets, accrued liabilities and operating lease liabilities on the Balance Sheet. Finance leases are included in property, plant and equipment, accrued liabilities and other long-term liabilities on the Balance Sheet. The Company has made an accounting policy election not to include operating leases with a lease term of twelve months or less.

ROU assets represent the right to use an underlying asset for the lease term and the lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are generally recognized at the commencement date based on the present value of discounted lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of discounted lease payments. The implicit rate is used when readily determinable. ROU assets also include any upfront lease payments and excludes lease incentives. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease components (e.g., fixed payments including rent, real estate taxes and insurance costs) and non-lease components (e.g., common-area maintenance costs), which are generally accounted for separately; however, the Company accounts for the lease and non-lease components as a single lease component for certain leases. Certain lease agreements include variable rental payments adjusted periodically for inflation. Additionally, the Company applies a portfolio approach to effectively account for the

# PENNSYLVANIA-AMERICAN WATER COMPANY

## Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

ROU assets and lease liabilities. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

### *Goodwill*

Goodwill represents the excess of the purchase price paid over the estimated fair value of the assets acquired and liabilities assumed in the acquisition of a business. The Company has recorded \$75,640 and \$78,006 of goodwill at December 31, 2020 and 2019, respectively. Goodwill is not amortized, and is tested for impairment at least annually or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Management estimates fair value using a discounted cash flow analysis.

The Company's annual impairment testing is performed as of November 30 of each year, in conjunction with the completion of the Company's annual business plan. The Company assesses qualitative factors to determine whether quantitative testing is necessary. If it is determined, based upon qualitative factors, that the estimated fair value of a reporting unit is more likely than not, greater than its carrying value, no further testing is required. If the Company bypasses the qualitative assessment, or performs the qualitative assessment and determines that the estimated fair value of a reporting unit is more likely than not, less than its carrying value, a quantitative, fair value-based test is performed. This quantitative testing compares the estimated fair value of the reporting unit to its respective net carrying value, including goodwill, on the measurement date. An impairment loss will be recognized in the amount equal to the excess of the reporting unit's carrying value compared to its estimated fair value, limited to the total amount of goodwill allocated to that reporting unit.

Application of goodwill impairment testing requires management judgment, including the identification of reporting units and determining the fair value of reporting units. Management estimates fair value using a discounted cash flow analysis. Significant assumptions used in these fair value estimations include, but are not limited to, forecasts of future operating results, discount and growth rates.

The Company believes the assumptions and other considerations used to value goodwill to be appropriate, however, if actual experience differs from the assumptions and considerations used in its analysis, the resulting change could have a material adverse impact on the Financial Statements.

### *Advances for Construction and Contributions in Aid of Construction*

The Company may receive advances for construction ("advances") and contributions in aid of construction ("contributions") from customers, home builders, real estate developers and others to fund construction necessary to extend service to new areas. Advances are refundable for limited periods of time as new customers begin to receive service or other contractual obligations are fulfilled.

Advances that are no longer refundable are reclassified to contributions. Contributions are permanent collections of plant assets or cash for a particular construction project. For ratemaking purposes, the amount of such contributions generally serves as a rate base reduction since the contributions represents non-investor supplied funds.

The Company depreciates utility plant funded by contributions and amortizes its contributions balance as a reduction to depreciation expense, producing a result which is functionally equivalent to reducing the original

# PENNSYLVANIA-AMERICAN WATER COMPANY

## Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

cost of the utility plant for the contributions. Amortization of contributions in aid of construction was \$4,825 and \$4,684 for the years ended December 31, 2020 and 2019, respectively. For the years ended December 31, 2020 and 2019, non-cash advances and contributions received were \$12,025 and \$6,679, respectively.

### *Revenue Recognition*

Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services. Under ASC 606, a contract's transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identifies the contracts with a customer; (ii) identifies the performance obligations within the contract, including whether any performance obligations are distinct and capable of being distinct in the context of the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

The Company's revenues from contracts with customers are discussed below. Customer payments for contracts are generally due within 30 days of billing and none of the contracts with customers have payment terms that exceed one year; therefore, the Company elected to apply the significant financing component practical expedient and no amount of consideration has been allocated as a financing component.

Revenue is generated primarily from water and wastewater services delivered to customers. These contracts contain a single performance obligation, the delivery of water and/or wastewater services, as the promise to transfer the individual good or service is not separately identifiable from other promises within the contracts and, therefore, is not distinct. Revenues are recognized over time, as services are provided. There are generally no significant financing components or variable consideration. Revenues include amounts billed to customers on a cycle basis and unbilled amounts calculated based on estimated usage from the date of the meter reading associated with the latest customer bill, to the end of the accounting period. The amounts that the Company has a right to invoice are determined by each customer's actual usage, an indicator that the invoice amount corresponds directly to the value transferred to the customer. The Company also recognizes revenue when it is probable that future recovery of previously incurred costs or future refunds that are to be credited to customers will occur through the ratemaking process.

### *Income Taxes*

AWW and its subsidiaries participate in a consolidated federal income tax return for U.S. tax purposes. Members of the consolidated group are charged with the amount of federal income tax expense determined as if they filed separate returns.

Certain income and expense items are accounted for in different time periods for financial reporting than for income tax reporting purposes. The Company provides deferred income taxes on the difference between the tax basis of assets and liabilities and the amounts at which they are carried in the financial statements. These deferred income taxes are based on the enacted tax rates expected to be in effect when these temporary differences are projected to reverse. In addition, regulatory assets and liabilities are recognized for the effect on

# PENNSYLVANIA-AMERICAN WATER COMPANY

## Notes to Financial Statements

December 31, 2020 and 2019

(Dollars in thousands)

revenues expected to be realized as the tax effects of temporary differences, previously flowed through to customers, reverse.

Investment tax credits have been deferred and are being amortized to income over the average estimated service lives of the related assets.

The Company recognizes accrued interest and penalties related to tax positions as a component of income tax expense. See Note 12-Income Taxes for additional information.

### *Allowance for Funds Used During Construction (“AFUDC”)*

AFUDC is a non-cash credit to income with a corresponding charge to utility plant that represents the cost of borrowed funds or a return on equity funds devoted to plant under construction. AFUDC is recorded to the extent permitted by the Commission.

### **New Accounting Standards**

The following accounting standards were adopted by the Company in 2020:

#### *Measurement of Credit Losses*

In June 2016, the FASB issued guidance that updated the accounting guidance on reporting credit losses for financial assets held at amortized cost basis and available-for-sale debt securities. Under this guidance, expected credit losses are required to be measured based on historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount of financial assets. Also, this guidance requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The new standard is effective January 1, 2022 for the Company. The Company early adopted January 1, 2020 on a modified retrospective basis. The standard did not have a material impact on the Financial Statements.

#### *Disclosure Requirements for Fair Value Measurement*

In August 2018, the FASB updated the disclosure requirements for fair value measurement. The guidance removes the requirements to disclose transfers between Level 1 and Level 2 measurements, the timing of transfers between levels, and the valuation processes for Level 3 measurements. Disclosure of transfers into and out of Level 3 measurements will be required. The guidance adds disclosure requirements for the change in unrealized gains and losses in other comprehensive income for recurring Level 3 measurements, as well as the range and weighted average of significant unobservable inputs used to develop Level 3 measurements. The new standard was effective January 1, 2020 for the Company. The standard did not have a material impact on the Financial Statements.

#### *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*

FASB provided optional guidance for a limited time to ease the potential accounting burden associated with the transition from London Interbank Offered Rate (“LIBOR”). The guidance contains optional expedients and exceptions for contract modifications, hedging relationships, and other transactions that reference LIBOR or other reference rates expected to be discontinued. The expedients elected must be applied for all eligible contracts or transactions, with the exception of hedging relationships, which can be applied on an individual

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basis. The new standard is adopted for March 12, 2020 through December 31, 2022 for the Company. The Standard is applied prospectively for contract modifications and hedging relationships as of January 1, 2020. The Standard did not have a material impact on the Financial Statements.

The following recently issued accounting standards have not yet been adopted by the Company at December 31, 2020:

### *Simplifying the Accounting for Income Taxes*

In December 2019, the FASB issued guidance that simplified the accounting for income taxes by removing certain exceptions and by adding certain requirements. The guidance removes exceptions related to the incremental approach for intraperiod tax allocation, the requirement to recognize a deferred tax liability for changes in ownership of a foreign subsidiary or equity method investment, and the general methodology for calculating income taxes in an interim period when the year-to-date loss exceeds the anticipated loss. The guidance adds requirements to reflect changes to tax laws or rates in the annual effective tax rate computation in the interim period in which the changes were enacted, to recognize franchise or other similar taxes that are partially based on income as an income-based tax and any incremental amounts as non-income-based tax, and to evaluate when a step up in the tax basis of goodwill should be considered part of the business combination in which the book goodwill was originally recognized and when it should be considered a separate transaction. The new standard is effective January 1, 2022 for the Company. Early adoption is permitted. The Company is currently evaluating the impact on the Financial Statements, as well as the timing of adoption.

### **Note 3: Impact of Novel Coronavirus (COVID-19) Pandemic**

AWW has been monitoring the global outbreak of the COVID-19 pandemic. To date, the Company has experienced COVID-19 financial impacts, including an increase in uncollectible accounts expense, additional debt costs, and certain incremental O&M expenses. The Company has also experienced decreased revenues as a result of the suspension of late fees and foregone reconnect fees. These impacts are collectively referred to as “financial impacts.”

The Commission issued a Secretarial Letter effective May 13, 2020 authorizing the use of regulatory accounting for certain COVID-19 related impacts in Pennsylvania. The Company has recorded \$10,954 in regulatory assets and \$989 of regulatory liabilities for the financial impacts related to the COVID-19 pandemic on the Balance Sheets as of December 31, 2020.

# PENNSYLVANIA-AMERICAN WATER COMPANY

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### Note 4: Regulatory Matters

On April 29, 2020, the Company filed a general rate case ("GRC") requesting \$92,000 and \$46,000 in annualized incremental revenues for rate year 1 and rate year 2, respectively. On October 30, 2020, the Company and the Commission's Bureau of Investigation and Enforcement entered into a settlement agreement. The Company received the final order from the Commission approving the settlement on February 25, 2021 providing for a total annualized revenue increase of \$70,500 over a two-step period, \$50,500 during the first step effective January 28, 2021 and an additional \$20,000 during the second step effective January 1, 2022. These revenue increases will be offset by annualized EADIT credits of \$10,500 each year.

The State of Pennsylvania has authorized the use of regulatory mechanisms that permit rates to be adjusted outside of a general rate case for certain costs and investments, such as infrastructure surcharge mechanisms that permit recovery of capital investments to replace aging infrastructure. In 2020, \$8 million was effective October 1, \$4 million was effective July 1, \$5 million was effective April 1 and \$10 million was effective January 1. In 2019, \$6 million was effective October 1, \$3 million was effective July 1 and \$2 million was effective April 1. The revenues from the surcharge were rolled into the Company's base rates on January 28, 2021, the effective date of the GRC.

As part of the general rate case, the Company filed a proposal for the return of its excess Accumulated Deferred Income Taxes ("EADIT") associated with the Tax Cuts and Jobs Act ("TCJA") to its customers through base rates for the amortization of both protected and unprotected EADIT. This included a "catch-up period" amount representing the total amount of EADIT amortization for the period January 1, 2018 through December 31, 2020. The final order included amortization to begin in 2021 on this balance.

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**Note 5: Disaggregated Revenues**

Presented in the table below are operating revenues disaggregated for the year ended December 31, 2020:

	<b>Revenues from Contracts with Customers</b>	<b>Total Operating Revenues</b>
<b>Water services:</b>		
Residential	\$ 441,820	\$ 441,820
Commercial	146,797	146,797
Industrial	29,502	29,502
Fire service	12,127	12,127
Public and other	16,999	16,999
Sales for resale	2,620	2,620
Total water services	<u>649,865</u>	<u>649,865</u>
<b>Wastewater services:</b>		
Residential	41,848	41,848
Commercial	16,110	16,110
Industrial	2,260	2,260
Public and other	10,246	10,246
Total wastewater services	<u>70,464</u>	<u>70,464</u>
Miscellaneous utility charges	10,329	10,329
Other (a)	—	2,403
Total operating revenues	<u>\$ 730,658</u>	<u>\$ 733,061</u>

(a) Other Revenue consists of revenues associated with lease contracts and intercompany rent which are outside the scope of ASC 606 and accounted for under other existing GAAP.

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### Note 6: Acquisitions

On October 13, 2020, the Company completed the acquisition of the Kane wastewater system for an aggregate purchase price of \$17,584 that was recorded in utility plant. The acquired operations provided services to approximately 2,187 customers at the time of the acquisition. The purchase was accounted for as a business combination.

In 2019, the Company completed several water and wastewater system acquisitions. On March 6, 2019, the Company completed the acquisition of the Sadsbury Township wastewater system for an aggregate purchase price of \$8,601. The acquired operations provided services to approximately 999 customers at the time of the acquisition. The purchase was accounted for as an asset acquisition, and the difference between the purchase price and the authorized rate base of assets acquired was recorded as a loss on acquisition of \$301. Assets acquired, principally utility plant, totaled \$8,300.

On July 23, 2019, the Company completed the acquisition of Turbotville water and wastewater systems for an aggregate purchase price of \$642 and \$366, respectively. The acquired operations provided services to approximately 322 water and 269 wastewater customers at the time of the acquisition. The purchase was accounted for as an asset acquisition and the difference between the purchase price and the fair market value was recorded as a regulatory liability of \$816 and \$204, respectively. Assets acquired, principally utility plant, totaled \$1,458 and \$570, respectively.

On September 5, 2019, the Company completed the acquisition of the Exeter wastewater system for an aggregate purchase price of \$93,790. The acquired operations provided services to approximately 9,015 customers at the time of the acquisition. The purchase was accounted for as a business combination, and the difference between the purchase price and the fair value of assets acquired, less assumed liabilities, was recorded as goodwill at the date of the acquisitions. Assets acquired, principally utility plant, totaled \$92,290; \$1,500 of goodwill was recorded.

On October 7, 2019, the Company completed the acquisition of the Steelton water system for an aggregate purchase price of \$21,792. The acquired operations provided services to approximately 2,472 customers at the time of the acquisition. The purchase was accounted for as a business combination, and the difference between the purchase price and the fair value of assets acquired, less assumed liabilities, was recorded as goodwill at the date of the acquisitions. Assets acquired, principally utility plant, totaled \$20,542; \$1,250 of goodwill was recorded.



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**Note 7: Utility Plant**

Presented in the table below are the major classes of utility plant by category at December 31:

	<b>Remaining Useful Life</b>	<b>2020</b>	<b>2019</b>
<b>Utility Plant:</b>			
Land and other non-depreciable assets	—	\$ 40,075	\$ 35,965
Sources of supply	37 to 85 Years	234,484	228,699
Treatment and pumping	25 to 57 Years	780,593	763,616
Transmission and distribution	19 to 149 Years	3,154,921	3,035,196
Services, meters and fire hydrants	18 to 59 Years	928,785	897,193
General structures and equipment	5 to 47 Years	364,272	330,702
Wastewater	8 to 86 Years	1,211,669	1,111,124
Construction work in progress	—	109,536	87,252
		<u>6,824,335</u>	<u>6,489,747</u>
Less: Accumulated depreciation		(1,594,352)	(1,549,534)
Utility Plant, net		<u>\$ 5,229,983</u>	<u>\$ 4,940,213</u>

The provision for depreciation expressed as a percentage of the aggregate average depreciable asset balances was 2.69% and 2.63% in 2020 and 2019, respectively.

**Note 8: Regulatory Assets and Liabilities**

*Regulatory Assets*

Regulatory assets represent amounts that are probable of recovery from customers in future rates. Some regulatory assets may be included in the Company's rate base and earn a return.

Provided in the table below is the composition of regulatory assets as of December 31:

	<b>2020</b>	<b>2019</b>
Cost of removal	\$ 90,454	\$ 83,494
Debt and preferred stock expense	18,127	18,298
Make-whole premium	12,182	13,902
Pandemic financial impacts	10,954	—
Acquisition costs	7,572	6,427
Other	6,114	2,931
Total regulatory assets	<u>\$ 145,403</u>	<u>\$ 125,052</u>

Removal costs recovered through rates are estimated costs to retire assets at the end of their expected useful lives that are recovered through customer rates over the lives of the associated assets.

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Debt expense is amortized over the lives of the respective issues. Call premiums on the redemption of long-term debt, as well as unamortized debt expense, are deferred and amortized to the extent they will be recovered through future service rates. Expenses of preferred stock issues without sinking fund provisions are amortized over 30 years from the date of issue, whereas expenses of issues with sinking fund provisions are charged to operations as shares are retired.

In 2018, as a result of the Company's prepayment of the 2.20% Series E Senior Notes due in 2019 ("Series E Senior Notes") and 5.77% Series F Senior Notes due in 2022 ("Series F Senior Notes") and payment of a make-whole premium to the holders thereof \$7,180, the Company recorded a regulatory asset that the Company believes is probable of recovery in future rates. Approximately \$1,720 of the early debt extinguishment costs allocatable to the Company was amortized in 2020 and 2019, respectively.

The Company has recorded pandemic financial impacts as a result of COVID-19. See Note 3— Impact of Novel Coronavirus (COVID-19) Pandemic.

The Commission authorizes deferral related to costs necessary to close an acquisition including appraisal and legal costs. These costs generally are amortized in the following GRC after the acquisition closes.

Other regulatory assets are comprised principally of purchase premiums recoverable through rates, deferred vacation pay, and deferred rate case expense.

### *Regulatory Liabilities*

Regulatory liabilities represent amounts that are expected to be refunded to customers in future rates, items deferred pending Commission guidance, or amounts recovered from customers in advance of incurring the costs.

Provided in the table below is the composition of regulatory liabilities as of December 31:

	<b>2020</b>	<b>2019</b>
Income taxes recovered through rates	\$ 327,487	\$ 332,207
Pension expense	13,709	15,668
Gain on acquisitions	1,283	1,410
Pandemic financial impacts	989	—
Total regulatory liabilities	<u>\$ 343,468</u>	<u>\$ 349,285</u>

Income taxes recovered through rates is comprised of the remeasurement of accumulated deferred income taxes resulting from the reduction in the federal corporate income tax rate from 35% to 21% which became effective January 1, 2018, as a result of TCJA resulting in EADIT to be returned to customers. As of December 31, 2020, proceedings remained pending for the Company but were resolved with the Rate Case Order received February 25, 2021. The Company will begin the amortization of the EADIT as part of base rates using the Average Rate Assumption Method (ARAM) for Internal Revenue Services ("IRS") protected EADIT. Additionally, remaining unprotected EADIT was authorized over a 20-year amortization period. In addition to amortizing the EADIT as part of the new base rates, the Company agreed to provide a catch-up bill credit to

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customers of \$21,000 amortized over a two-year period, beginning February 1, 2021. This catch-up covers the period January 1, 2018 through December 31, 2020.

Pension costs that are less than amounts recovered in rates are deferred as a regulatory liability.

Gains on acquisitions are deferred pending regulatory approval. Upon receipt of an order, gains are released to income, amortized to income over time or are subject to customer sharing, per the direction of the Commission.

The Company has recorded savings as a result of the COVID-19 pandemic financial impacts. See Note 3 — Impact of Novel Coronavirus (COVID-19) Pandemic.

**Note 9: Long-Term Debt**

Presented in the table below are the components of long-term debt as of December 31:

	Rate	Weighted Average Rate	Maturity Date	2020	2019
Mortgage bonds	2.45% - 9.69%	5.63%	2021 - 2039	\$ 401,165	\$ 401,165
Government loans	1.00% - 3.24%	1.85%	2022 - 2041	53,565	56,739
Notes payable to affiliated company	2.80% - 5.77%	3.87%	2021 - 2050	1,330,924	1,210,924
Cumulative preferred stock with					
mandatory redemption requirements	8.49% - 9.75%	8.65%	2024 - 2036	2,852	4,052
Long-term debt				1,788,506	1,672,880
Less: Unamortized debt premium, net				(1,919)	(1,759)
Less: Current portion				(71,529)	(6,343)
Total long-term debt				<u>\$ 1,715,058</u>	<u>\$ 1,664,778</u>

The general mortgage bonds are issued in series. No bonds senior to the general mortgage bonds may be issued so long as the general mortgage bonds are outstanding. Based on the calculation methodology specified by the debt agreements, the amount of bonds authorized is limited, as long-term debt cannot exceed 65% of total capitalization, and adjusted net income of the Company must be equal to or greater than 1.5 times the aggregate annual interest charges on all long-term debt of the Company. At December 31, 2020, long-term debt was 45% of total capitalization and net income excluding gains or losses on property sales, amortization of debt issuance costs, interest on long-term debt, and provision for income taxes was 4.57 times the aggregate annual interest charges on all long-term debt. Mortgage bonds are collateralized by utility plant.

The general mortgage bond indentures contain clauses restricting the declaration of common stock dividends and other distributions on capital stock if common stockholder's equity falls below a specified amount. There were no restrictions at December 31, 2020 and 2019.

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The Commonwealth of Pennsylvania offers water facility loans through the Pennsylvania Infrastructure Investment Authority (“Pennvest”). These low-interest government loans cover the design, engineering, and construction of public and private owned drinking water treatment, storage and distribution facilities. The water facility loans are available to communities or private firms. The loan disbursements are based upon reimbursable expenditures for a specific approved project. The existing Pennvest loans are secured primarily through a lien on Company revenues, subordinate to the Company's mortgage indenture. The Company makes monthly payments of principal and interest on these water facility loans.

In 2020, the Company issued \$1,970 of Pennvest debt at rates ranging from 1% to 1.36% due between 2026 and 2037. During 2019, the Company issued \$388 of Pennvest debt at a rate of 1.44% due in 2036. The proceeds were used to fund certain capital improvement projects.

In 2020, the Company paid down \$5,143 of Pennvest debt at rates ranging from 1.00% to 3.24% due between 2019 and 2041. During 2019, the Company paid down \$5,355 of Pennvest debt at rates ranging from 1.00% to 3.24% due between 2019 and 2041.

In 2019, the Company issued \$80,000 of long term notes payable with an interest rate of 3.00% due in 2039 with a mandatory purchase date of October 1, 2029 and \$93,165 of long term notes payable with an interest rate of 2.45% due in 2039 with a mandatory purchase date of December 3, 2029. In 2019, the Company used proceeds from the offering to: (i) prepay \$80,000 of its outstanding 6.2 % Senior Notes due April 1, 2039 and (ii) \$93,165 of its outstanding 5.50% Senior Notes due December 1, 2039.

The long-term notes payable to affiliated company are unsecured and were issued to American Water Capital Corporation (“AWCC”), a subsidiary of AWW, for the principal amount. AWCC provided the funding for these notes by issuing senior notes to institutional investors at an amount equal to the principal amount.

In 2020, the Company issued \$30,000 of long term notes payable to AWCC at a rate of 2.80% due in 2030 and \$90,000 of long term notes payable to AWCC at a rate of 3.45% due in 2050. The Company used the proceeds from the offering to repay AWCC’s commercial paper obligations and for general corporate purposes.

In 2019, the Company issued \$110,000 of long term notes payable to AWCC at a rate of 3.45% due in 2029. In 2019, the Company used proceeds from the offering to repay AWCC’s commercial paper obligations and for general corporate purposes.

Maturities of long-term debt, including sinking fund payments, will amount to \$71,529 in 2021, \$6,078 in 2022, \$4,413 in 2023, \$71,758 in 2024, \$49,886 in 2025 and \$1,584,842 thereafter.

The 9.75% series and the 9.35% series preferred stock with mandatory redemption requirements provide for annual sinking fund payments at the option of the holder, and do not contain call premiums. The 8.49% series provides for annual sinking fund payments of \$1,200 and contains provisions for redemption at various prices on 30 day notice, at the option of the Company.

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**Note 10: Short-Term Debt**

The Company maintained a line of credit through AWCC of \$400,000 at December 31, 2020 and 2019. The Company may borrow from the line of credit. No compensating balances are required under the agreements. Funds were primarily used for short-term operating needs. There were \$134,010 and \$114,384 of outstanding borrowings at December 31, 2020 and 2019, respectively. The weighted average annual interest rate on these borrowings was 1.09% and 2.75% in 2020 and 2019, respectively. Short-term debt is presented as Notes payable-affiliated company in the accompanying Balance Sheets at December 31, 2020 and 2019.

At December 31, 2020 and 2019, the Company had \$5,953 and \$4,952 outstanding stand-by letters of credit, respectively. If drawn, the stand-by letters of credit would reduce the available borrowings under the Company's AWCC credit line.

**Note 11: General Taxes**

Presented in the table below are the components of general tax expense for the years ended December 31:

	<b>2020</b>	<b>2019</b>
Property	\$ 4,710	\$ (268)
Payroll	4,754	4,652
Commission assessment	4,419	3,547
Other	—	(250)
Total general taxes	<u>\$ 13,883</u>	<u>\$ 7,681</u>

**Note 12: Income Taxes**

Presented in the table below are the components of income tax expense for the years ended December 31:

	<b>2020</b>	<b>2019</b>
State income taxes:		
Current	\$ 4,724	\$ 4,785
Deferred	18,927	16,464
	<u>\$ 23,651</u>	<u>\$ 21,249</u>
Federal income taxes:		
Current	\$ 13,451	\$ 7,519
Deferred	39,405	42,404
Amortization of deferred investment tax credits	(234)	(234)
Total income taxes	<u>\$ 76,273</u>	<u>\$ 70,938</u>

The primary components of the net deferred tax liability of \$687,026 and \$632,082 at December 31, 2020 and 2019 include basis differences in utility plant, partially offset by advances and contributions and net operating losses ("NOLs").

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No valuation allowances were required on deferred tax assets at December 31, 2020 and 2019, as management believes it is more likely than not that deferred tax assets will be realized.

As of December 31, 2020 and 2019, the Company's reserve for uncertain tax positions is \$53,412 and \$50,430, respectively, excluding accrued interest and penalties of \$2,662 and \$2,047, respectively. The Company does not expect a material change in this estimate in the next twelve months. The reserve could increase or decrease for such things as the expiration of statutes of limitations, audit settlement, and tax examination activities.

The Company recognizes interest and penalties related to income tax matters in income tax expense. The Company recognized interest expense of \$614 and \$667 for 2020 and 2019, respectively.

The Company files income tax returns in the United States federal and state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal examinations by tax authorities for years before 2017.

### Note 13: Employee Benefit Plans

#### *Savings Plan for Employees*

The Company maintains a 401(k) savings plan, sponsored by AWW, allowing employees to save for retirement on a tax-deferred basis. Employees can make contributions that are invested at their direction in one or more funds. The Company makes matching contributions based on a percentage of an employee's contribution, subject to certain limitations. Due to the Company's discontinuing new entrants into the defined benefit pension plan, on January 1, 2006 the Company began providing an additional 5.25% of base pay defined contribution benefit for union employees hired on or after January 1, 2001 and for non-union employees hired on or after January 1, 2006.

The Company expensed contributions to the plans of \$3,300 and \$3,153 for 2020 and 2019, respectively. All of the Company's contributions are invested in one or more funds at the direction of the employees.

#### *Pension Benefits*

The Company participates in a Company-funded defined benefit pension plan, sponsored by AWW, covering eligible employees hired before January 1, 2006. Benefits under the plan are based on an employee's years of service and compensation. The pension plan was closed for most employees hired on or after January 1, 2006. Union employees hired on or after January 1, 2001 had their accrued benefit frozen and will be able to receive this benefit as a lump sum upon termination or retirement.

The Company's pension cost is based on an allocation from AWW of the total cost related to the plan. The allocation is based upon the Company's participants' pensionable earnings as a percentage of AWW's total plan pensionable earnings. Information regarding accumulated and projected benefit obligations is not prepared at the subsidiary level. The Company was allocated costs of \$3,200 and \$9,376 in 2020 and 2019, respectively.

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AWW's funding practice is to contribute at least the greater of the minimum amount required by the Employee Retirement Income Security Act of 1974 or the normal cost. Further, AWW will consider additional contributions if needed to avoid "at risk" status and benefit restrictions under the Pension Protection Act of 2006. AWW may also consider increased contributions based on other financial requirements and the plan's funded position. The Company's pension contributions are based on an allocation from AWW of the total contributions related to the plan. Contributions are allocated to the Company from AWW based upon the Company's participants' pensionable earnings as a percentage of AWW's total plan pensionable earnings. The Company made contributions of \$6,768 and \$5,307 in 2020 and 2019, respectively. The Company expects to contribute \$6,246 to the AWW plan in 2021.

### *Postretirement Benefits Other Than Pensions*

The Company participates in a Company-funded plan, sponsored by AWW that provides varying levels of medical and life insurance to eligible retirees. The retiree welfare plans are closed for union employees hired on or after January 1, 2006, and for non-union employees hired on or after January 1, 2002.

Costs of the Company are based on an allocation from AWW of the total cost related to the plan. The allocation is based upon the Company's covered participants as a percentage of AWW's total plan covered participants. Information regarding accumulated and projected benefit obligations is not prepared at the subsidiary level.

The Company is allocated costs for all postretirement plans sponsored by AWW that provide certain life insurance and health care benefits for retired employees. The Company was allocated a benefit of \$7,873 and \$6,547 in 2020 and 2019, respectively.

No contributions were made in 2020 and 2019. No contribution to the plan is required in 2021.

### **Note 14: Related Party Transactions**

American Water Works Service Company, Inc. ("AWWS"), a subsidiary of AWW, provides certain management services to the Company (administration, accounting, data processing, engineering, etc.) and other operating companies that are subsidiaries of AWW on an at-cost, not-for-profit basis in accordance with a management and service agreement.

Purchases of such services by the Company were accounted for as follows:

	<b>2020</b>	<b>2019</b>
Included in operation and maintenance expense		
as a charge against income	\$ 54,684	\$ 46,763
Capitalized primarily in utility plant	18,273	19,667
	<u>\$ 72,957</u>	<u>\$ 66,430</u>

AWWS leases space in office buildings owned by the Company. Rent received under the terms of the leases was \$521 and \$587 in 2020 and 2019, respectively.

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The Company provides billing and collection services to a subsidiary of American Water Enterprises, LLC (“AWE”), which is a subsidiary of AWW and AWE offers customer protection plans that provide water line, sewer line and in-home protection. The Company recorded revenue of \$692 in 2020 and \$699 in 2019 related to the billing and collection services.

The Company maintains a line of credit through AWCC. The Company also participates in AWCC’s centralized treasury function, whereby the Company transfers its cash to AWCC and the Company’s checks are issued out of AWCC. Under this arrangement, available cash is used to pay-down the line of credit and issued checks increase the Company’s line of credit balance. The Company paid AWCC fees of \$704 in 2020 and \$1,019 in 2019, and recorded interest expense on short-term borrowings of \$2,001 in 2020 and \$1,333 in 2019. Interest expense on long-term debt with AWCC amounted to \$50,352 and \$46,161 in 2020 and 2019, respectively. Accrued interest expense included amounts due to AWCC of \$13,009 and \$12,352 for 2020 and 2019, respectively.

The Company received capital contributions in the form of cash of \$90,000 and \$130,000 from AWW in 2020 and 2019, respectively. The Company also received non-cash capital contributions of \$432 and \$80 from AWW in 2020 and 2019, respectively.

The Company pays dividends to AWW on a quarterly basis. The amount of the dividend is based on a percentage of net income adjusted for certain items.

The Company has three board members that have relationships with three vendors used by the Company. The aggregate expenditures to these vendors totaled \$1,509 and \$803 during the years ended December 31, 2020 and 2019, respectively. A majority of the Company's expenditures are with not-for-profit industry organizations and for engineering services.

### Note 15: Fair Values of Financial Instruments

#### *Fair Value Measurements*

To increase consistency and comparability in fair value measurements, GAAP guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date. Financial assets and liabilities utilizing Level 1 inputs include active exchange-trade equity securities, exchange-based derivatives, mutual funds, and money market funds.
- Level 2 - Inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, commingled investment funds not subject to purchase, and sale restrictions and fair-value hedges.



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- Level 3 - Unobservable inputs, such as internally-developed pricing models for the asset or liability due to little or no market activity for the asset or liability. Financial assets and liabilities utilizing Level 3 inputs include infrequently-traded non-exchange-based derivatives and commingled investment funds subject to purchase and sale restrictions.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

*Current assets and current liabilities:* The carrying amounts reported in the balance sheets for current assets and current liabilities approximate their fair values.

*Preferred stock with mandatory redemption requirements and long-term debt:* The fair values of the Company's long-term debt are determined by a valuation model which is based on a conventional discounted cash flow methodology and utilizes assumptions of current market rates. As the majority of the Company's debts do not trade in active markets, the Company calculated a base yield curve using a risk-free rate (a U.S. Treasury securities yield curve) plus a credit spread that is based on the following two factors: an average of AWCC's own publicly-traded debt securities and the current market rates for U.S. Utility debt securities based on an internal quantitative credit assessment of the Company. The Company used these yield curve assumptions to derive a base yield for Level 2 and Level 3 securities. Additionally, the Company adjusted the base yield for specific features of the debt securities including call features, coupon tax treatment and collateral for the Level 3 instruments.

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**Notes to Financial Statements**

**December 31, 2020 and 2019**

(Dollars in thousands)

The carrying amounts and fair values of the financial instruments at December 31 were as follows:

**At Fair Value as of December 31, 2020**

	<b>Carrying Amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Preferred stock with mandatory redemption requirements, including current portion	\$ 2,852	—	\$ —	\$ 3,996	\$ 3,996
Long-term debt, including current portion	1,783,735	—	1,604,010	558,780	2,162,790

**At Fair Value as of December 31, 2019**

	<b>Carrying Amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Preferred stock with mandatory redemption requirements, including current portion	\$ 4,052	—	\$ —	\$ 5,559	\$ 5,559
Long-term debt, including current portion	1,667,069	—	1,326,583	528,856	1,855,439

*Recurring Fair Value Measurements*

The Company had immaterial amounts of assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2020 and 2019.

**Note 16: Leases**

Certain operating leases have renewal option of one year. The exercise of lease renewal options is at the Company's sole discretion. Renewal options that the Company was reasonably certain to exercise are included in the Company's ROU assets. Certain operating leases contain the option to purchase the leased property. The operating leases for real property and equipment will expire over the next two years and four years, respectively.

The Company has entered into operating leases involving certain facilities and equipment. Rental expenses under operating leases presented on the Balance Sheets were \$269 and \$273 in 2020 and 2019, respectively. The operating leases have various expiration dates.

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**Notes to Financial Statements**

**December 31, 2020 and 2019**

(Dollars in thousands)

Presented in the table below are the weighed-average remaining lease terms:

Weighted-average remaining lease term:	As of December 31, 2020
Operating leases	2.82 years
Weighted-average discount rate:	
Operating leases	2.83 %

Presented in the table below are the future maturities of lease liabilities at December 31, 2020:

	Amount
2021	\$ 246
2022	130
2023	47
2024	37
2025	30
Total lease payments	490
Imputed interest	(13)
Total	477

**Note 17: Commitments and Contingencies**

Commitments have been made in connection with certain construction programs. The estimated capital expenditures required under legally binding contracts amounted to \$71,832 at December 31, 2020.

The Company maintains agreements with other water purveyors for the purchase of water to supplement its water supply. The Company purchased \$2,865 and \$2,515 of water under these agreements during 2020 and 2019, respectively. Certain agreements stipulate the purchase of minimum quantities of water through various dates. The annual future commitments related to the minimum quantities of water purchased under these agreements are \$1,626 in 2021, \$1,587 in 2022, \$1,600 in 2023, \$1,614 in 2024, \$1,627 in 2025, and \$24,139 thereafter.

The Company maintains agreements with third party energy suppliers to purchase minimum quantities of energy. The Company paid \$10,321 and \$12,081 under these agreements during 2020 and 2019, respectively. The annual future commitments related to minimum quantities of energy purchased under these agreements are \$9,967 in 2021, \$7,113 in 2022, and \$7,113 in 2023.

The Company has a commitment with Chester County Water Resources Authority for the Company's share of operation and maintenance costs of a dam. The Company paid \$34 and \$104 under this agreement during 2020 and 2019, respectively. The annual future commitments under this agreement are \$38 in 2020 through 2025, and \$689 thereafter.

**PENNSYLVANIA-AMERICAN WATER COMPANY**

**Notes to Financial Statements**

**December 31, 2020 and 2019**

(Dollars in thousands)

The Company is routinely involved in legal actions incident to the normal conduct of its business. At December 31, 2020 the Company has accrued \$30 as probable costs and it is reasonably possible that additional losses could range up to \$2,785. For certain matters, the Company is unable to estimate possible losses. The Company believes that damages or settlements, if any, recovered by plaintiffs in such claims or actions, will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

**Note 18: Subsequent Events**

The Company performed an evaluation of subsequent events for the accompanying financial statements through April 14, 2021, the date this report was issued, to determine whether the circumstances warranted recognition and disclosure of those events or transactions in the financial statements as of December 31, 2020.

On April 6, 2021, the Company entered into an agreement with the York Sewer Authority to purchase the municipality's wastewater system for \$235,000. The Company is seeking to close the system purchase by the end of 2021 or the first quarter of 2022.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.16

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

16. Supply copies of the Company's balance sheets for each month/quarter for the last two years.

**Answer:** Please see the response to FR XI.01.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.17

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

17. Provide the bond rating history for the Company and, if applicable, its parent from the major credit rating agencies for the last five years.

**Answer:**

The long-term issuer rating and date assigned, for the Company and its parent for the last five years are as follows:

**Pennsylvania-**  
**American Water**

Moody's Investors  
Service

	2017	2018	2019	2020	2021
Issuer rating	A3	A3	A3	A3	A3
Date assigned	8/16/2017	8/31/2018	8/29/2019	9/4/2020	1/4/2022

S&P Global  
Ratings

	2017	2018	2019	2020	2021
Issuer rating	A	A	A	A	A
Date assigned	9/20/2017	7/24/2018	12/13/2019	12/11/2020	12/21/2021

**AWK**

Moody's Investors  
Service

	2017	2018	2019	2020	2021
Issuer rating	A3	A3	Baa1	Baa1	Baa1
Date assigned	8/15/2017	2/16/2018	4/3/2019	4/30/2020	11/4/2021

S&P Global  
Ratings

	2017	2018	2019	2020	2021
Issuer rating	A	A	A	A	A
Date assigned	10/25/2017	6/11/2018	6/7/2019	12/11/2020	11/8/2021

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.18

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

18. Provide copies of all bond rating reports relating to the Company and, if applicable, its parent for the past two years.

**Answer:**

Please see FR VII.18\_Attachment for copies of bond rating reports relating to the Company and its parent for the past two years.

CREDIT OPINION

4 January 2022

Update

Rate this Research

RATINGS

Pennsylvania-American Water Company

Domicile	Hershey, Pennsylvania, United States
Long Term Rating	A3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Pennsylvania-American Water Company

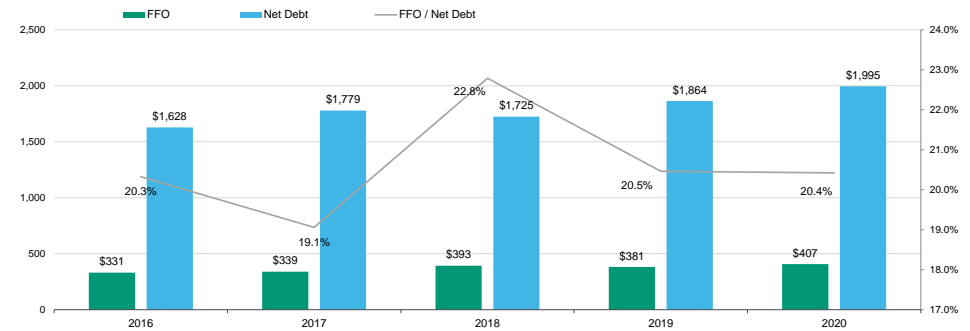
Update to credit analysis

Summary

Pennsylvania-American Water Company's (PAWC) credit profile benefits from 1) its low business risk as a regulated water utility, 2) strong cost recovery features provided by legislation, 3) supportive regulatory decisions from the Pennsylvania Public Utilities Commission (PUC) and 4) equity and liquidity support from its large, diversified parent company, American Water Works, Inc. (Baa1 stable).

PAWC's credit is constrained by exposure to volumetric demand and a high dividend payout to help support the corporate dividend and debt service.

Exhibit 1  
Historical FFO, net debt, and FFO to net debt (\$MM)



Source: Moody's Financial Metrics

Credit strengths

- » Lower-risk business profile as a water distribution utility
- » Very supportive regulatory framework and commission decisions
- » Stable financial profile



## Credit challenges

- » Capital intensive industry with aging infrastructure
- » Exposure to volumetric demand, since PAWC does not operate under a decoupling mechanism
- » Liquidity and dividend policies linked to parent

## Rating outlook

The stable outlook reflects our expectation that sustained levels of FFO to net debt in the high-teen's percentage range and retained cash flow (RCF) to net debt above 10% are sufficient to maintain PAWC's credit profile.

## Factors that could lead to an upgrade

- » Material improvement in the regulatory support offered to the company
- » If FFO to net debt were to exceed 20% on a sustainable basis, along with improved cost recovery provisions (e.g., revenue decoupling)

## Factors that could lead to a downgrade

- » A material decline in the degree of regulatory or parental support
- » FFO to net debt below 16% on a consistent basis
- » Weaker service performance

## Key indicators

### Pennsylvania-American Water Company [1]

	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
FFO Interest Coverage	5.8x	5.6x	6.2x	5.9x	6.4x
Debt / Capitalisation	41.0%	45.5%	41.7%	41.2%	41.1%
FFO / Net Debt	20.3%	19.1%	22.8%	20.5%	20.4%
RCF / Net Debt	11.5%	12.5%	14.8%	13.3%	13.1%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations

Source: Moody's Financial Metrics

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

## Profile

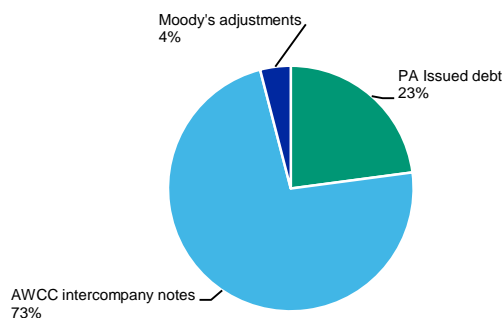
Headquartered in Mechanicsburg, Pennsylvania, Pennsylvania American Water Company (PAWC) is one of the largest operating subsidiaries of its parent, American Water, accounting for nearly 23% of consolidated revenues on average.

PAWC provides water and wastewater related services to approximately 750,000 customers throughout 36 counties across Pennsylvania and is regulated by the Pennsylvania Public Utility Commission (PUC).

Exhibit 3

**PAWC's long-term debt profile consists primarily of its own first mortgage bonds, loans from its parent and Moody's standard debt adjustments.**

As of 30 September 2020



Source: American Water Works, Inc. and Moody's Financial Metrics

## Detailed credit considerations

### Strong legislative and regulatory support in Pennsylvania

We view the Pennsylvania regulatory environment as one of the more supportive in the US, thanks to the use of a fully projected future test year for rate making purposes and the use of a Distribution System Improvement Charge (DSIC); both of which improve the real-time recovery of costs and provide enhanced stability and predictability to the company's cash flow. These are the primary drivers for PAWC's credit quality.

In February 2021, the PUC approved a combined water and wastewater "black box" rate case settlement between PAWC and multiple stakeholders which included about \$70 million in net rate increases through 2022. Over that time, PAWC will phase-in revenue increases with about \$50.5 million for 2021 and an incremental \$20 million for 2022; however, the order also includes an annualized rate credit of about \$10 million related to 2017 Federal tax reform, bringing the net revenue impact to about \$60 million. PAWC also agreed to refrain from DSIC filings until 2022 and to withdraw a year of its proposed multi-year rate plan, its proposed consolidation surcharge and its request for a pension tracker.

While some concessions for proposed cost recovery were made, the rate increase is much lower than the \$140 million revenue increase originally requested and the PUC order took roughly 10 months to complete - longer than most rate proceedings in the state - we note that the settlement and rate hike was completed amid COVID-19 circumstances. In many US jurisdictions, the effects of the pandemic have resulted in rate case delays, outright deferrals, or similarly tempered revenue increases.

Similarly, we note that "unprotected" excess accumulated deferred income tax (EADIT) balances will be returned to customers over a 20-year period, which is a longer payback period than many US utilities, a cash flow and credit positive for PAWC.

We see both the protracted EADIT refund period, ability to settle the filing in a timely manner and implement a slightly new rate paradigm (i.e., two-year plan period) as examples of the constructive stakeholder relationships held by PAWC.

### Beneficial legislative provisions are largely unutilized in Pennsylvania

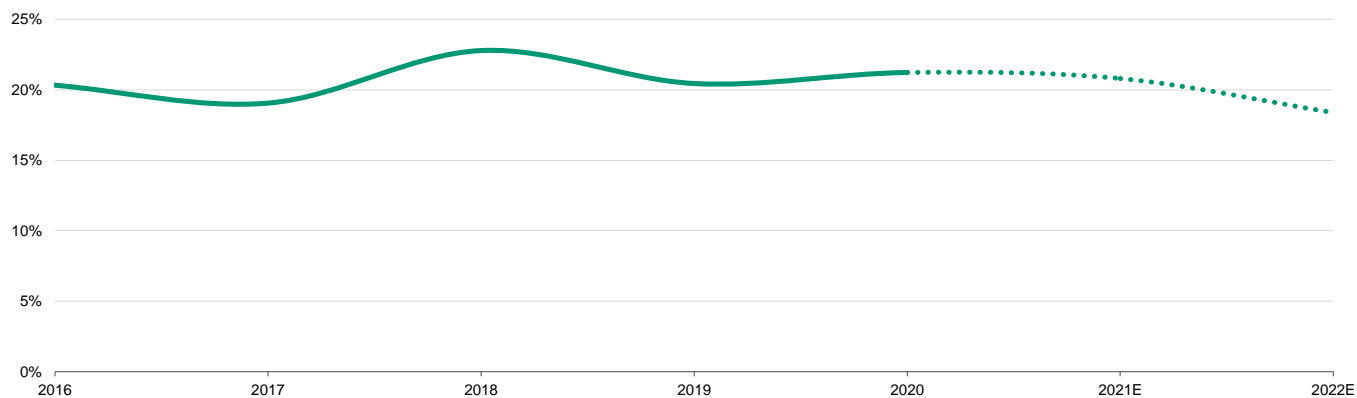
In June 2018, Act 58 was signed into law, which permits the PUC to approve an application by a utility to establish alternative rates and rate mechanisms. The potential mechanisms include: decoupling mechanisms, performance-based rates, formula rates, multi-year rate plans or any combination thereof. In general, each of the Act 58 rate mechanisms is supportive to credit, since they enhance the predictability of cash flow. However, until these features are adopted in a utility rate plan, they will not serve to enhance the company's credit profile. To-date, most utilities within the state have yet to implement these provisions.

### Slight decline in cash flow ratios expected through 2022

While the PUC rate order was a "black box" settlement, American Water's interpretation of the outcome suggests that PAWC's rates are founded off of a rate base of approximately \$4.0 billion with an allowed ROE of 9.90% and equity later of 55.15%. This is a very strong financial foundation - especially compared to peers with lower allowed ROEs and lower equity layers; however, various headwinds including rising debt, a DISC rate freeze and tax reform rebates through 2022, will likely result in FFO to net debt metrics trending down from 20% over that time, as shown in the exhibit below.

Exhibit 4

#### PAWC's metrics will remain strong, but slightly down due to a rate freeze and cash rebates for tax reform



Source: Moody's Financial Metrics and Moody's Investors Service projections

We also note that continual acquisitions by the company can pressure cash flow to debt metrics since the acquisition funding precedes cash flow. For example, debt-funded acquisition costs will appear on PAWC's books at close of the deal; however, higher cash flow related to the acquired asset will not be generated until a later date, when the company can include the new system in rate base, via PUC approval. Generally, we are willing to look through this temporary drag since the increased size, scale and scope of the utility is a credit positive.

PAWC has been increasingly active in its acquisition of larger municipal wastewater systems since the passage of Pennsylvania's Legislative Act 12 of 2016. Act 12 offers an alternative framework for asset valuation, which allows acquiring utilities the ability to recover the full purchase price of the acquisition (subject to certain appraisal restrictions) instead of incurring goodwill that is outside of rate base and remains without remuneration.

### Credit profile influenced by American Water ownership

PAWC's credit is also influenced by AWCC, the American Water finance subsidiary where all parent-level debt financing, including credit lines, are maintained. AWCC's credit profile is derived from a "support agreement" from American Water and debt service from American Water utility subsidiaries. This interdependency, which helps support an estimated \$2.9 billion of holding company debt at AWCC (at 30 September 2021), creates linkage between the credit profiles of PAWC, AWCC and American Water.

PAWC's financial metrics are also influenced by the financial policies of its parent, American Water. For example, PAWC is one of American Water's largest subsidiaries and is therefore a material source of dividends to service AWCC's debt.

While American Water utility subsidiaries are not legally obligated to support stand-alone debt issued by AWCC or the corporate dividend, it is our opinion that they do functionally provide support since they are the primary source of assets and cash flow generation.

As such, PAWC's payout ratio is consistently above 70% and we view it to be relatively fixed in nature. This is especially the case since American Water recently announced the sale of its Homeowner Services (HOS) business (see Governance section, below), which was a free cash flow positive business. Since the income from HOS will be absent going forward, but around \$183 million of debt associated with that business will remain, we see the incremental pressure on American Water utilities to service parent-level debt and a growing corporate dividend.

### ESG considerations

#### Environmental

As a regulated water and wastewater utility company, PAWC is primarily exposed to physical climate risks associated with heat stress, water stress, floods, storms and sea level rise. Further, its operations are intimately involved in issues related to risks around natural capital and waste and pollution from spills, leaks and contamination of its product.

The company is perhaps best positioned to address water management environmental risks, since much of its operational focus is toward enhancing local economic activity through the availability and use of its product, enhanced efficiency and deliverability of clean water.

As a water company, PAWC has low carbon transition risk within the broader utility sector, especially when compared to electric and gas utility peers.

#### Social

Exposure to social risks is moderately negative for PAWC, reflecting the fundamental utility risk that demographics and societal trends could include social pressures or public concern around affordability, utility reputation or environmental concerns. In turn, these pressures could result in adverse political intervention into utility operations or regulatory changes.

However, as a provider of water and wastewater services, PAWC supplies an essential public service that is fundamental to life and local economies. As such, the company's record of maintaining high standards for water quality and safe, reliable service is a credit strength that enhances public health and safety.

#### Governance

PAWC's governance is based on that of its parent, American Water Works, Inc. (AWK).

American Water's governance is broadly in-line with other utilities and does not pose particular risk. This is supported by several members with direct utility experience, strong management credibility and track record, due in particular to early board focus on industry risks such as cybersecurity. While its board has some representation that is not directly from the utility industry, those members have expertise relevant to AWK's operations (e.g., cyber security) or that are representative of stakeholder interests (e.g., customer relations).

Management has made some financial policy decisions that could require more dividend support from PAWC, since they'll be using roughly \$1.5 billion of expected asset sales proceeds (i.e., its New York utility and an unregulated homeowner services business) to offset future equity issuance, while approximately \$180 million of debt issued to support the unregulated business will remain on AWK's books.

Furthermore, management affirmed dividend plans (i.e., \$0.6025 quarterly dividend per share, a 7-10% annual growth rate and target payout of 55-60%) despite the loss of net income from both businesses, one of which produced free cash flow. Lastly, American Water recently increased their capital program by 30%, through 2026, which will result in declining consolidated cash flow to debt metrics.

## Liquidity analysis

PAWC's stand-alone liquidity (e.g., we expect \$400-\$425 million of cash flow from operations over the next 12 months) is insufficient to meet near-term needs (e.g., nearly \$450 million of capital expenditures and \$150 million of dividends were paid in 2020 - amounts we expect to persist over the next 12 months); however, we expect that the parent will provide sufficient liquidity to fund any near-term cash needs of the utility and infuse equity as needed, to maintain PAWC's regulated capital structure.

External liquidity is provided by a contractual intercompany line of credit with AWCC for \$400 million. As of 31 December 2020, the facility had approximately \$134 million outstanding including approximately \$6 million of letters of credit outstanding. Upon Board approval, PAWC has the ability to increase its line of credit limit with AWCC or obtain long-term debt or equity investments through AWCC to provide sufficient liquidity.

AWCC maintains a \$2.25 billion revolving credit agreement, which expires in March 2025. The facility supports a \$2.1 billion commercial paper program, has same-day drawing availability and no ongoing material adverse change clause. The lone financial covenant is maximum debt to capitalization ratio of 70%.

PAWC's next material external debt maturity is in September 2026 when \$150 million matures.

## Rating methodology and scorecard

Exhibit 5

### Rating Factors

Pennsylvania-American Water Company

Regulated Water Utilities Industry [1][2]	Current FY 12/31/2020		Moody's 12-18 Month Forward View As of Date Published [3]	
	Measure	Score	Measure	Score
<b>Factor 1 : Business Profile(50%)</b>				
a) Stability and Predictability of Regulatory Environment	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Sufficiency & Timeliness)	A	A	A	A
d) Revenue Risk	Baa	Baa	Baa	Baa
e) Scale and Complexity of Capital Programme & Asset Condition Risk	Baa	Baa	Baa	Baa
<b>Factor 2 : Financial Policy (10%)</b>				
a) Financial Policy	A	A	A	A
<b>Factor 3 : Leverage and Coverage (40%)</b>				
a) FFO Interest Coverage (3 Year Avg)	6.2x	A	5.5x - 6x	A
b) Debt / Capitalisation (3 Year Avg)	41.3%	A	40% - 45%	A
c) FFO / Net Debt (3 Year Avg)	21.2%	A	17% - 20%	A
d) RCF / Net Debt (3 Year Avg)	13.7%	A	10% - 13%	A
<b>Rating:</b>				
Scorecard-Indicated Outcome Before Notch Lift		A2		A2
Notch Lift				
a) Scorecard-Indicated Outcome		A2		A2
b) Actual Rating Assigned		A3		A3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 12/31/2020

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

Source: Moody's Financial Metrics

## Ratings

Exhibit 6

Category	Moody's Rating
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	
Outlook	Stable
Issuer Rating	A3
Senior Secured	A1
<b>ULT PARENT: AMERICAN WATER WORKS COMPANY, INC.</b>	
Outlook	Stable
Issuer Rating	Baa1

Source: Moody's Investors Service

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REPORT NUMBER 1265968

## Research

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# Pennsylvania-American Water Co.

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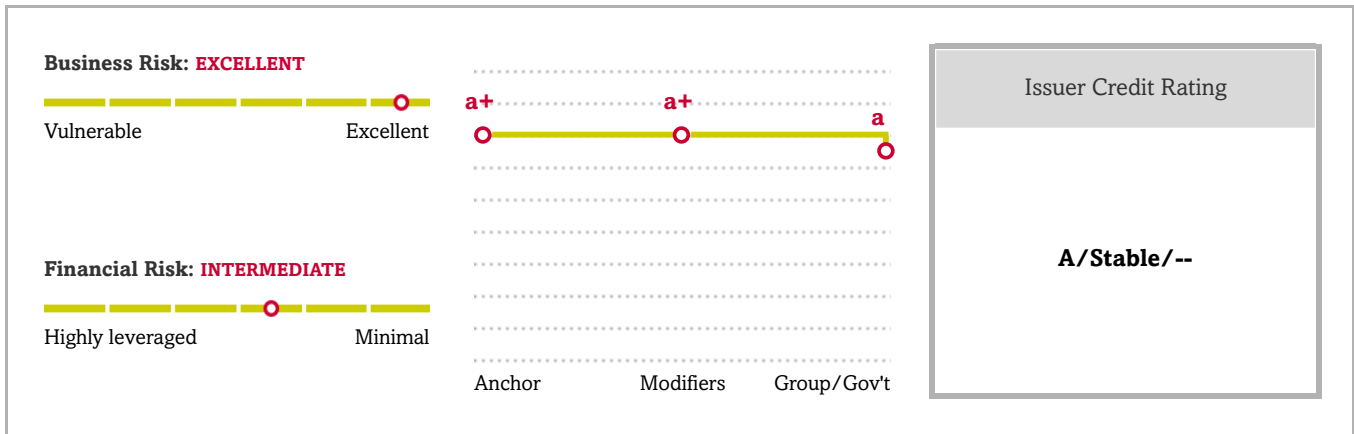
Issue Ratings - Recovery Analysis

Ratings Score Snapshot

Related Criteria



# Pennsylvania-American Water Co.



## Credit Highlights

### Overview

Key strengths	Key risks
Low-risk, rate-regulated water distribution operations.	Forecast negative discretionary cash flow indicates external funding needs.
Operates under a generally constructive regulatory framework.	A lack of regulatory diversity makes the company dependent on the Pennsylvania Public Utility Commission (PPUC) to maintain its operating cash flows.
Numerous regulatory mechanisms, including future test years and infrastructure replacement surcharges, help mitigate regulatory lag.	

**Our assessment of Pennsylvania-American Water Co. (PA-AWK) as a core subsidiary of American Water Works Co. Inc. (AWK) underpins the rating.** Because Pennsylvania-American Water Co. is a core subsidiary of American Water Works Co. Inc.'s group and there are insufficient measures that insulate our issuer credit rating (ICR) on PA-AWK from our rating on AWK, our ICR on PA-AWK is in line with our group credit profile for AWK.

**We expect PA-AWK to effectively manage regulatory risk, bolstering its business risk profile.** Although the company depends on the Pennsylvania Public Utilities Commission (PPUC) to sustain its operating cash flows, it benefits from numerous constructive mechanisms that mitigate regulatory lag, such as future test years and infrastructure replacement surcharges.

**Forecast credit metrics remain well entrenched in the intermediate financial risk profile category.** We forecast that PA-AWK's funds from operations (FFO) to debt will average in the 19%-21% range throughout the forecast period, assessed under our low volatility financial benchmark table.

## Outlook: Stable

The stable outlook on Pennsylvania-American Water Co. (PA-AWK) reflects our outlook on its parent, American Water Works Co. Inc. (AWK). The stable outlook reflects our expectation that AWK will maintain FFO to debt at or above 12% consistently throughout the forecast period. Additionally, the outlook reflects our expectation the company will continue to effectively manage its regulatory risk while its regulated utility businesses account for the vast majority of operations.

### Downside scenario

We could lower the rating on PA-AWK over the next 24 months if we take a similar rating action on the parent, which could occur if:

- We forecast the parent's consolidated FFO to debt to be consistently below 12%. This could occur if the parent company funds its elevated capital spending plan in a manner that is not supportive of the current rating.
- The company's management of regulatory risk deteriorates.

### Upside scenario

Although unlikely given our current forecast of the parent company's financial measures, we could raise the rating over the next 24 months if:

- Parent AWK maintains FFO to debt above 16% consistently; and
- It continues to effectively manage its regulatory risk.

## Our Base-Case Scenario

### Assumptions

- Periodic rate-case filings,
- Continued use of existing regulatory mechanisms,
- Annual projected capital spending that averages about \$465 million,
- Projected dividends averaging about \$215 million annually,
- Regulated growth, primarily through small tuck-in acquisitions,
- Negative discretionary cash flow, and
- All debt maturities are assumed to be refinanced.

### Key Metrics

	2020a	2021e	2022f
FFO to debt (%)	20.9	20.0-22.0	20.0-22.0
Debt to EBITDA (x)	3.9	3.5-4.5	3.5-4.5

	2020a	2021e	2022f
OCF to debt (%)	20.0	20.0-22.0	20.0-22.0

a--Actual. e--Estimate f--Forecast. FFO--Funds from operations. OCF--Operating cash flow.

## Company Description

PA-AWK operates as a regulated water and wastewater utility company in the Commonwealth of Pennsylvania. It provides water, wastewater, and related services to about 750,000 customers and is a wholly owned subsidiary of AWK.

## Business Risk: Excellent

Our assessment of PA-AWK's business risk incorporates its low-risk, rate-regulated water and wastewater utility operations that provide an essential service, its effective management of regulatory risk, and its moderate-size customer base.

Although the company only operates in a single jurisdiction and depends on the PPUC to sustain its cash flows, we view its management of regulatory risk as above average relative to that of its peers. PA-AWK benefits from various regulatory mechanisms, such as forward-looking test years, infrastructure replacement surcharges, expense mechanisms, and returns on construction work in progress. Overall, these mechanisms support the company's ability to earn close to, or at, its authorized returns. PA-AWK also benefits from consolidated tariffs that socialize costs across its system, which limit rate increases across many of its customers' bills.

The company recently reached a settlement with PPUC staff regarding its rate case for a base rate increase of approximately \$70.5 million over a two-year period beginning in 2021. The settlement was approved by the PPUC in February.

In addition, the company is relatively well placed compared with peers since the majority of its revenue comes from residential and other lower-risk customers whose usage patterns are less affected by economic cyclicality than commercial and industrial customers. Furthermore, the company received an order from the PPUC to defer the financial impacts stemming from the pandemic into a regulatory asset. As such, while there may be some regulatory lag associated with the pandemic, the costs thus far have been immaterial to the company's financial measures.

Further supporting the company's business risk profile is the reliability and safety of its operations. Historically, PA-AWK has consistently complied with all necessary safety standards and continues to invest heavily in its system.

## Financial Risk: Intermediate

We assess PA-AWK's financial measures using our low-volatility table, which largely reflects our view of the company's low-risk regulated water and wastewater utility operations and its effective management of regulatory risk.

Under our base-case scenario, we expect PA-AWK's FFO to debt to average between 19% and 21%. Our base case assumes periodic rate-case filings, the continued use of existing regulatory mechanisms, tuck-in acquisitions, projected capital spending of about \$465 million annually, projected dividends averaging about \$215 million annually, and the refinancing of all debt maturities.

## Liquidity: Adequate

We assess PA-AWK as having adequate liquidity, which reflects our expectation the company's liquidity sources will be more than 1.1x its uses over the next 12 months, even if its EBITDA declines by 10%. Under our stress scenario, we do not expect that PA-AWK would require access to the capital markets during this period to meet its liquidity needs. The company is likely able to absorb a high-impact, low-probability event with limited need for refinancing. Moreover, it has sound relationships with its banks, a generally satisfactory standing in the credit markets, and maintains generally prudent risk-management practices.

Principal Liquidity Sources	Principal Liquidity Uses
<ul style="list-style-type: none"> <li>Minimal cash on hand,</li> <li>Credit facility availability of about \$400 million, and</li> <li>FFO of about \$460 million.</li> </ul>	<ul style="list-style-type: none"> <li>Debt maturities, including outstanding short-term debt, of about \$200 million,</li> <li>Combined spending on maintenance capital expenditure and acquisitions of about \$400 million, and</li> <li>Dividends of about \$195 million.</li> </ul>

## Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of PA-AWK.

### ESG Credit Indicators

E-1	E-2	E-3	E-4	E-5	S-1	S-2	S-3	S-4	S-5	G-1	G-2	G-3	G-4	G-5
N/A					N/A					N/A				

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumeric 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021. N/A—Not applicable.

## Group Influence

We consider PA-AWK to be a core subsidiary of AWK. This reflects our view the company is highly unlikely to be sold, has a strong long-term commitment from senior management, is successful at what it does, and contributes materially to the group. There are insufficient measures in place to insulate our ICR on PA-AWK from our rating on its parent. Therefore, our ICR on PA-AWK is in line with our 'a' group credit profile for AWK.

## Issue Ratings - Recovery Analysis

- PA-AWK's first mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of over 1.5x supports a recovery rating of '1+' and an issue-level rating one notch above the ICR.

## Ratings Score Snapshot

### Issuer Credit Rating

A/Stable/--

### Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Excellent

### Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: a+

### Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a+

- **Group credit profile:** a
- **Entity status within group:** Core (-1 notch from SACP)

## Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- Criteria | Corporates | Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

### Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

### Ratings Detail (As Of December 21, 2021)\*

#### Pennsylvania-American Water Co.

Issuer Credit Rating A/Stable/--

#### Issuer Credit Ratings History

07-May-2015	Foreign Currency	A/Stable/--
02-Jun-2014		A-/Positive/--
24-May-2013		A-/Stable/--
07-May-2015	Local Currency	A/Stable/--

**Ratings Detail (As Of December 21, 2021)\*(cont.)**

02-Jun-2014	A-/Positive/--
24-May-2013	A-/Stable/--

**Related Entities**

**American Water Capital Corp.**

Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
<i>Local Currency</i>	A-1
Senior Unsecured	A

**American Water Works Co. Inc.**

Issuer Credit Rating	A/Stable/A-1
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**New Jersey-American Water Co.**

Issuer Credit Rating	A/Stable/--
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\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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## Research

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# Pennsylvania-American Water Co.

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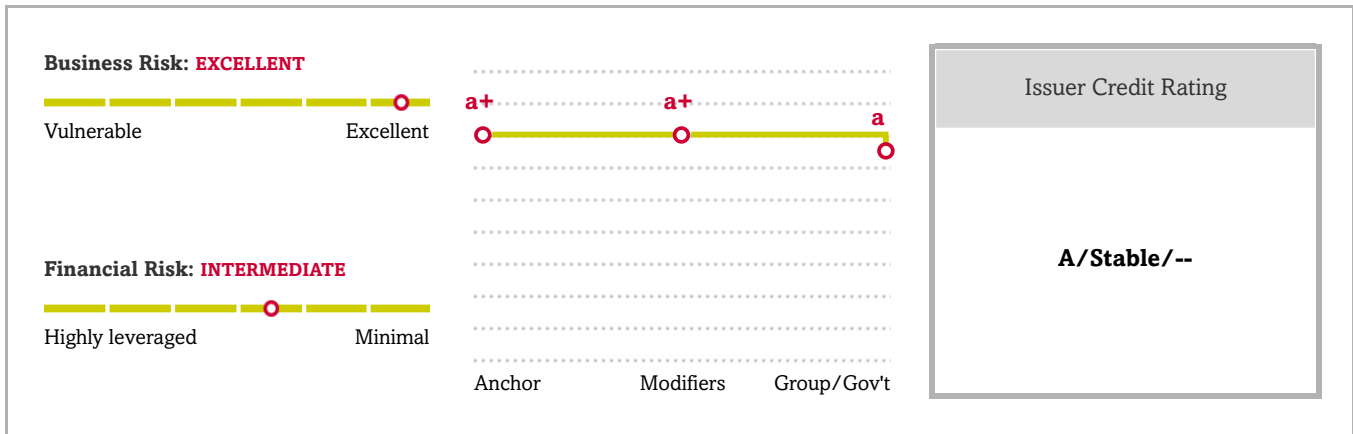
Group Influence

Issue Ratings - Recovery Analysis

Ratings Score Snapshot

Related Criteria

# Pennsylvania-American Water Co.



## Credit Highlights

### Overview

Key strengths	Key risks
Low-risk, rate-regulated water distribution operations.	Forecast negative discretionary cash flow indicates external funding needs.
Operates under a generally constructive regulatory framework.	A lack of regulatory diversity makes the company dependent on the Pennsylvania Public Utility Commission (PPUC) to maintain its operating cash flows.
Numerous regulatory mechanisms, including future test years and infrastructure replacement surcharges, help mitigate regulatory lag.	Some potential for regulatory lag stemming from the COVID-19 pandemic.

**Our assessment of Pennsylvania-American Water Co. (PA-AWK) as a core subsidiary of American Water Works Co. Inc. (AWK) underpins the rating.** Because PA-AWK is a core subsidiary of AWK's group and there are insufficient measures that insulate our issuer credit rating (ICR) on PA-AWK from our rating on AWK, our ICR on PA-AWK is in line with our group credit profile for AWK.

**We expect PA-AWK to effectively manage regulatory risk, bolstering its business risk profile.** Although the company depends on the PPUC to sustain its operating cash flows, it benefits from numerous constructive mechanisms that mitigate regulatory lag, such as future tests years and infrastructure replacement surcharges.

**Forecast credit metrics remain well entrenched in the intermediate financial risk profile category.** We forecast that PA-AWK's funds from operations (FFO) to debt will average in the 18%-21% range throughout the forecast period, assessed under our low volatility financial benchmark table.

## Outlook: Stable

The stable outlook on Pennsylvania-American Water Co. (PA-AWK) reflects our outlook on its parent, American Water Works Co. Inc. (AWK). The stable outlook on AWK reflects our expectation that the company will continue to focus its strategic growth on its regulated water distribution operations, maintaining the regulated businesses at 90%-95% of its consolidated EBITDA. In addition, we expect that AWK will continue to effectively manage its regulatory risk while maintaining financial measures at the lower end of its financial risk profile category. Under our base case scenario, we expect AWK's annual adjusted FFO to debt to average in the 13%-15% range.

### Downside scenario

We could lower our ratings on AWK and its subsidiaries if the company's nonregulated operations increased such that they consistently contributed a disproportionate amount of its consolidated EBITDA or if its nonregulated operations became riskier than we currently expect. In addition, a deterioration in its management of regulatory risk or its financial measures relative to our base case expectations (specifically FFO to debt consistently below 13%) could lead us to lower our ratings.

### Upside scenario

We could raise our ratings on AWK and its subsidiaries if its adjusted FFO to debt remained consistently above 16% while it continued to effectively manage its regulatory risk. This could occur if AWK achieved better-than-expected rate-case outcomes while prudently managing expenses and funding its capital expenditure and acquisitions by issuing more equity and less debt.

## Our Base-Case Scenario

Assumptions	Key Metrics			
<ul style="list-style-type: none"> <li>• Periodic rate-case filings,</li> <li>• Continued use of existing regulatory mechanisms,</li> <li>• Annual projected capital spending that averages about \$370 million,</li> <li>• Projected dividends averaging about \$170 million annually,</li> <li>• Regulated growth, primarily through small tuck-in acquisitions,</li> <li>• Negative discretionary cash flow, and</li> <li>• All debt maturities are assumed to be refinanced.</li> </ul>		<b>2019a</b>	<b>2020e</b>	<b>2021e</b>
	FFO to debt (%)	19.8	18.0-21.0	18.0-21.0
	Debt to EBITDA (x)	3.9	3.5-4.5	3.5-4.5
	OCF to debt (%)	19.5	18.0-21.0	18.0-21.0
<p>a--Actual. e--Estimate FFO--Funds from operations. OCF--Operating cash flow.</p>				

## Company Description

PA-AWK operates as a regulated water and wastewater utility company in the Commonwealth of Pennsylvania. It provides water, wastewater, and related services to about 725,000 customers and is a wholly owned subsidiary of AWK.

## Business Risk: Excellent

Our assessment of PA-AWK's business risk incorporates its low-risk, rate-regulated water and wastewater utility operations that provide an essential service, its effective management of regulatory risk, and its moderate-size customer base.

Although the company only operates in a single jurisdiction and depends on the PPUC to sustain its cash flows, we view its management of regulatory risk as above average relative to that of its peers. PA-AWK benefits from various regulatory mechanisms, such as forward-looking test years, infrastructure replacement surcharges, expense mechanisms, and returns on construction work in progress. Overall, these mechanisms support the company's ability to earn close to, or at, its authorized returns. PA-AWK also benefits from consolidated tariffs that socialize costs across its system, which limit rate increases across many of its customers' bills.

The company recently reached a settlement with PPUC staff regarding its rate case for a base rate increase of approximately \$70.5 million over a two-year period beginning in 2021. The settlement is subject to approval by the PPUC, and we continue to monitor the rate case developments as well as its potential impacts on cash flows.

In addition, although the company faces some uncertainty regarding COVID-19, it is relatively well placed compared with peers since the majority of its revenue comes from residential and other lower-risk customers whose usage patterns are less affected by economic cyclicity than commercial and industrial customers. Furthermore, the company received an order from the PPUC to defer the financial impacts stemming from the pandemic into a regulatory asset. As such, while there may be some regulatory lag associated with the pandemic, the costs thus far have been immaterial to the company's financial measures.

Further supporting the company's business risk profile is the reliability and safety of its operations. Historically, PA-AWK has consistently complied with all necessary safety standards and continues to invest heavily in its system.

## Financial Risk: Intermediate

We assess PA-AWK's financial measures using our low-volatility table, which largely reflects our view of the company's low-risk regulated water and wastewater utility operations and its effective management of regulatory risk. Under our base-case scenario, we expect PA-AWK's FFO to debt to average in the 18%-21% range. Our base case assumes periodic rate-case filings, the continued use of existing regulatory mechanisms, tuck-in acquisitions, projected capital spending of about \$370 million annually, projected dividends averaging about \$170 million annually, and the refinancing of all debt maturities.

## Liquidity: Adequate

We assess PA-AWK as having adequate liquidity, which reflects our expectation that the company's liquidity sources will be more than 1.1x its uses over the next 12 months, even if its EBITDA declines by 10%. Under our stress scenario, we do not expect that PA-AWK would require access to the capital markets during this period to meet its liquidity needs. The company is likely able to absorb a high-impact, low-probability event with limited need for refinancing. Moreover, it has sound relationships with its banks, a generally satisfactory standing in the credit markets, and maintains generally prudent risk-management practices.

Principal Liquidity Sources	Principal Liquidity Uses
<ul style="list-style-type: none"> <li>• Minimal cash on hand,</li> <li>• Credit facility availability of about \$400 million, and</li> <li>• FFO of about \$405 million.</li> </ul>	<ul style="list-style-type: none"> <li>• Debt maturities, including outstanding short-term debt, of about \$170 million,</li> <li>• Combined spending on capital expenditure and acquisitions of about \$400 million, and</li> <li>• Dividends of about \$160 million.</li> </ul>

## Environmental, Social, And Governance

As a provider of water and wastewater utility services with a supply that largely depends on the natural resources surrounding its service territory, the company is required to be a good steward of the environment while adhering to federal and state water-quality regulations. From a social perspective, we view the company's long track record of providing safe and reliable water services to its customers as a key factor that could enable it to maintain social cohesion, even though affordability of its steadily increasing rates and charges remain an area that we will watch closely. Governance factors are neutral on PA-AWK and typical of what we see across the sector.

## Group Influence

We consider PA-AWK to be a core subsidiary of AWK. This reflects our view that the company is highly unlikely to be sold, has a strong long-term commitment from senior management, is successful at what it does, and contributes materially to the group. There are insufficient measures in place to insulate our ICR on PA-AWK from our rating on its parent. Therefore, our ICR on PA-AWK is in line with our 'a' group credit profile for AWK.

## Issue Ratings - Recovery Analysis

- PA-AWK's first mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of over 1.5x supports a recovery rating of '1+' and an issue-level rating one notch above the ICR.

## Ratings Score Snapshot

### Issuer Credit Rating

A/Stable/--

### Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Excellent

### Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: a+

### Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a+

- **Group credit profile:** a
- **Entity status within group:** Core (-1 notch from SACP)

## Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013

- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
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- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

<b>Business And Financial Risk Matrix</b>						
<b>Business Risk Profile</b>	<b>Financial Risk Profile</b>					
	Minimal	Modest	<b>Intermediate</b>	Significant	Aggressive	Highly leveraged
<b>Excellent</b>	aaa/aa+	aa	<b>a+ / a</b>	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+ / a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

<b>Ratings Detail (As Of December 11, 2020)*</b>		
<b>Pennsylvania-American Water Co.</b>		
Issuer Credit Rating		A/Stable/--
<b>Issuer Credit Ratings History</b>		
07-May-2015	<i>Foreign Currency</i>	A/Stable/--
02-Jun-2014		A-/Positive/--
24-May-2013		A-/Stable/--
07-May-2015	<i>Local Currency</i>	A/Stable/--
02-Jun-2014		A-/Positive/--
24-May-2013		A-/Stable/--
<b>Related Entities</b>		
<b>American Water Capital Corp.</b>		
Issuer Credit Rating		A/Stable/A-1
Commercial Paper		
<i>Local Currency</i>		A-1
Senior Unsecured		A

**Ratings Detail (As Of December 11, 2020)\*(cont.)**

<b>American Water Works Co. Inc.</b>	
Issuer Credit Rating	A/Stable/A-1
<b>New Jersey-American Water Co.</b>	
Issuer Credit Rating	A/Stable/--

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.



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CREDIT OPINION

4 September 2020

Update

Rate this Research

RATINGS

Pennsylvania-American Water Company

Domicile	Hershey, Pennsylvania, United States
Long Term Rating	A3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Pennsylvania-American Water Company

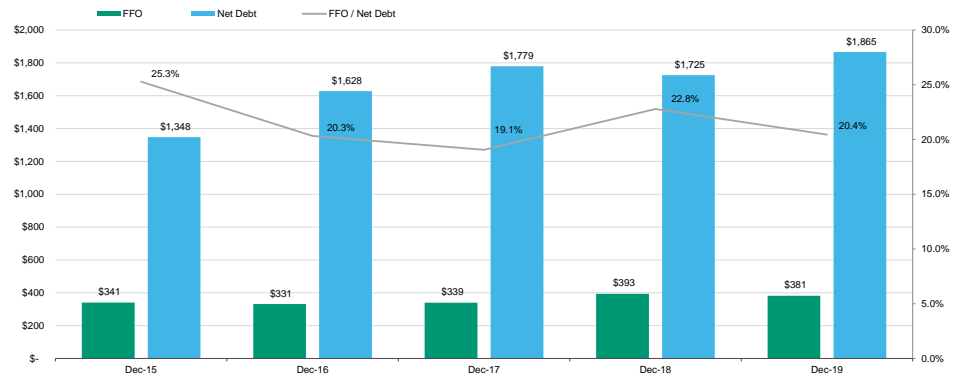
Update to credit analysis

Summary

Pennsylvania-American Water Company's (PAWC) credit profile benefits from 1) its low business risk as a regulated water utility, 2) strong cost recovery features provided by legislation, 3) supportive regulatory decisions from the Pennsylvania Public Utilities Commission (PUC) and 4) equity and liquidity support from its large, diversified parent company, American Water Works, Inc. (Baa1 stable) and the family financing vehicle American Water Capital Corp. (AWCC Baa1 stable).

PAWC's credit is constrained by cash flow metrics that are declining due to federal tax reform (e.g., average funds from operations (FFO) to net debt in the high-teen's percent range) and a high dividend payout to help support the corporate dividend and debt service.

Exhibit 1  
Historical FFO, net debt, and FFO to net debt (\$MM)



Source: Moody's Financial Metrics

Credit strengths

- » Lower-risk business profile as a water distribution utility
- » Predictable cash flow provided by rate-making framework
- » Legislative support for acquisition cost recovery
- » Beginning to implement certain aspects of "Act 58" which could enhance capital and operating cost recovery

## Credit challenges

- » Tax related refunds likely to offset some of the benefit of a new rate case
- » Capital intensive industry with aging infrastructure
- » Liquidity and dividend policies linked to parent

## Rating outlook

The stable outlook reflects our expectation that sustained levels of FFO to net debt in the high-teen's percentage range and retained cash flow (RCF) to net debt above 10% are sufficient to maintain PAWC's credit profile. The stable outlook also incorporates a view that cost recovery will improve due to a current rate case proceeding, but that financial metrics will remain relatively stable due to tax related cash refunds.

## Factors that could lead to an upgrade

- » Material improvement in the regulatory support offered to the company
- » If FFO to net debt were to exceed 19% on a sustainable basis, along with improved cost recovery provisions (e.g., revenue decoupling)

## Factors that could lead to a downgrade

- » A material decline in the degree of regulatory or parental support
- » FFO to net debt below 16% on a consistent basis
- » Weaker service performance

## Key indicators

Exhibit 2

### Pennsylvania-American Water Company [1]

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
FFO Interest Coverage	6.2x	5.8x	5.6x	6.2x	5.9x
Debt / Capitalisation	37.8%	41.0%	45.5%	41.7%	41.2%
FFO / Net Debt	25.3%	20.3%	19.1%	22.8%	20.4%
RCF / Net Debt	19.6%	11.5%	12.5%	14.8%	13.3%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations  
Source: Moody's Financial Metrics

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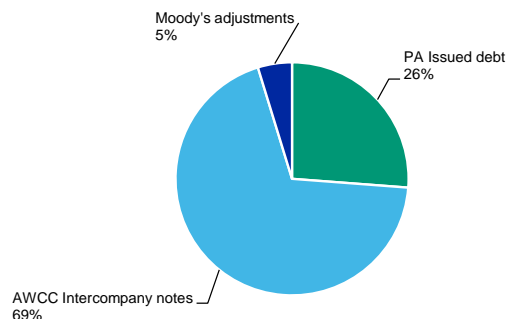
## Profile

Headquartered in Mechanicsburg, Pennsylvania, Pennsylvania American Water Company (PAWC) is one of the largest operating subsidiaries of its parent, American Water, accounting for roughly 19% of consolidated revenues in 2019.

PAWC provides water and wastewater related services to customers throughout Pennsylvania and is regulated by the Pennsylvania Public Utility Commission (PUC).

Exhibit 3

**PAWC's debt profile consists primarily of its own first mortgage bonds, loans from its parent and Moody's standard debt adjustments.**  
As of 31 March 2020



Source: Moody's Financial Metrics

## Detailed credit considerations

### Strong legislative and regulatory support in Pennsylvania

We view the Pennsylvania regulatory environment as one of the more supportive in the US, thanks to the use of a fully projected future test year for rate making purposes and the use of a Distribution System Improvement Charge (DSIC); both of which improve the real-time recovery of costs and provide enhanced stability and predictability to the company's cash flow. These are the primary drivers for PAWC's credit quality.

In June 2018, Act 58 was signed into law, which permits the PUC to approve an application by a utility to establish alternative rates and rate mechanisms. The potential mechanisms outlined in an August 2018 tentative implementation order include items such as: decoupling mechanisms, performance-based rates, formula rates, multi-year rate plans or any combination thereof. In general, each of the Act 58 rate mechanisms is supportive to credit, since they enhance the predictability of cash flow.

PAWC filed a new general rate case in April 2020, seeking a total water and wastewater revenue increase of almost \$140 million on a rate base of roughly \$4 billion, which is premised on an equity layer of about 56% and ROE of 10.8%. The filing also seeks to employ certain measures afforded by Act 58, including a multi-year rate plan ending 31 December 2022, a regionalization and consolidation surcharge and a pension cost tracking mechanism for acquired systems. We note that request did not include a revenue decoupling mechanism, which would help to insulate PAWC's margins from fluctuations in demand; however, the company did request a recognition of declining demand over the rate plan period.

### Declining financial metrics due to federal tax reform and the support of a growing corporate dividend

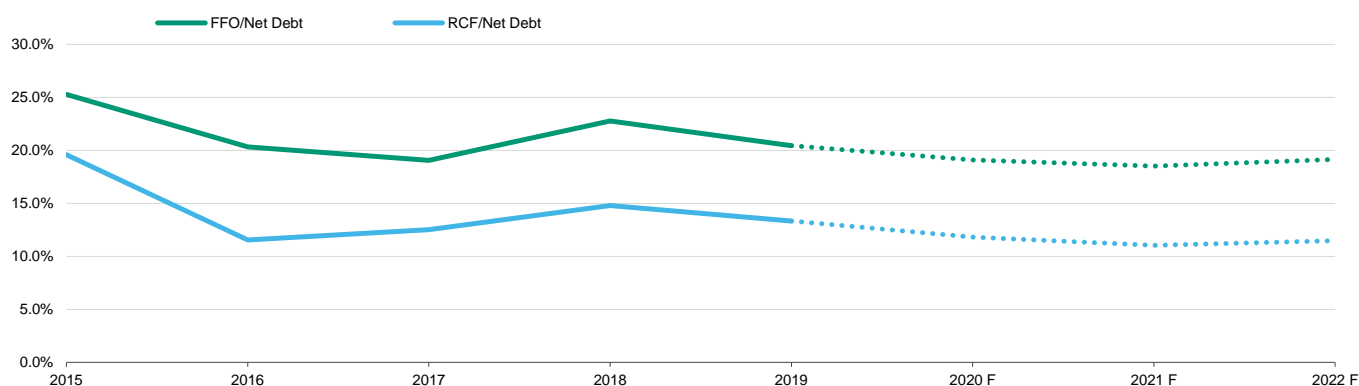
In PAWC's April 2020 rate filing, the company is also incorporating the full impact of the 2017 Tax Cuts and Jobs Act, which includes resulted in a cut to the federal corporate tax rate to 21%, from 35% and the flow back of excess accumulated deferred income taxes to customers. These items will act as an offset to the revenue increases of the rate case. We believe that the net cash flow impact will result in FFO to net debt metrics averaging 19% through 2022, as seen in the exhibit below.

The cash flow effects of the rate case will also impact PAWC's retained cash flow (RCF). As one of the largest American Water subsidiaries, we expect that a significant portion of American Water's corporate dividend growth (approaching 10%, per our estimates)

and AWCC standalone debt service will be funded by PAWC's dividend. Therefore, we expect an ongoing dividend payout between 70% and 75% to continue, which will result in a ratio of RCF to net debt of around 12% through 2022.

While American Water utility subsidiaries are not legally obligated to support stand-alone debt issued by AWCC or the corporate dividend, it is our opinion that they do functionally provide support since they are the primary source of assets and cash flow generation.

Exhibit 4  
Trend in FFO to net debt and RCF to net debt (2015-2021)



\*Forecasted metrics are based on Moody's assumptions  
Source: Moody's Financial Metrics

#### Acquisitions are supported by Pennsylvania legislation, but contain longer-term rate fatigue risks for legacy customers

PAWC has been very active in its acquisition of larger municipal wastewater systems (see exhibit below), of late - a trend we expect to continue due to Pennsylvania's Legislative Act 12 of 2016. Act 12 offers an alternative framework for asset valuation, providing municipalities with a new opportunity to relieve fiscal distress and a chance to avoid capital investment, while providing clarity for cost recovery approval for regulated investor-owned utilities (IOUs) like PAWC.

Exhibit 5  
PAWC invested nearly \$125 million in water and wastewater acquisitions in 2019  
Water and Wastewater (WW) systems

System	Service	Price (\$000)	# Cust (000s)	Assets Acq.
Sadsbury Township	W/W \$	8,601	999 \$	8,300
Turbotville	Water \$	642	322 \$	1,458
Turbotville	W/W \$	366	269 \$	570
Exeter	W/W \$	93,790	9,015 \$	92,290
Steelton	Water \$	21,792	2,472 \$	20,542

Source: American Water Works, Inc.

Pennsylvania law also allows for a single rate across multiple service territories and water and wastewater systems; allowing an IOU to spread full acquisition costs (including premiums paid above book value of the acquired system) across all of its customers. This means that all customers experience a small rate increase versus a few customers experiencing a very large rate increase, when an acquired system is added to rate base.

However, this also means that legacy customer bills are increasing due to IOU capital spent on third-party acquisitions and not for capital investment in their own system. Longer-term, as additional acquisitions are made, we see the potential for heightened political risk if the recovery of IOU acquisition costs and premiums drives customer push-back on increasing costs or results in legacy customer rate fatigue.

### Credit profile influenced by American Water ownership

PAWC's credit is also influenced by AWCC, the American Water finance subsidiary where all parent-level debt financing, including credit lines, are maintained. AWCC's credit profile is derived from a "support agreement" from American Water and debt service from American Water utility subsidiaries. This interdependency, which helps support an estimated \$1.7 billion of holding company debt at AWCC, creates linkage between the credit profiles of PAWC, AWCC and American Water.

PAWC's financial metrics are also influenced by the financial policies of its parent, American Water. For example, PAWC is one of American Water's largest subsidiaries and is therefore a material source of dividends to service AWCC's debt. As such, PAWC's payout ratio is consistently above 70% and we view it to be relatively fixed in nature.

American Water's stable outlook incorporates our view that financial metrics that will continue to decline over the next 12-18 months, but that funds from operations (FFO) to net debt and retained cash flow (RCF) to net debt will plateau at around 14% and 10%, respectively, thereafter, for the holding company.

### ESG considerations

#### Environmental

As a regulated water company, PAWC has low carbon transition risk within the utility sector, especially when compared to electric and gas utility peers. However, the company is not immune to climate change risks, which are generally highest for the sector in terms of water supply variability and exposure to natural and man-made disasters, including flooding and soil/water pollution. These and other severe weather conditions could disrupt operations, change water usage patterns and have a negative financial impact on the company.

#### Social

Social risks are primarily related to health and safety, demographic and societal trends, as well as customer relations as the company works to provide reliable and affordable service to customers and safe working conditions to employees. Regarding affordability, Moody's sees the potential for rising social risks associated with the COVID-19 pandemic and its effect on PAWC's service territory, should unemployment remain high, making customers less able to absorb rate increases.

#### Governance

The company's governance is reflective of that of its parent, which has very strong governance practices, particularly in the areas of compensation disclosure, transparency of financial reporting and audit quality

### Liquidity analysis

PAWC's stand-alone liquidity is insufficient to meet near-term needs; however, we expect that the parent will provide sufficient liquidity to fund any near-term cash needs of the utility. For example, American Water has contributed nearly \$145 million per year, on average, since 2017. These equity infusions are typically used to fund acquisitions and to align PAWC's capital structure with the regulatory authorized equity layer.

External liquidity is provided by a contractual intercompany line of credit with AWCC for \$400 million. As of 31 December 2019, the facility had approximately \$114 million outstanding including approximately \$5 million of letters of credit outstanding. AWCC issued over \$1.3 billion of long-term debt in August 2019, part of which was used to pay down PAWC short-term debt. Upon Board approval, PAWC has the ability to increase its line of credit limit with AWCC or obtain long-term debt or equity investments through AWCC to provide sufficient liquidity.

AWCC maintains a \$2.25 billion revolving credit agreement, which expires in March 2024. The facility supports a \$2.1 billion commercial paper program, has same-day drawing availability and no ongoing material adverse change clause. The lone financial covenant is maximum debt to capitalization ratio of 70%. As of 30 June 2020, AWCC reported to be in compliance with a ratio of 63%.

PAWC's next material external debt maturity is in September 2026 when \$150 million matures.

## Rating methodology and scorecard

Exhibit 6

### Rating Factors

Pennsylvania-American Water Company

Regulated Water Utilities Industry Scorecard [1][2]	Current FY 12/31/2019		Moody's 12-18 Month Forward View As of Date Published [3]	
	Measure	Score	Measure	Score
<b>Factor 1 : Business Profile(50%)</b>				
a) Stability and Predictability of Regulatory Environment	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Sufficiency & Timeliness)	A	A	A	A
d) Revenue Risk	Baa	Baa	Baa	Baa
e) Scale and Complexity of Capital Programme & Asset Condition Risk	Baa	Baa	Baa	Baa
<b>Factor 2 : Financial Policy (10%)</b>				
a) Financial Policy	A	A	A	A
<b>Factor 3 : Leverage and Coverage (40%)</b>				
a) FFO Interest Coverage (3 Year Avg)	5.9x	A	5.5x - 6x	A
b) Debt / Capitalisation (3 Year Avg)	42.7%	A	40% - 45%	A
c) FFO / Net Debt (3 Year Avg)	20.7%	A	17% - 20%	A
d) RCF / Net Debt (3 Year Avg)	13.5%	A	10% - 13%	A
<b>Rating:</b>				
Scorecard-Indicated Outcome Before Notch Lift		A2		A2
Notch Lift				
a) Scorecard-Indicated Outcome		A2		A2
b) Actual Rating Assigned		A3		A3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 12/31/2019

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

Source: Moody's Financial Metrics

## Ratings

Exhibit 7

Category	Moody's Rating
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	
Outlook	Stable
Issuer Rating	A3
Senior Secured	A1
<b>ULT PARENT: AMERICAN WATER WORKS COMPANY, INC.</b>	
Outlook	Stable
Issuer Rating	Baa1

Source: Moody's Investors Service

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REPORT NUMBER 1237698



Research Update:

# American Water Works Co. Inc. Ratings Affirmed After Announced Sale Agreement For HOS Business; Outlook Stable

November 8, 2021

## Rating Action Overview

- American Water Works Co. Inc. (AWK) announced that it has agreed to sell its Homeowner Services Group (HOS) business to funds advised by APAX Partners LLP (APAX) for \$1.275 billion, including pre-tax consideration of \$480 million in cash at closing, a \$720 million seller's note due in 2026 that AWK can put to APAX in 2024, and an additional \$75 million in cash due in 2023 if certain milestones are met.
- AWK also announced that it will increase its capital spending over the next five years by about \$3 billion by increasing its debt by about \$1.6 billion, deploying the proceeds from the sale of its HOS business and New York regulated utility, and raising about \$400 million of additional equity.
- We affirmed all ratings including the 'A' issuer credit rating on AWK.
- The stable outlook reflects our expectation that AWK will maintain FFO to debt at or above 12% consistently throughout the forecast period, as well as that it will continue to effectively manage its regulatory risk while its regulated utility businesses account for the vast majority of operations.

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## Rating Action Rationale

**Despite our forecast for modestly weaker financial measures, we believe the company will reduce its business risk by selling its HOS business.** The HOS business was the largest component of AWK's nonutility operations and, given the announced sale agreement and lack of regulatory approvals needed, we believe it will almost certainly close. Historically, we have viewed the recoverability of costs for this segment as less predictable than for the company's regulated utilities. However, following the sale, the vast majority of AWK's operations will be its regulated water and wastewater utility businesses, with a very small portion (about 2%) coming from water utility maintenance operations contracted with the U.S. federal government through its Military

Services Group business. Furthermore, given AWK's geographic and regulatory diversity, large scale as the largest investor-owned water utility company in the U.S., and effective management of regulatory risk, we assess its business risk profile as being at the higher end of the range for its business risk profile category. Therefore, we relaxed our financial metric downgrade threshold for funds from operations (FFO) to debt to be consistently below 12%.

**We now expect AWK's FFO to debt to be slightly above 12% throughout our forecast period given its revised capital spending plan, indicating minimal financial cushion for the current rating level.** We assess the company's financial measures against our low-volatility benchmark ratios, reflecting our view of the company's low-risk water and wastewater utility operations and effective management of regulatory risk. As such, we now view the company's financial measures as in line with the higher end of the range of the significant financial risk profile category. Given the company's relative positioning within its business risk profile and financial risk profile categories, we apply a positive comparable ratings analysis modifier.

## **Outlook**

The stable outlook reflects our expectation that AWK will maintain FFO to debt at or above 12% consistently throughout the forecast period. Additionally, the outlook reflects our expectation that the company will continue to effectively manage its regulatory risk while its regulated utility businesses account for the vast majority of operations.

## **Downside scenario**

We could lower the rating over the next 24 months if:

- We forecast FFO to debt to be consistently below 12%. This could occur if the company funds its elevated capital spending plan in a manner that is not supportive of the current rating.
- The company's management of regulatory risk deteriorates.

## **Upside scenario**

Although unlikely given our current forecast of the company's financial measures, we could raise the rating over the next 24 months if:

- AWK maintains FFO to debt above 16% consistently; and
- It continues to effectively manage its regulatory risk.

## **Company Description**

AWK is the largest and most geographically diverse publicly traded water and wastewater utility in the U.S., as measured by both operating revenues and population served. Through its regulated utility subsidiaries, the company serves a population of about 15 million people across 16 states. We expect the company's regulated utility operations to account for the vast majority of EBITDA following the sale of the HOS business. The remaining portion of the company's operations primarily consists of the Military Services Group, which operates on 17 military installations under 50-year contracts with the U.S. federal government. The scope of the Military Services Group's

contracts generally includes the operation and maintenance costs of each military installation's water and wastewater systems and a capital program focused on asset replacement, and sometimes systems expansion. In addition, a very small portion of AWK's nonutility business focuses on operations and maintenance contracts with municipal customers to operate and manage their water and wastewater facilities and provide other related services.

## **Our Base-Case Scenario**

- Numerous rate-case filings throughout the company's many jurisdictions;
- Continued use of existing regulatory mechanisms;
- Combined spending on capital expenditure and regulated acquisitions averaging about \$2.8 billion annually;
- Dividend growth averaging 5%-10% annually;
- Equity issuances of about \$1.2 billion over the next four years (including the company's DRIP program);
- The sales of the company's New York utility and HOS business closing in fourth-quarter 2021;
- Increased negative discretionary cash flow starting in 2022; and
- All debt maturities are refinanced.

## **Liquidity**

We assess AWK's liquidity as adequate to cover its needs over the next 12 months. We expect liquidity sources to exceed uses by 1.1x or more and anticipate the company will also meet our other requirements for an adequate liquidity designation. The company benefits from stable cash flow generation and manageable debt maturities over the next few years. Our assessment also reflects the company's likely ability to absorb high-impact, low probability events with limited need for refinancing, generally prudent risk management, and satisfactory standing in the credit markets.

### **Principal liquidity sources**

- Revolving credit facility availability of about \$2.25 billion over the next 12 months;
- Cash FFO of about \$1.6 billion over the next 12 months; and
- Cash on hand of about \$70 million.

### **Principal liquidity uses**

- Capital spending of about \$2 billion over the next 12 months;
- Debt maturities, including outstanding commercial paper, of about \$730 million over the next 12 months; and
- Acquisitions of about \$500 million over the next 12 months.

## Issue Ratings - Subordination Risk Analysis

### Capital structure

AWK's capital structure consists of about \$11.1 billion of debt, out of which about \$9.8 billion is issued at AWK's finance entity American Water Capital Corp. (AWCC) and about \$1.3 billion at operating subsidiaries. We base our 'A-1' short-term rating on AWK on our issuer credit rating on the company.

### Analytical conclusions

The senior unsecured debt at AWK's finance entity AWCC is rated the same as the issuer credit rating because subsidiary debt does not exceed 50% of AWK's consolidated debt, after which point AWCC's debt could be considered structurally subordinated.

### Ratings Score Snapshot

Issuer credit rating: A/Stable/A-1

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Excellent

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Positive (+1 notch)

Stand-alone credit profile: a

- Group credit profile: a

## Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- Criteria | Corporates | Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

## Ratings List

### Ratings Affirmed

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#### American Water Works Co. Inc.

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#### American Water Capital Corp.

Issuer Credit Rating	A/Stable/A-1
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#### New Jersey-American Water Co.

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#### Pennsylvania-American Water Co.

Issuer Credit Rating	A/Stable/--
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### Issue-Level Ratings Affirmed

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#### American Water Capital Corp.

Senior Unsecured	A
------------------	---

Commercial Paper	A-1
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Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors,

have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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CREDIT OPINION

4 November 2021

Update

✓ Rate this Research

RATINGS

American Water Works Company, Inc.

Domicile	Camden, New Jersey, United States
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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American Water Works Company, Inc.

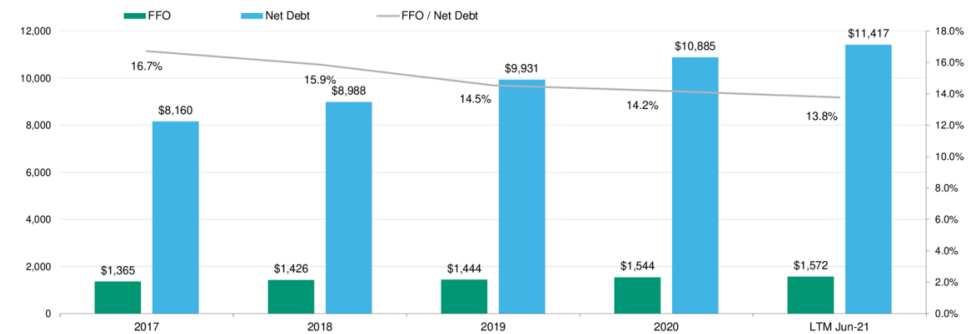
Update to credit analysis

Summary

American Water Works Company, Inc.'s (American Water, or AWK, Baa1 stable) credit profile is supported by 1) its market position as the largest US investor-owned water utility holding company, 2) strong regulatory and operational diversity across 16 states, 3) improving regulatory support as more states adopt cost recovery trackers and 4) improving business risk profile following the sale of its largest non-utility business.

The company's credit is constrained by 1) declining credit metrics and increasing leverage due to financial policies that target over \$13.0 billion of capex, dividend growth approaching 10% and roughly \$1.1 billion of equity issuances through 2026 and 2) structurally subordinated holding company debt that is about 25% of total consolidated debt.

Exhibit 1  
Historical and projected FFO, Net Debt and FFO to Net Debt (\$MM)



Source: Moody's Investors Service and Moody's projection assumptions

This report was republished on 11 November 2021 with a corrected actual rating assigned score of Baa1 on Figure 8.



### Recent Events

On 29 October, American Water announced the sale of its homeowner service business (HOS) to Apax Partners LLP, a British private equity firm. The transaction is valued at nearly \$1.3 billion and, at close, AWK will receive \$480 million in cash and a 7% \$720 million secured Seller's Note with a five-year term and an additional \$75 million in cash if certain, undisclosed, milestones are met. American Water also entered into a revenue sharing agreement on revenue generated from on-water-bill arrangements with its utility customers. Given HOS's relative size, we do not view this transaction as being a material driver of American Water's overall credit rating or risk profile.

While not a key driver of AWK's credit (e.g., we estimate that the entire market based business segment was under 10% of operating segment EBITDA in 2020), the sale of American Water's largest remaining market-based business will further increase the regulated proportion of its consolidated operations and risk profile, providing a more stable and predictable cash flow profile - credit positives.

We view the use of proceeds as favoring shareholders over creditors, since sales proceeds are expected to replace future equity issuance, while approximately \$180 million of debt - issued as part of the 2018 Pivotal Home Services acquisition - will remain on AWK's books. Furthermore, management affirmed dividend plans (i.e., \$0.6025 quarterly dividend per share, a 7-10% annual growth rate and target payout of 55-60%) despite the loss of net income from what had been its largest market-based business, which generated free cash flow.

On 3 November, the company announced a \$3.0 billion of incremental capital to be deployed through 2026 (\$13-\$14 billion in total over the five years), which will require additional debt financing. Management also provided guidance that it will use a more balanced mix of debt and equity financing going forward (e.g., about two-thirds of external financing will be funded with debt, down from about 75% in previous plans); however, we expect the net impact of higher debt balances to result in FFO to net debt metrics declining to around 12-13% over that time.

### Credit strengths

- » Diversity of holdings with 16 regulated water utilities
- » Constructive regulatory environments with timely cost recovery mechanisms
- » Support agreement at AWCC not a guarantee but provides sufficient credit substitution

### Credit challenges

- » Primarily debt-funded free cash flow deficits increasing leverage
- » Declining financial metrics
- » Over \$2.0 billion of annual capex and up to 10% dividend growth assumed through 2026
- » \$1.5 billion of asset sales proceeds used to offset future equity issuance, but not repay debt

### Rating outlook

American Water's stable outlook incorporates our view that financial metrics will decline over the next few years (e.g., FFO to net debt and retained cash flow (RCF) to net debt between 12-13% and 8-9%, respectively), but remain above our downgrade thresholds.

### Factors that could lead to an upgrade

- » FFO to net debt metric is sustainably above 15%
- » Improved credit profiles of a majority of its operating subsidiaries, such as those in Pennsylvania and New Jersey

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

## Factors that could lead to a downgrade

- » FFO to net debt or RCF to net debt of around 12% and 7%, respectively, on a sustained basis
- » Less supportive regulatory provisions (especially in Pennsylvania or New Jersey)
- » Operational concerns such as water supply constraints or asset failures

## Key indicators

Exhibit 2

### American Water Works Company, Inc. [1]

	Dec-17	Dec-18	Dec-19	Dec-20	LTM Jun-21
FFO Interest Coverage	4.7x	4.7x	4.6x	4.8x	4.8x
Debt / Capitalisation	54.2%	54.6%	55.6%	57.2%	56.2%
FFO / Net Debt	16.7%	15.9%	14.5%	14.2%	13.8%
RCF / Net Debt	13.2%	12.3%	11.0%	10.6%	10.2%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Source: Moody's Financial Metrics

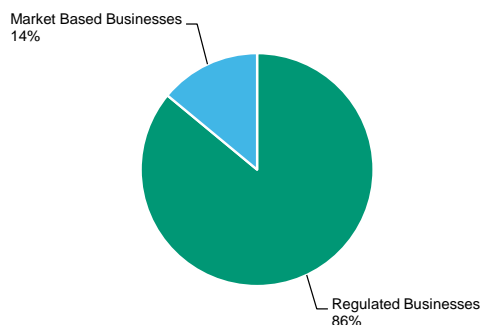
## Profile

Headquartered in Camden, New Jersey, American Water Works Company, Inc. (AWK) is the largest investor-owned provider of water, wastewater and related services in North America, with operations serving more than 15 million people across 46 states.

The company continues to divest certain higher-risk businesses from its Market-Based Businesses segment, including the recent announcement regarding HOS. The standalone remaining non-utility business is Military Services Group, which provides water and wastewater management services to US military installations throughout the country. We view this business as low-risk, since operations are well within the core competencies of management and revenues are derived from cost-of-service long-term contracts with the US government.

Exhibit 3

**The vast majority of American Water's operating revenue has been derived from low-risk regulated utilities, which will increase following the sale of HOS, expected by year-end 2021.**



Source: American Water Works, Inc.

American Water is a holding company and does not have any direct debt obligations; rather, it primarily issues debt through its non-operating financing subsidiary American Water Capital Corp. (AWCC) which has a support agreement with American Water.

## Detailed credit considerations

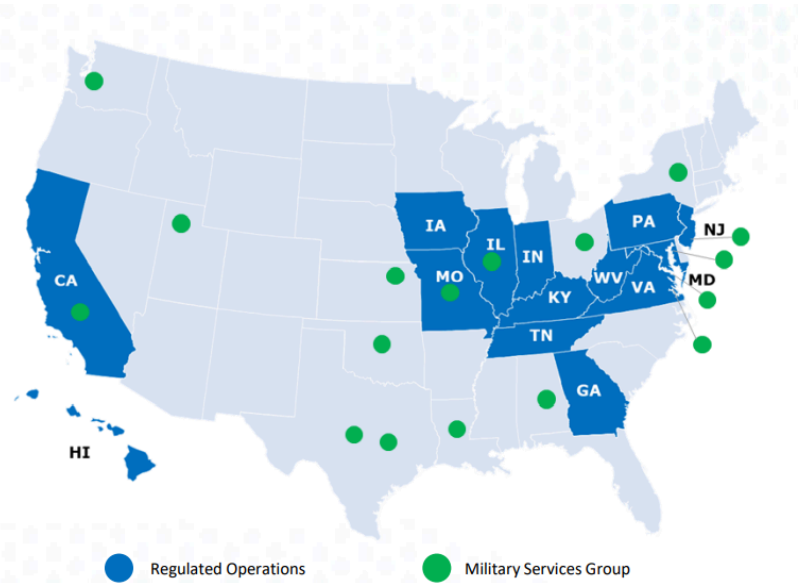
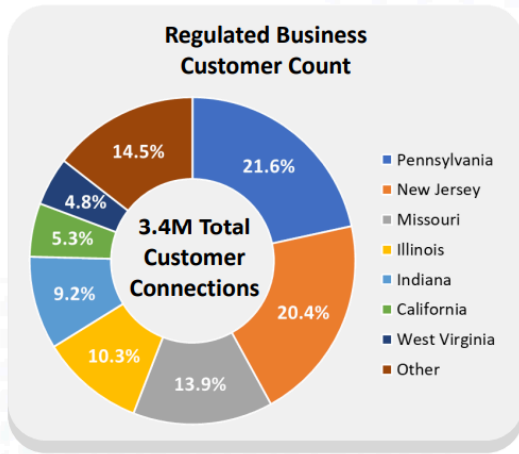
### Very diverse operations and geographic footprint provide credit ballast

American Water's regulated operations span across 16 states (15 if the pending sale of its New York utility business closes) and account for around 85% of consolidated operating revenue. The company's roughly \$25 billion of total assets is about 2.5 times the size of the

next largest investor-owned primarily water utility holding company. This provides a degree of credit support, since American Water's water business is viewed to be more stable and predictable than most other businesses.

While the divestiture of HOS will reduce the number of states within American Water's footprint, we note that the remaining operations will continue to span across several states and retain the geographic diversity that is fundamental to the company's risk profile, as seen in the exhibit below.

Exhibit 4  
**American Water's regulated and military base operations offer a diverse geographic footprint**



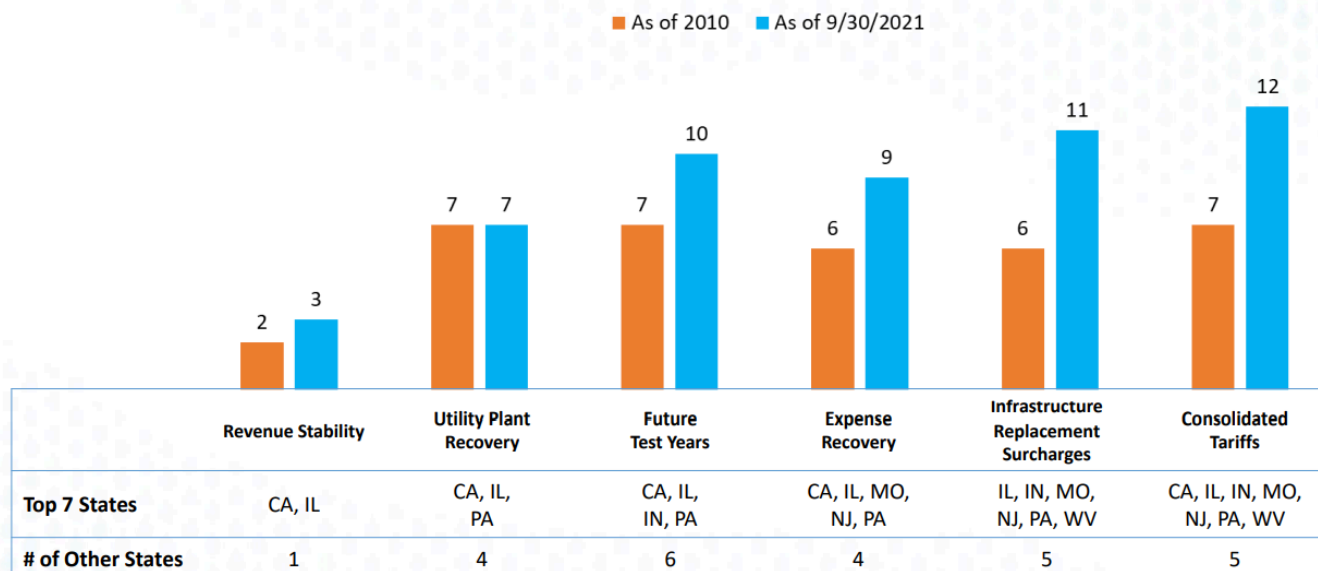
Source: American Water Investor Day presentation, November 2021

**Supportive regulatory treatment for capital and operating cost recovery**

The proliferation of supportive legislative and regulatory cost recovery mechanisms continues for water and wastewater operations in the US, including the increased prevalence of automatic cost recovery provisions such as revenue decoupling and infrastructure replacement mechanisms, as well as the willingness to adopt more forward-looking test year data in rate making. This trend has helped to expedite cost recovery (and reduce regulatory lag) and improve fixed cost recovery across AWK's various utility service territories. The exhibit below provides detail around some of the more important cost recovery features that are allowed in states that American Water serves and how these features have become more prominent over the past decade.

Exhibit 5

## Most of the states in which American Water operates provide supportive cost recovery mechanisms



Source: American Water Investor Day presentation, November 2021

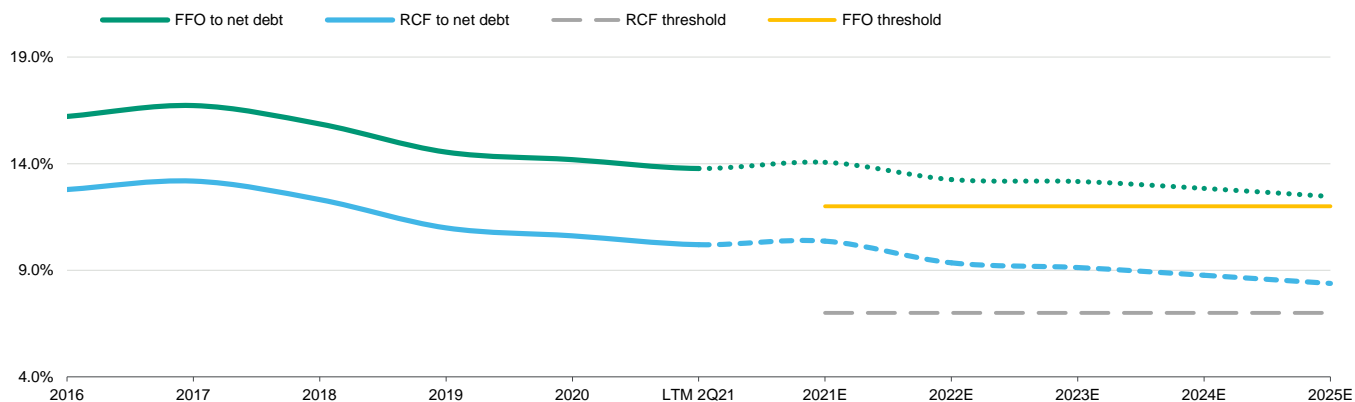
One of the more significant cost recovery features is the ability to make discrete rate filings in order to recover the capital costs of replacing and improving aging infrastructure. Often called distribution system improvement charges (DSIC), these mechanisms provide AWK with timely recovery of capital expenditures on an ongoing basis. This helps to transition cash outflow for investment into cash inflow in customer rates in a relatively quick manner.

Lastly, the water industry often has difficulty insuring fixed cost recovery since a high percentage (often 70% or more) is recovered in the volumetric charge on customer bills. This can be problematic in a declining use environment, which is the case for most areas of the US. American Water has some degree of insulation from this risk through decoupling mechanisms in three states and water use adjustments in others. Additionally, filing a general rate case every 2-3 years in most jurisdictions – coupled with its broad diversity of states – helps to keep consolidated revenues stable and predictable. We also note that the company has low revenue concentration from commercial or industrial customers compared to similarly rated global peers.

### Declining financial ratios due to increased capital spending and growing dividends

On 3 November, the company announced a \$3.0 billion of incremental capital (about 30% increase versus the previous plan) to be deployed through 2026, which will require incremental debt financing. Management also provided guidance that it will use a more balanced mix of debt and equity financing going forward (e.g., about two-thirds of external financing will be funded with debt, down from about 75%); however, we expect the net impact to result in FFO to net debt metrics declining to between 12-13% over that time, as seen in the exhibit below.

Exhibit 6

**American Water's key cash flow ratios will decline amid higher capex and dividends**

Source: Moody's Financial Metrics and Moody's projections

American Water has a robust capital plan in order to address aging infrastructure and organic customer growth, to modernize customer service and maintain reliability. In total, the company expects to spend \$13-\$14 billion of capex through 2026, which represents about 65% of approximately \$20.6 billion of Net PP&E at 30 September 2021.

With over \$2.0 billion of capital spending per year and dividend guidance expected to be at the high-end of its 7-10% earnings per share growth rate through 2026, American Water will continue to generate sizeable free cash flow deficits (e.g., we estimate over \$1.0 billion of annual external financing needed over that time). These deficits will be mostly funded with debt, since the company has targeted around \$1.1 billion in equity issuance over this period, in addition to the use of sales proceeds (from HOS and its New York utility), expected to be about \$1.5 billion.

Despite the high level of capital spending on infrastructure improvement and acquisitions, we view the spending as having low execution risk and with a high probability of transitioning into commission approved rate base. This is because the majority of capital projects are small and focused on pipeline replacement, rather than the construction of more complex assets. For example, a single project spend of around \$40 million is considered "large" for the company and requires additional management scrutiny for approval. The \$40 million amount equates to just about 2% of the company's \$2.0 billion annual capital budget.

### Paring-down market-based business segment

We generally view American Water's market-based business (MBBs) operations as neutral to the credit of the company since they are small, largely self-funding and contribute positive cash flow. After the sale of its HOS segment, AWK will solely be a water and wastewater services business - a credit positive.

### Homeowner Services (HOS) - sale is expected to close by year-end 2021

On 29, October American Water announced the sale of its homeowner service business (HOS) to Apax Partners LLP, a British private equity firm. The transaction is valued at nearly \$1.3 billion and at close, AWK will receive \$480 million in cash and a 7% \$720 million secured Seller's Note with a five-year term and an additional \$75 million in cash if certain, undisclosed, milestones are met.

The HOS business provides warranty protection type services to residential and small commercial customers for a variety of appliances and utility service lines. The term of the contracts is typically 3-5 years and the company reports that around 87% of customers are retained in any given year. The segment has roughly 3 million contracts serving about 1.5 million customers.

American Water roughly doubled the size of this business in 2018, through the \$365 million acquisition of Pivotal Home Solutions, which increased the customer base and product offering compared to legacy HOS assets. It also increased holding company debt by \$183 million.

### Military Services Group (MSG)

We view the MSG segment as the lowest risk and most regulated-like of American Water's market based businesses. These operations are of higher credit quality than the others since they consist of 50-year contracts with the federal government, a highly credit worthy

counterparty. The contracts are typically for O&M services and limited capital improvements which are also recoverable. These contracts are typically subject to price redetermination every two or three years, which also supports ongoing cash flow in a rising price environment.

### ESG considerations

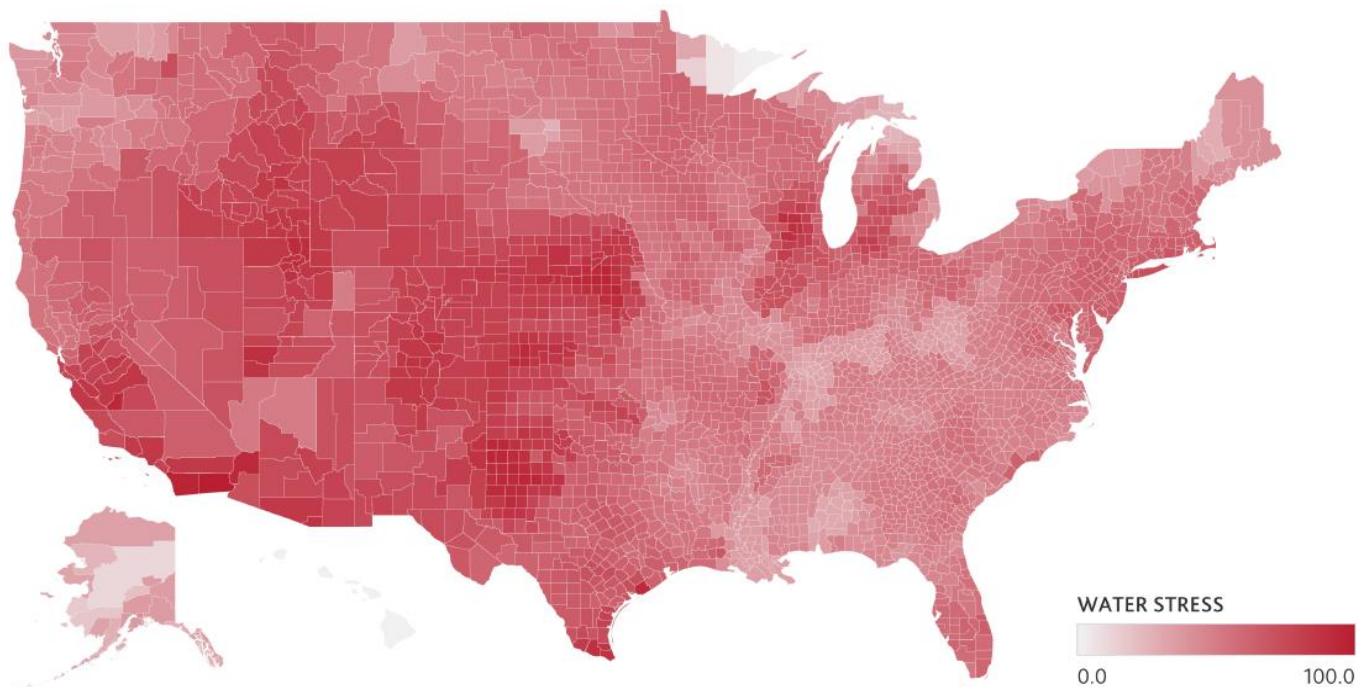
American Water's size and diversity are significant credit benefits in terms of mitigating environmental and social risks. For example, despite experiencing severe weather events over the past decade, such as hurricanes in the northeast, severe droughts in the west, tornados in the central US, chemical spills in West Virginia and a myriad of economic challenges throughout the US, AWK's consolidated financial and operational performance has remained strong and stable.

#### Environmental

As a regulated water and wastewater utility company, American Water is primarily exposed to physical climate risks associated with heat stress, water stress, floods, storms and sea level rise. An example of the US' exposure to water stress is seen in the exhibit below. Further, its operations are intimately involved in issues related to risks around natural capital and waste and pollution from spills, leaks and contamination of its product.

Exhibit 7

#### Water stress to be most severe in the Rockies, the Colorado River region and California Risk of increased water stress by US county in 2040 versus 1950-2008



Normalized on scale 0-100 (0 is lowest risk, 100 is highest risk)  
Source: *Four Twenty Seven*

American Water is perhaps best positioned to address water management environmental risks, since much of its operational focus is toward enhancing local economic activity through the availability and use of its product, enhanced efficiency and deliverability of clean water.

As a water company, AWK has a low carbon transition risk within the broader utility sector, especially when compared to electric and gas utility peers.

## Social

Exposure to social risks is moderately negative for AWK, reflecting the fundamental utility risk that demographics and societal trends could include social pressures or public concern around affordability, utility reputation or environmental concerns. In turn, these pressures could result in adverse political intervention into utility operations or regulatory changes.

However, as a provider of water and wastewater services, American Water supplies an essential public service that is fundamental to life and local economies. As such, the company's record of maintaining high standards for water quality and safe, reliable service is a credit strength that enhances public health and safety.

## Governance

American Water's governance is broadly in-line with other utilities and does not pose particular risk. This is supported by several members with direct utility experience, strong management credibility and track record, due in particular to early board focus on industry risks such as cybersecurity. While its board has some representation that is not directly from the utility industry, those members have expertise relevant to AWK's operations (e.g., cyber security) or that are representative of stakeholder interests (e.g., customer relations).

Management's financial strategy will likely keep financial metrics above their downgrade thresholds; however, financial policies that favor shareholders, such as primarily debt funded free cash flow deficits and shareholder friendly uses of asset sale proceeds (i.e., replacing equity issuance while still maintaining dividend size and growth levels) will reduce FFO to net debt metrics.

## Liquidity analysis

American Water's liquidity is adequate when considering its access to external sources, in particular the capital markets to fund negative free cash flow generation and refinance maturing debt.

We expect internal cash flow sources of about \$1.7 billion in 2022, compared to roughly \$2.0 billion of capital spending and over \$450 million in shareholder dividends. As a result, the roughly \$750 million of negative free cash flow will be funded with external financing.

External liquidity is managed through its financing subsidiary, AWCC, with a \$2.25 billion revolving credit facility that matures on 21 March 2025. This credit facility provides support for the company's commercial paper (CP) program which amounts to \$2.1 billion, and can support up to \$150 million in letters of credit. Although there are no restrictions on revolver borrowings related to CP outstanding, we expect the company to leave ample cushion under the revolver to effectively backstop any CP borrowings. The facility has same-day drawing availability and no ongoing material adverse change clause. The lone financial covenant is a maximum debt to capitalization ratio of 70% that the company is in compliance with.

At 30 September 2021, \$684 million of commercial paper and \$76 million in letters of credit were outstanding, leaving just under \$1.5 billion available under the facility.

AWCC's next long-term debt maturity is \$400 million due on 1 March 2024.

## Structural considerations

AWK has approximately \$10.4 billion of consolidated reported long-term debt, roughly \$9.1 billion of which was issued at AWCC. The majority of AWCC's debt (approximately \$6.2 billion) has been advanced via inter-company notes to various regulated utility subsidiaries and is part of their respective regulated capital structures. Since this intercompany debt receives regulatory approved cost recovery, we do not consider this as true "holding company" debt that depends on upstream dividends for interest and principal payments.

Debt issued to fund the Pivotal acquisition in 2018 can also be viewed in one of two ways. Because Pivotal's assets are unlevered, the cash flow generated by this business can be considered as a source of debt service for the \$183 million of debt issued by AWCC as part of acquisition financing; however, since the debt is not the direct or legal obligation of Pivotal's assets, we sensitize our capital structure calculations to include this debt as part of parent debt, as well.

AWCC, a Delaware corporation, is the wholly-owned finance subsidiary of American Water, whose purpose is to streamline the financing function, create cash management efficiencies, and often obtain a lower cost of capital for American Water's regulated water utility subsidiaries. The source of upstream debt service funding comes from the regulated utility operations, which make cash principal



and interest payments directly to AWCC. We expect any additional upstreamed cash flows, in the form of dividends to AWK, will be limited in order to maintain the respective regulatory allowed equity capitalization for each utility (generally around 50%).

AWCC's Baa1 senior unsecured rating is the same as its parent, American Water, which provides credit enhancement through a support agreement between American Water and AWCC. The features contained in the support agreement that contribute to Moody's view of credit substitution include: 1) no termination of the support agreement until all debt shall have been irrevocably paid in full, without all lenders' (including debt trustees) consent, 2) American Water has agreed to make timely payment of interest, principal or premium on any debt issued by AWCC, if AWCC is unable to make such payments, 3) the aforementioned payment is in the form of cash or liquid assets and not merely collection, 4) American Water waives any claims related to a failure or delay by AWCC in enforcing its rights under the support agreement, 5) the support agreement is binding on any successors of American Water, 6) the lender may proceed directly against American Water to obtain payment of defaulted interest, principle or premium, and 7) any changes to the support agreement that adversely affect lenders must be approved by such parties. Furthermore, American Water has committed to own, during the term of the support agreement, all of the voting stock of AWCC and to ensure that a positive tangible net worth at AWCC will be maintained at all times. The support agreement is governed by the laws of the state of New York, which we view to be hospitable to the enforcement of guarantees.

Although the support agreement has many attributes of what a guarantee provides, we note that it is not specifically or legally considered a guarantee. Also, debt at AWCC does not benefit from any explicit upstream guarantees from the regulated utility subsidiaries nor does the debt obligations of the subsidiaries benefit from any explicit downstream guarantee from American Water or AWCC. Nevertheless, given the agreement's stated protections, and that a significant amount of AWCC's debt has been incurred to finance rate base, we effectively view the support agreement structure as being similar to a guarantee in our credit analysis and have made no notching differentiation between the two entities.

## Rating methodology and scorecard factors

Exhibit 8

### Methodology Scorecard Factors American Water Works Company, Inc.

Regulated Water Utilities Industry [1][2]	Current LTM 6/30/2021		Moody's 12-18 Month Forward View As of Date Published [3]	
	Measure	Score	Measure	Score
<b>Factor 1 : Business Profile(50%)</b>				
a) Stability and Predictability of Regulatory Environment	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Sufficiency & Timeliness)	Baa	Baa	A	A
d) Revenue Risk	Baa	Baa	Baa	Baa
e) Scale and Complexity of Capital Programme & Asset Condition Risk	Baa	Baa	Baa	Baa
<b>Factor 2 : Financial Policy (10%)</b>				
a) Financial Policy	Ba	Ba	Ba	Ba
<b>Factor 3 : Leverage and Coverage (40%)</b>				
a) FFO Interest Coverage (3 Year Avg)	4.7x	A	4x - 4.5x	Baa
b) Debt / Capitalisation (3 Year Avg)	56.2%	Baa	50% - 60%	Baa
c) FFO / Net Debt (3 Year Avg)	14.2%	Baa	13% - 15%	Baa
d) RCF / Net Debt (3 Year Avg)	10.7%	A	9% - 11%	A
<b>Rating:</b>				
Scorecard-Indicated Outcome Before Notch Lift		Baa1		Baa1
Notch Lift	0	0	0	0
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned		Baa1		Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of June 30, 2021

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

Source: Moody's Financial Metrics™



## Appendix

Exhibit 9

## Cash Flow and Credit Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Jun-21
As Adjusted					
FFO	1,365	1,426	1,444	1,544	1,572
+/- Other	-4	-39	-13	-43	-56
CFO Pre-WC	1,361	1,387	1,431	1,501	1,516
+/- ΔWC	123	30	-31	-55	-81
CFO	1,484	1,417	1,400	1,446	1,435
- Div	289	319	353	389	408
- Capex	1,460	1,617	1,666	1,832	1,714
FCF	-265	-519	-619	-775	-687
(CFO Pre-W/C) / Debt	16.6%	15.2%	14.3%	13.1%	13.2%
(CFO Pre-W/C - Dividends) / Debt	13.0%	11.7%	10.8%	9.7%	9.6%
FFO / Debt	16.6%	15.6%	14.5%	13.5%	13.7%
RCF / Debt	13.1%	12.1%	10.9%	10.1%	10.1%
Revenue	3,357	3,440	3,610	3,777	3,889
Interest Expense	373	381	399	410	409
Net Income	426	492	655	693	722
Total Assets	19,583	21,328	22,682	24,766	24,952
Total Liabilities	14,202	15,473	16,581	18,312	18,262
Total Equity	5,381	5,855	6,101	6,454	6,690

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months

Source: Moody's Financial Metrics

Exhibit 10

## Peer Comparison Table [1]

(In US millions)	American Water Works Company, Inc. Baa1 (Stable)			Essential Utilities, Inc. Baa2 (Stable)			Sewern Trent Plc Baa2 (Stable)			United Utilities PLC Baa1 (Stable)		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
	Dec-19	Dec-20	Jun-21	Dec-19	Dec-20	Jun-21	Mar-19	Mar-20	Sep-20	Mar-18	Mar-19	Mar-20
Revenue	3,610	3,777	3,889	890	1,463	1,803	2,321	2,344	2,322	2,302	2,388	2,365
FFO	1,444	1,544	1,572	348	572	778	1,166	1,121	1,044	1,292	1,314	1,322
Total Debt	9,991	11,432	11,487	3,171	5,837	5,936	8,497	8,218	8,589	10,426	9,710	-
FFO Interest Coverage	4.6x	4.8x	4.8x	4.1x	4.2x	5.0x	4.6x	4.7x	4.6x	4.4x	5.2x	5.1x
Debt / Capitalisation	55.6%	57.2%	56.2%	39.8%	49.6%	49.0%	77.6%	75.9%	78.0%	56.9%	55.9%	56.3%
FFO / Net Debt	14.5%	14.2%	13.8%	26.7%	9.8%	13.1%	13.7%	13.4%	12.4%	14.1%	14.1%	14.2%
RCF / Net Debt	11.0%	10.6%	10.2%	12.3%	5.8%	9.0%	10.4%	9.9%	8.8%	10.2%	10.2%	10.3%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR\* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade

Source: Moody's Financial Metrics

## Ratings

Exhibit 11

Category	Moody's Rating
<b>AMERICAN WATER WORKS COMPANY, INC.</b>	
Outlook	Stable
Issuer Rating	Baa1
<b>AMERICAN WATER CAPITAL CORP.</b>	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured	Baa1
Commercial Paper	P-2
<b>NEW JERSEY-AMERICAN WATER COMPANY, INC.</b>	
Outlook	Stable
Issuer Rating	A3
Bkd Senior Secured	A1
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	
Outlook	Stable
Issuer Rating	A3
Senior Secured	A1

Source: Moody's Investors Service

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## Research

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### American Water Works Co. Inc.

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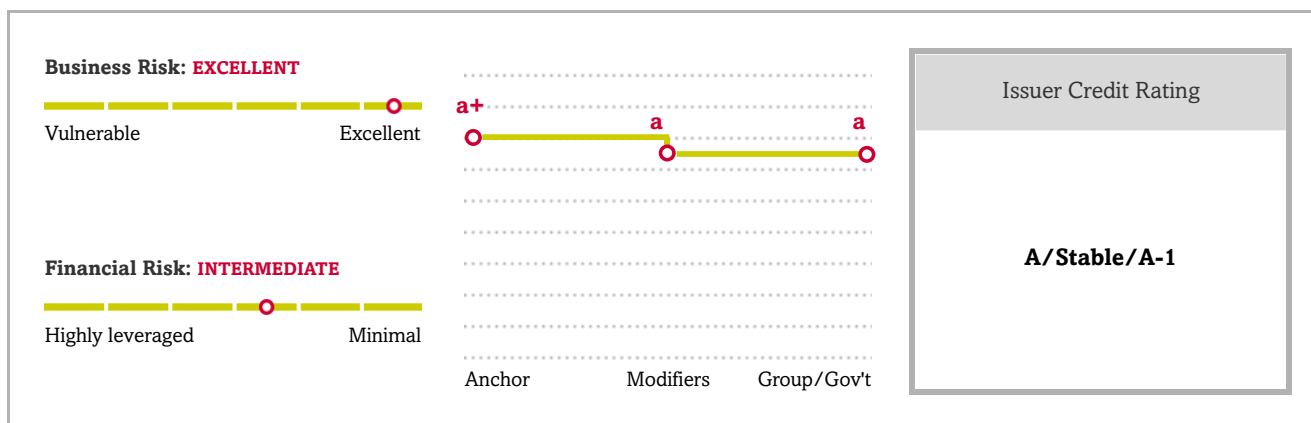
Issue Ratings - Subordination Risk Analysis

Ratings Score Snapshot

Related Criteria

Related Research

# American Water Works Co. Inc.



## Credit Highlights

Overview	
Key strengths	Key risks
Low-risk, rate-regulated water-utility operations contribute the vast majority of cash flows.	Forecast negative discretionary cash flow indicates external funding needs.
As the largest investor-owned water-utility company in the U.S., company benefits from significant geographic and regulatory diversity.	The recoverability of costs for the company's nonutility operations is less certain than for its regulated utilities.
Manages regulatory risk effectively, as demonstrated by its implementation of numerous constructive regulatory mechanisms.	Some potential for regulatory lag because of the COVID-19 pandemic.
The majority of regulated revenues are derived from residential and other lower-risk sources, which are more stable in nature than industrial and commercial revenues.	Forecast credit metrics are indicative of minimal financial cushion for the current rating level.

**S&P Global Ratings' assessment of American Water Works Co. Inc.'s business risk underpins the 'A' issuer credit rating.** As the largest investor-owned water-utility company in the U.S., American Water Works Co. Inc. (AWK) effectively manages regulatory risk and benefits from its geographic and regulatory diversity. S&P Global Ratings assesses AWK's business-risk profile as being in the higher half of the range for its business-risk category.

**The company's nonutility operations marginally affect the rating.** Although the company grew its largest nonutility segment--the Homeowner Services Group--through its acquisition of Pivotal Home Solutions in 2018, we do not view these operations as core to the company's overall strategy. We expect AWK to continue to focus on lower-risk, regulated utility operations, which we expect will continue to contribute about 90%-95% of its consolidated EBITDA.

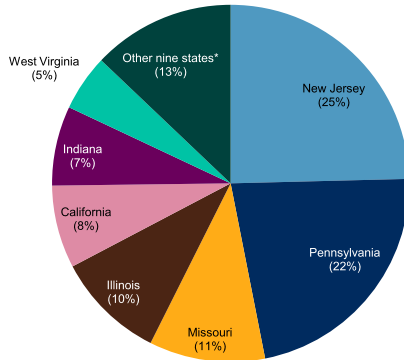
**AWK's financial measures will likely remain at the lower end of the range for the financial-risk category.** We forecast funds from operations (FFO) to debt to average 13%-15% throughout the forecast period, assessed under our low volatility financial benchmark table.

**This year, a number of the company's subsidiaries, including its three largest (New Jersey, Pennsylvania, and Missouri) filed for base rate increases.** The company's New Jersey subsidiary received a relatively supportive rate case order in New Jersey that outlined a \$39 million base rate increase along with a one-time \$32.5 million rate credit related to tax reform. Furthermore, its Pennsylvania subsidiary reached a settlement with Pennsylvania Public Utilities Commission staff for a \$70.5 million rate increase to base rates, over two years, starting in 2021. The company's rate cases in Missouri and California (fifth-largest jurisdiction) are still pending. We will continue to monitor the rate case developments throughout the company's jurisdictions to see how they affect the company's credit quality.

**The company benefits from a largely residential and stable customer base.** This limits the effects of economic cyclicality on the company's cash flows, though there is still potential for regulatory lag given the COVID-19 pandemic. That said, the company has received orders in the majority of its jurisdictions, including its seven largest jurisdictions, to defer financial impacts related to the pandemic. In addition, the company benefits from its customer diversity and size. Although about 42% of AWK's 3.4 million regulated customers reside in New Jersey and Pennsylvania, it has nearly 2 million additional customers in 12 other jurisdictions across the United States.

**Chart 1**

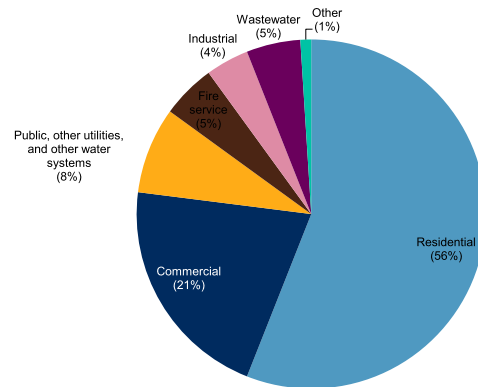
2019 Revenue Breakdown By State



\*Other nine states are Georgia, Hawaii, Iowa, Kentucky, Maryland, Michigan, New York, Tennessee, and Virginia. Source: Company's 10-K. Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved.

**Chart 2**

2019 Regulated Revenue By Customer Type



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## Outlook

The stable outlook on AWK and its subsidiaries reflects our expectation that the company will continue to focus its strategic growth on its regulated water distribution operations, maintaining the regulated businesses at 90%-95% of consolidated EBITDA. In addition, we expect the company will continue to manage regulatory risk effectively, maintaining financial measures at the lower end of its financial-risk category. Under our base-case scenario, we forecast annual adjusted FFO to debt to average about 13%-15%.

### Downside scenario

We could lower the ratings on AWK and subsidiaries if AWK's nonregulated operations increased such that they consistently contribute disproportionately to its consolidated EBITDA, or if the nonregulated operations become riskier than we currently expect. In addition, deteriorating management of regulatory risk or financial measures lower than our base-case expectations, specifically FFO to debt consistently below 13%, could also lead to lower ratings.

### Upside scenario

We could raise the ratings if adjusted FFO to debt consistently remains over 16% while the company continues to effectively manage its regulatory risk. This could occur if the company achieves better-than-expected rate-case outcomes while prudently managing expenses and funding its capital expenditures (capex) and acquisitions in a

manner that reflects the issuance of more equity and less debt.

## Our Base-Case Scenario

### Assumptions

- Numerous rate-case orders throughout the company's regulatory jurisdictions;
- Continued use of existing regulatory mechanisms;
- Regulated growth, primarily through small tuck-in acquisitions;
- Marginal growth of the company's nonutility operations, particularly through the addition of new military base contracts;
- Combined spending on capex and regulated acquisitions averages about \$2 billion annually;
- Dividend growth averages 5%-10% annually;
- A block issuance of about \$500 million in common equity before 2023;
- Proceeds from the sale of the company's New York operations in 2021;
- Negative discretionary cash flow; and
- Company refinances all debt maturities.

### Key Metrics

	2019A	2020E	2021E
FFO to debt (%)	14.4	13-15	13-15
Debt to EBITDA (x)	5.4	5-6	5-6
CFO to debt (%)	14.1	12-14	13-15

A--Actual. E--Estimate. FFO--Funds from operations. CFO--Cash flow from operations.

## Company Description

AWK is the largest and most geographically diverse publicly traded water and wastewater utility in the U.S., as measured by both operating revenues and population served. Through its regulated utility subsidiaries, the company serves about 3.4 million customers across 16 states. AWK's regulated utility operations accounted for approximately 92% of the company's consolidated EBITDA in 2019, and we expect this contribution to stay at 90%-95%. The company's nonutility businesses, which contributed the remainder of the company's EBITDA, primarily consist of the company's Homeowner Services Group and Military Services Group.

Through its Homeowner Services Group (inclusive of the company's 2018 acquisition of Pivotal), the largest component of the company's nonutility operations, AWK provides various home-warranty programs to about 3 million customers in 43 states. These protect against repair costs for interior and exterior water and sewer lines (over half of all contracts), interior gas and electric lines, heating and cooling systems, and water heaters and other home appliances as well as power-surge protection and related services.

The company's Military Services Group operates on 17 military installations under 50-year contracts with the U.S. government. The scope of the Military Services Group's contracts generally includes the operation and maintenance (O&M) costs of each military installation's water and wastewater systems and a capital program focused on asset replacement and, in certain instances, systems expansion. In addition, a very small portion of AWK's nonutility business focuses on O&M contracts with municipal customers to operate and manage their water and wastewater facilities and provide related services. In late 2019, the company sold its Keystone Clearwater Solutions LLC operations, which provided customized water transfer services for shale natural gas exploration and production companies and comprised a marginal portion of the company's consolidated operations.

## Peer comparison

Table 1

American Water Works Co. Inc.--Peer Comparison				
Industry Sector: Water				
	American Water Works Co. Inc.	Essential Utilities Inc.	ITC Holdings Corp.	SJW Group
Ratings as of Dec. 1, 2020	A/Stable/A-1	A/Stable/--	A-/Negative/A-2	A-/Stable/--
<b>(Mil. \$)</b>				
Revenue	3,610.0	889.7	1,327.0	420.5
EBITDA	1,803.0	506.2	999.0	129.4
Funds from operations (FFO)	1,391.6	399.3	765.8	71.5
Interest expense	402.4	125.9	232.2	36.1
Cash interest paid	399.4	105.9	236.2	41.4
Cash flow from operations	1,366.6	324.0	621.8	120.8
Capital expenditure	1,641.0	534.1	857.0	178.7
Free operating cash flow (FOCF)	(274.4)	(210.1)	(235.2)	(58.0)
Dividends paid	353.5	188.5	250.0	34.1
Discretionary cash flow (DCF)	(674.9)	(400.5)	(485.2)	(92.1)
Cash and short-term investments	60.0	1,868.9	7.0	12.9
Gross available cash	60.0	605.9	7.0	12.9
Debt	9,672.3	2,546.9	5,862.5	1,500.9
Equity	6,124.5	3,880.9	2,232.0	890.0
<b>Adjusted ratios</b>				
EBITDA margin (%)	49.9	56.9	75.3	30.8
Return on capital (%)	8.2	6.7	10.1	3.8
EBITDA interest coverage (x)	4.5	4.0	4.3	3.6
FFO cash interest coverage (x)	4.5	4.8	4.2	2.7
Debt/EBITDA (x)	5.4	5.0	5.9	11.6
FFO/debt (%)	14.4	15.7	13.1	4.8
Cash flow from operations/debt (%)	14.1	12.7	10.6	8.0
FOCF/debt (%)	(2.8)	(8.2)	(4.0)	(3.9)
DCF/debt (%)	(7.0)	(15.7)	(8.3)	(6.1)
Debt/debt and equity (%)	61.2	39.6	72.4	62.8



## Financial summary

Table 2

American Water Works Co. Inc.--Financial Summary					
Industry Sector: Water					
	--Fiscal year ended Dec. 31--				
	2019	2018	2017	2016	2015
<b>(Mil. \$)</b>					
Revenue	3,610.0	3,440.0	3,357.0	3,302.0	3,159.0
EBITDA	1,803.0	1,717.0	1,759.5	1,579.5	1,552.5
Funds from operations (FFO)	1,391.6	1,328.6	1,378.4	1,225.4	1,218.0
Interest expense	402.4	368.4	355.1	350.1	334.5
Cash interest paid	399.4	350.4	351.1	338.1	322.5
Cash flow from operations	1,366.6	1,383.6	1,450.4	1,278.4	1,179.0
Capital expenditure	1,641.0	1,573.0	1,426.0	1,305.0	1,152.0
Free operating cash flow (FOCF)	(274.4)	(189.4)	24.4	(26.6)	27.0
Dividends paid	353.5	319.5	289.5	261.5	239.5
Discretionary cash flow (DCF)	(674.9)	(561.9)	(319.1)	(353.1)	(338.5)
Cash and short-term investments	60.0	130.0	55.0	75.0	45.0
Gross available cash	60.0	130.0	55.0	75.0	45.0
Debt	9,672.3	8,741.2	8,070.0	7,499.8	6,908.5
Equity	6,124.5	5,868.0	5,390.0	5,223.0	5,055.0
<b>Adjusted ratios</b>					
EBITDA margin (%)	49.9	49.9	52.4	47.8	49.1
Return on capital (%)	8.2	8.3	9.7	9.1	9.7
EBITDA interest coverage (x)	4.5	4.7	5.0	4.5	4.6
FFO cash interest coverage (x)	4.5	4.8	4.9	4.6	4.8
Debt/EBITDA (x)	5.4	5.1	4.6	4.7	4.4
FFO/debt (%)	14.4	15.2	17.1	16.3	17.6
Cash flow from operations/debt (%)	14.1	15.8	18.0	17.0	17.1
FOCF/debt (%)	(2.8)	(2.2)	0.3	(0.4)	0.4
DCF/debt (%)	(7.0)	(6.4)	(4.0)	(4.7)	(4.9)
Debt/debt and equity (%)	61.2	59.8	60.0	58.9	57.7

## Reconciliation

Table 3

American Water Works Co. Inc.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts									
--Fiscal year ended Dec. 31, 2019--									
American Water Works Co. Inc. reported amounts (mil. \$)									
	Debt	Shareholders' equity	EBITDA	Operating income	Interest expense	S&P Global Ratings' adjusted EBITDA	Cash flow from operations	Dividends	Capital expenditure
	9,448.0	6,121.0	1,752.0	1,170.0	386.0	1,803.0	1,383.0	353.0	1,654.0

**Table 3**

<b>American Water Works Co. Inc.--Reconciliation Of Reported Amounts With S&amp;P Global Ratings' Adjusted Amounts (cont.)</b>									
<b>S&amp;P Global Ratings' adjustments</b>									
Cash taxes paid	--	--	--	--	--	(12.0)	--	--	--
Cash interest paid	--	--	--	--	--	(383.0)	--	--	--
Reported lease liabilities	99.0	--	--	--	--	--	--	--	--
Operating leases	--	--	--	3.9	3.9	(3.9)	(3.9)	--	--
Intermediate hybrids reported as debt	(3.5)	3.5	--	--	(0.5)	0.5	0.5	0.5	--
Postretirement benefit obligations/deferred compensation	188.8	--	--	--	--	--	--	--	--
Accessible cash and liquid investments	(60.0)	--	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	13.0	(13.0)	(13.0)	--	(13.0)
Share-based compensation expense	--	--	17.0	--	--	--	--	--	--
Nonoperating income (expense)	--	--	--	37.0	--	--	--	--	--
EBITDA: Gain/(loss) on disposals of PP&E	--	--	34.0	34.0	--	--	--	--	--
Total adjustments	224.3	3.5	51.0	74.9	16.4	(411.4)	(16.4)	0.5	(13.0)
<b>S&amp;P Global Ratings' adjusted amounts</b>									
	<b>Debt</b>	<b>Equity</b>	<b>EBITDA</b>	<b>EBIT</b>	<b>Interest expense</b>	<b>Funds from operations</b>	<b>Cash flow from operations</b>	<b>Dividends paid</b>	<b>Capital expenditure</b>
	9,672.3	6,124.5	1,803.0	1,244.9	402.4	1,391.6	1,366.6	353.5	1,641.0

## Liquidity

We base our 'A-1' short-term rating on AWK on our issuer credit rating on the company.

As of December 2020, we assess AWK's liquidity as adequate to cover its needs over the next 12 months. We expect liquidity sources to exceed uses by 1.1x or more and anticipate the company will also meet our other requirements for an adequate liquidity designation. The company benefits from stable cash-flow generation and manageable debt maturities over the next few years. Our assessment also reflects the company's likely ability to absorb high-impact, low-probability events with limited need for refinancing, generally prudent risk management, and satisfactory standing in the credit markets.

### Principal Liquidity Sources

- FFO of about \$1.45 billion over the next 12 months;
- Credit facility availability of about \$2.25 billion; and
- Cash on hand of about \$560 million.

### Principal Liquidity Uses

- Combined spending on capex and regulated acquisitions of about \$1.8 billion over the next 12 months;
- Dividends of about \$400 million over the next 12 months; and
- Debt maturities, including outstanding short-term debt, of about \$1.2 billion over the next 12 months.

## Covenant Analysis

### Compliance expectations

We expect the company to maintain significant cushion under the leverage covenants in its credit facility, term loan facility, and long-term notes.

### Requirements

AWK's credit facility, term-loan facility, and certain long-term notes contain a maximum debt-to-capital covenant (as defined in the relevant documents) of 70%.

## Issue Ratings - Subordination Risk Analysis

### Capital structure

AWK's capital structure consists of about \$10.7 billion of debt, out of which about \$9.3 billion is issued at AWCC and about \$1.4 billion at operating subsidiaries.

### Analytical conclusions

The senior unsecured debt at AWK's finance entity, AWCC, is rated the same as the issuer credit rating because subsidiary debt does not exceed 50% of AWK's consolidated debt, after which point AWCC's debt could be considered structurally subordinated.

## Ratings Score Snapshot

### Issuer Credit Rating

A/Stable/A-1

### Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Excellent

### Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

**Anchor:** a+

### Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Negative (-1 notch)

**Stand-alone credit profile : a**

- **Group credit profile:** a

## Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria - Corporates - Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

## Related Research

- American Water Works Co. Inc. full analysis, June 19, 2020

<b>Business And Financial Risk Matrix</b>						
<b>Business Risk Profile</b>	<b>Financial Risk Profile</b>					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
<b>Excellent</b>	aaa/aa+	aa	<b>a+ / a</b>	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

<b>Ratings Detail (As Of December 11, 2020)*</b>	
<b>American Water Works Co. Inc.</b>	
Issuer Credit Rating	A/Stable/A-1
<b>Issuer Credit Ratings History</b>	
07-May-2015	A/Stable/A-1
02-Jun-2014	A-/Positive/A-2
24-May-2013	A-/Stable/A-2
<b>Related Entities</b>	
<b>American Water Capital Corp.</b>	
Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
<i>Local Currency</i>	A-1
Senior Unsecured	A
<b>New Jersey-American Water Co.</b>	
Issuer Credit Rating	A/Stable/--
<b>Pennsylvania-American Water Co.</b>	
Issuer Credit Rating	A/Stable/--

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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## CREDIT OPINION

30 April 2020

Update

 Rate this Research

### RATINGS

#### American Water Works Company, Inc.

Domicile	Camden, New Jersey, United States
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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## American Water Works Company, Inc.

### Update to credit analysis

#### Summary

American Water Works Company, Inc.'s (American Water, or AWK) credit profile is supported by 1) its market position as the largest US investor-owned water utility holding company, 2) strong regulatory and operational diversity across 16 states (15 following the sale of its New York utility, expected to be completed in 2020), 3) improving regulatory support as more states adopt cost recovery trackers.

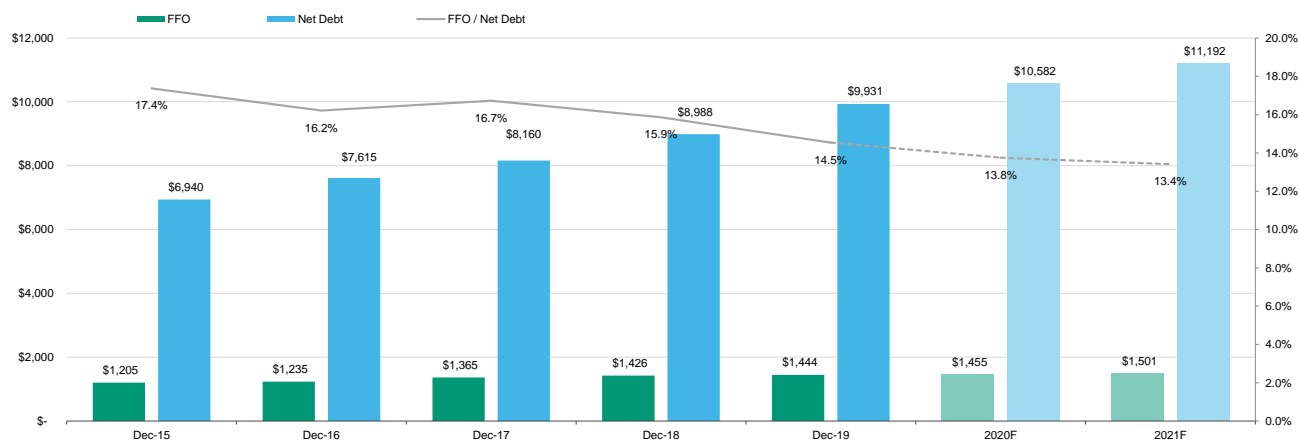
The company's credit is constrained by 1) increasing leverage due to financial policies that target up to \$8.6 billion of capex, dividend growth approaching 10% and roughly \$500 million of equity issuances over the next five years, 2) cash flow pressures from federal tax reform and 3) structurally subordinated holding company debt that is about 27% of total consolidated debt (23% when excluding a \$500 million term loan draw that was used to bolster liquidity during COVID-19 related financial market stress).

#### Recent developments

The economic costs of the coronavirus crisis amid the near shutdown of the global economy are accumulating rapidly. As such, we now expect 2021 real GDP in most advanced economies to be below pre-coronavirus levels (see our report: [Global Macro Outlook 2020-21 \(April 2020 Update\): Global recession is deepening rapidly as restrictions exact high economic cost](#)). For the US, this means -5.7% real GDP growth in 2020, followed by a 4.5% recovery in 2021, with risks to our outlook firmly to the downside.

The utility sector is more insulated from these risks than the hardest-hit sectors - such as leisure, hospitality, travel and retail - due to its legal monopoly on essential public and economic services; however, there is a possibility that broader political intervention becomes credit negative, if downside risks are realized, since high unemployment levels make rate increases less politically palatable.

Exhibit 1

**Historical and projected FFO, Net Debt and FFO to Net Debt (\$MM)**

Source: Moody's Investors Service and Moody's projection assumptions

## Credit strengths

- » Diversity of holdings with 15 regulated water utilities, following the sale of its NY operations
- » Constructive regulatory environments with timely cost recovery mechanisms
- » Support agreement at AWCC not a guarantee but provides sufficient credit substitution

## Credit challenges

- » Financial metrics will weaken due to increasing leverage and cash flow leakage from tax reform
- » Debt-funded free cash flow deficits, with roughly \$2.0 billion of annual capex and 10% dividend growth assumed through 2025
- » COVID-19 and recessionary pressures that could affect demand and financial performance

## Rating outlook

American Water's stable outlook incorporates our view that financial metrics that will continue to decline through 2020, but that funds from operations (FFO) to net debt and retained cash flow (RCF) to net debt will plateau at around 14% and 10%, respectively, absent the temporary financial effects of the COVID-19 virus. Given the unique nature of the COVID-19 pandemic, we expect to look through the 2020 declines due to the virus and recessionary impacts, and will prioritize our analysis on 2021.

## Factors that could lead to an upgrade

- » FFO to net debt metric is sustainable at above 15%, while maintaining its current business risk profile
- » Improved credit profiles of a majority of its operating subsidiaries, such as those in Pennsylvania and New Jersey

## Factors that could lead to a downgrade

- » FFO to net debt or RCF to net debt around 12% and 7%, respectively, on a sustained basis
- » Less supportive regulatory provisions (especially in Pennsylvania or New Jersey)

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.



» Operational concerns such as water supply constraints or asset failure

## Key indicators

Exhibit 2

### American Water Works Company, Inc. [1]

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
FFO Interest Coverage	4.7x	4.6x	4.8x	4.9x	4.6x
Debt / Capitalisation	48.6%	49.6%	54.2%	54.6%	55.6%
FFO / Net Debt	17.4%	16.2%	16.7%	15.9%	14.5%
RCF / Net Debt	13.9%	12.8%	13.2%	12.3%	11.0%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

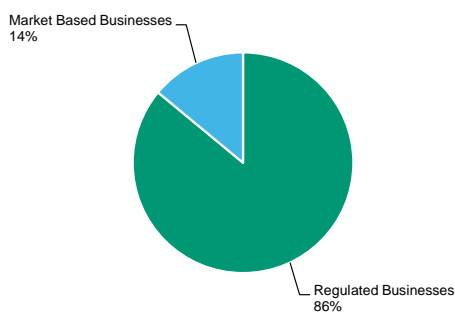
Source: Moody's Financial Metrics

## Profile

Headquartered in Camden, New Jersey, American Water Works Company, Inc. (AWK) is the largest investor-owned provider of water, wastewater and related services in North America, with operations serving more than 15 million people across 46 states.

Exhibit 3

### The vast majority of American Water's operating revenue is derived from low-risk regulated utilities



Source: American Water Works, Inc.

American Water is a holding company and does not have any direct debt obligations; rather, it primarily issues debt through its non-operating financing subsidiary American Water Capital Corp. (AWCC) which has a support agreement with American Water.

## Detailed credit considerations

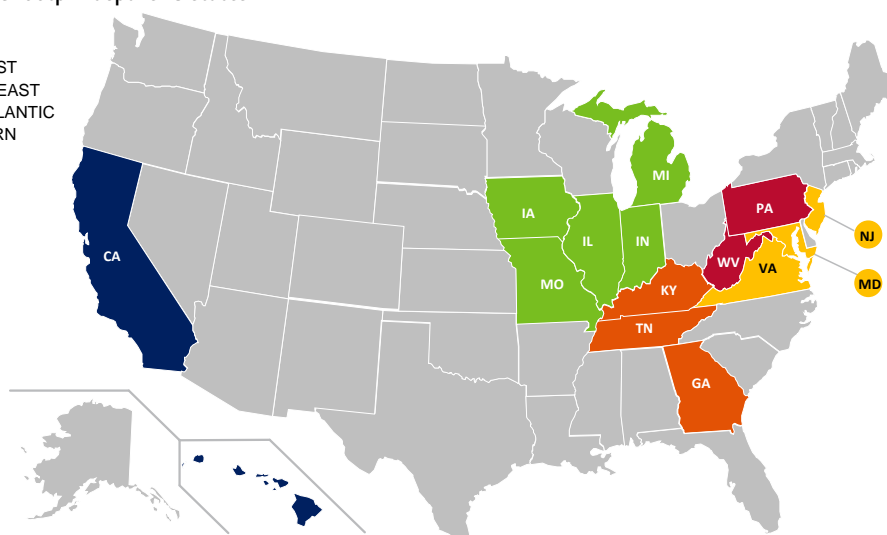
### Broad utility diversity underpins strong credit quality

American Water's ongoing regulated operations will span across 15 states and account for around 85% of consolidated operating revenue. The exhibit below shows the states in which AWK has regulated utility operations, excluding its New York operations, which we expect to be sold in 2020.

Exhibit 4

**Regulated footprint spans 15 states**

- CA & HI
- MIDWEST
- SOUTHEAST
- MID-ATLANTIC
- EASTERN



Source: American Water 2019 Investor Day Presentation

The company's roughly \$23 billion of total assets is about 2.5 times the size of the next largest investor-owned primarily water utility holding company. This provides a degree of credit support, since American Water's water business is viewed to be more stable and predictable than most other businesses.

### Supportive regulatory treatment for capital and operating cost recovery

Over the past several years, we have observed improving regulatory trends in the US, which include the increased prevalence of automatic cost recovery provisions such as revenue decoupling and infrastructure replacement mechanisms, as well as the willingness to adopt more forward-looking test year data in rate making. This trend has helped to expedite cost recovery (and reduce regulatory lag) and improve fixed cost recovery across AWK's various utility service territories. The exhibit below provides detail around some of the more important cost recovery features that are allowed in states that American Water serves.

Exhibit 5

### Credit supportive cost recovery mechanisms exist in many of the states that American Water serves

Cost Recovery Feature	States In-Use
Future Test Year	CA, HI, IA, IL, IN, KY, PA, TN, VA
Infrastructure Replacement	IA, IL, IN, KY, MO, NJ, PA, TN, VA, WV
Plant Recovery Mechanisms	CA, IL, KY, PA, TN, VA
Decoupling	CA, IL

Recovery feature names are per Moody's description

Source: American Water 10-K, Moody's Investors Service

One of the more significant cost recovery features is the ability to make discrete rate filings in order to recover the capital costs of replacing and improving aging infrastructure. Often called distribution system improvement charges (DSIC), these mechanisms provide AWK with timely recovery of capital expenditures on an ongoing basis. This helps to transition cash outflow for investment into cash inflow in customer rates in a relatively quick manner.

For example, we estimate that around 60% of AWK's annual capex transitions into rate base and generating cash flow in the following year. Given the relatively high turnover of capex to rate base, we regard the capital and cost recovery of American Water as strong and having improved as these DSIC-type mechanisms have become more prominent across the US.

Exhibit 6

**American Water's capital expenditures have been transitioning into rate base at a quicker pace**

\$ million	2015	2016	2017	2018	2019
Capital expenditures	1,160	1,311	1,434	1,586	1,654
Rate base*	9,987	10,694	11,637	12,647	13,700
Rate base growth % from previous year	6%	7%	9%	9%	8%
Change in RB as % of Capex	51%	54%	66%	64%	64%

\* According to YE 2019 earnings presentation, the expected Rate base CAGR through 2024 is ~7-8%. We use the mid-point.

Source: American Water's latest 10-K and investor's presentation

Lastly, the water industry often has difficulty insuring fixed cost recovery since a high percentage (often 70% or more) is recovered in the volumetric charge on customer bills. This can be problematic in a declining-use environment, which is the case for most areas of the US. American Water has some degree of insulation from this risk through decoupling mechanisms in three states and water use adjustments in others. Additionally, filing a general rate case every 2-3 years in most jurisdictions – coupled with its broad diversity of states – helps to keep consolidated revenues stable and predictable. We also note that the company has low revenue concentration from commercial or industrial customers compared to similarly rated global peers.

**Sizeable free cash flow deficits will continue**

American Water has a robust capital plan in order to address aging infrastructure, organic customer growth and modernizing customer service and reliability. In total, the company expects to spend \$20-\$22 billion of capex over the next ten years. We expect this level of spending representing around 8% of net property plant and equipment in any given year. This excludes the contribution of capital investment in water and wastewater acquisitions, which could increase the funding need as well.

With around \$2.0 billion of capital spending per year and dividend guidance expected to be at the high-end of its 7-10% earnings per share growth rate through 2024, American Water will continue to generate sizeable free cash flow deficits. For example, in 2019, the company's cash flow from operations of nearly \$1.4 billion, capital expenditures of about \$1.7 billion and paid a dividend of just over \$350 million, resulting in about \$630 million of negative free cash flow.

The free cash flow deficits are expected to be funded mostly with debt through 2024, but also with asset sales proceeds from some unregulated businesses, its New York utility and around \$500 million in equity.

Despite the high level of capital spending, we view the profile of the spend to carry low execution risk and with a high probability of transitioning into commission approved rate base. This is because the majority of capital projects are small and focused on pipeline replacement, rather than construction of more complex assets, like the desalination plant that its California subsidiary is attempting to build. For example, a single project spend of around \$40 million is considered "large" for the company and requires additional management scrutiny for approval. The \$40 million amount equates to just over 2% of the company's \$1.7 billion capital budget.

Similarly, American Water targets a dividend payout ratio between 50-60% of earnings, which is on the low-end of what many utility holding companies pay (i.e., 60-70%).

**Mostly debt-funded growth, tax reform and coronavirus will continue to weigh on financial metrics**

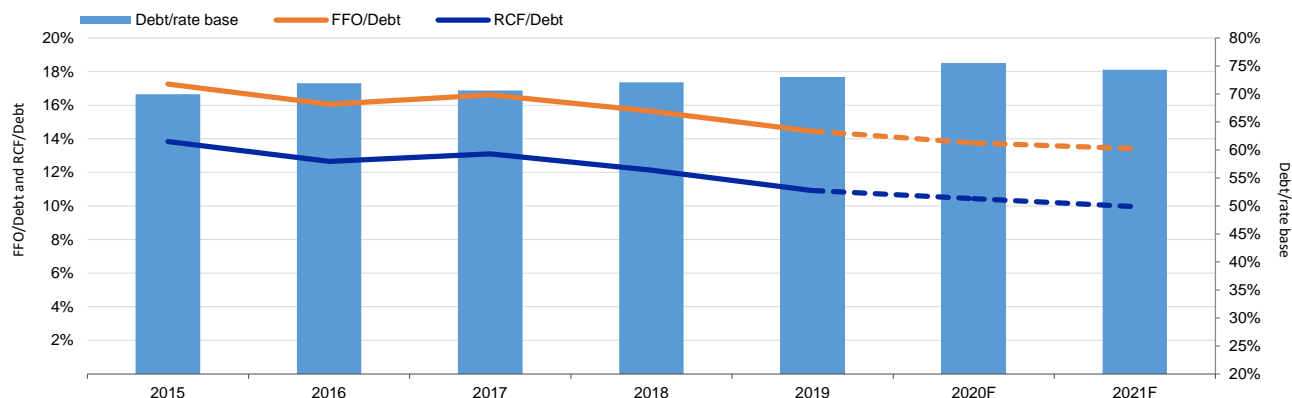
American Water's financial metrics have been on a slow decline for multiple years as the company has funded its growing capital plans primarily with debt. At the same time, the corporate dividend has been growing at around 10% per annum, resulting in growing negative free cash flow deficits. For example, free cash flow deficits have increased at a compound annual growth rate (CAGR) of around 30%, debt at nearly 10% and FFO at a 5% since 2015.

Currently, the company is also challenged by cash flow growth pressures due to 2017 federal tax reform, which will make the company a cash tax payer in the short-term and reduce the cash contribution from deferred taxes that have historically contributed around 25% of FFO before tax reform. Over the near-term, we also expect that the refunding of excess deferred tax liabilities, to customers, will also be a drag on cash flow. The combination of these two factors will mitigate some of the cash benefits the company would otherwise receive from rider mechanism cost recovery and general rate cases.

The results of the company's financial policies and tax reform are seen in the exhibit below, which depicts our base case expectations for American Water's key financial ratios.

Exhibit 7

**American Water's FFO to debt, RCF to debt and debt to rate base**  
Key credit metrics under pressure as leverage increases



Source: American Water's latest 10-K, investor's presentation and Moody's projection assumptions

The coronavirus pandemic will also lead to negative financial impacts across the sector in 2020. As such, we expect this outlook to translate into some financial challenges for American Water, which could include lost margins from commercial and industrial customers, higher bad debt expense from unemployed residential customers and delays to rate relief from regulators.

However, we expect that increased residential use will help to offset some margins lost to commercial and industrial declines. We also believe that the effect will be temporary and that economic conditions will begin to improve in 2021. American Water should benefit from this trend. Furthermore, the company has financial cushion within its credit profile to absorb the near-term effects and a degree of longer-term demand reduction from the commercial sector - where roughly 20% of its regulated operating revenues are generated.

### Market-based business are generally contracted and provide positive free cash flow

We generally view American Water's market-based business (MBBs) operations neutral to the credit of the company since they are small, largely self-funding and contribute positive cash flow.

Despite recent divestitures of its most volatile unregulated business (e.g., providing water related services to oil and gas production companies), this segment is growing to be a more notable driver of consolidated financial performance than in the past. Management estimates that the contribution of unregulated operations is expected to grow to around 12% of consolidated net income by 2024. In 2019, market based businesses contributed about \$46 million on net income, compared to \$654 million of net income from the regulated segment.

#### Homeowner Services (HOS)

Following the \$365 million 2018 acquisition of Pivotal Home Solutions, HOS has become the largest and fastest growing market-based business for American Water. The business provides warranty protection type services to residential and small commercial customers for a variety of appliances and utility service lines. The term of the contracts is typically 3-5 years and the company reports that around 87% of customers are retained in any given year. The segment has roughly 3 million contracts serving 1.5 million customers.

American Water roughly doubled the size of this business in 2018, through the \$365 million acquisition of Pivotal Home Solutions, which increased the customer base and product offering compared to legacy HOS assets. It also increased holding company debt by \$183 million.

#### Military Services Group (MSG)

We view the MBO segment as the lowest-risk and most regulated like of American Water's market based businesses. These operations are of higher credit quality than the others since they consist of 50-year contracts with the federal government, a highly credit worthy

counterparty. The contracts are typically for O&M services and limited capital improvements which are also recoverable. These contracts are typically subject to price redetermination every two or three years, which also supports ongoing cash flow in a rising price environment. American Water's current average contract life is around 42 years with revenue over the full life of approximately \$5.4 billion.

## ESG considerations

### Environmental

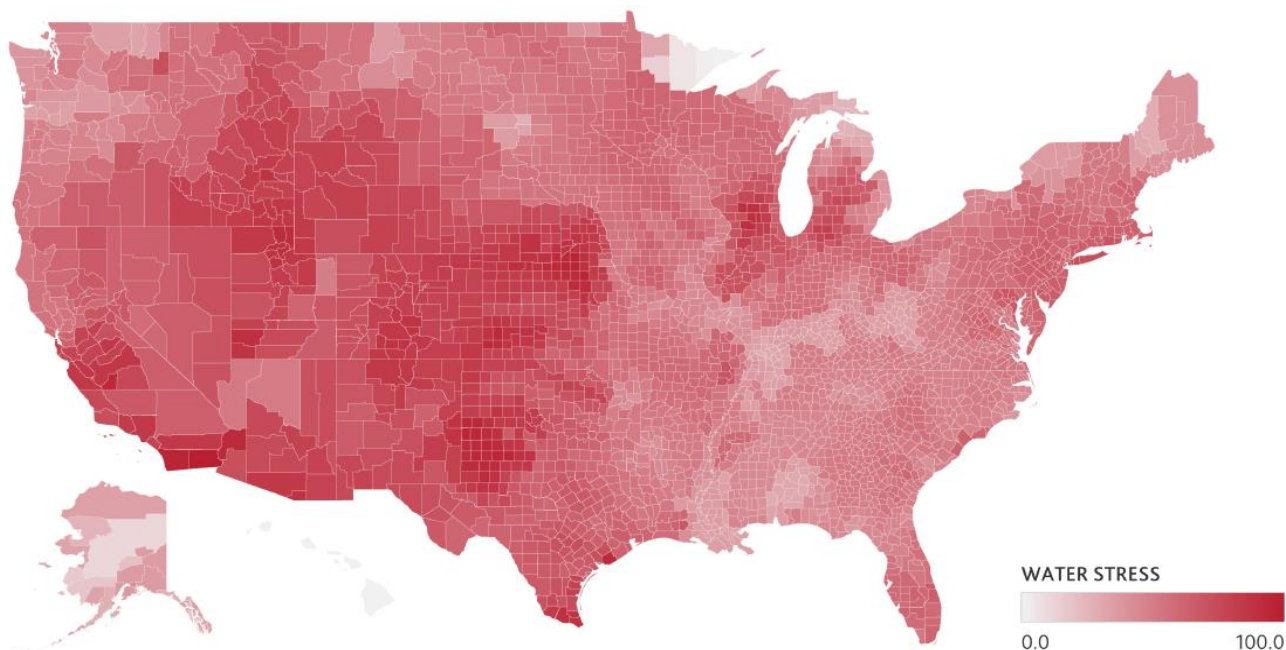
As a regulated water utility holding company, AWK has a low carbon transition risk within the utility sector, especially when compared to electric and gas utility peers. However, the company is not immune to climate change risks, which are generally highest for the sector in terms of supply variability and exposure to natural and man-made disasters, including flooding and soil/water pollution. These and other severe weather conditions could disrupt operations, change water usage patterns and have negative financial impacts on the company.

Despite experiencing severe weather events over the past decade, such as hurricanes in the northeast, severe droughts in the west and tornados in the central US, AWK's consolidated financial and operational performance remained stable throughout these events, due in part to its size and diversity.

Exhibit 8

### Water stress to be most severe in the Rockies, the Colorado River region and California

Risk of increased water stress by US county in 2040 versus 1950-2008



Normalized on scale 0-100 (0 is lowest risk, 100 is highest risk)  
Source: *Four Twenty Seven*

### Social

As a provider of water and wastewater services, American Water supplies an essential public service that is fundamental to life and local economies. As such, the company's record of maintaining high standards for water quality and safe, reliable service is a credit strength that enhances public health and safety.

We see social risks associated with the coronavirus and the impact that the pandemic and social distancing has on demographic and societal trends, such as rising unemployment among residential customers and reduced demand from commercial customer operations. These factors could have negative financial implications for American Water, especially if it limits the company's ability to raise rates in

a challenged economic environment. If customer relations deteriorate or political and regulatory challenges ensue, it would be credit negative for American Water.

### Governance

The company's overall governance practices are very strong, particularly in the areas of compensation disclosure, transparency of financial reporting and audit quality. However, American Water has only moderately strong governance around compensation design, since incentive compensation is more tied to EPS performance than to operational or balance sheet metrics, and director qualifications, experience and refreshment. The latter categories are frequently seen in the utility industry, which often elects directors that have experience outside of utility management, but still relevant to operations (e.g., cyber security) or representative of stakeholder interests (e.g., customer relations).

We also note the April 2020 retirement of former CEO Susan Story, who was replaced by Walter Lynch, the former COO and American Water executive since 2008. We expect the transition to be smooth, since Mr. Lynch has long been a publicly visible leader of the company and has extensive expertise in regulated water operations - the core of American Water's business. As such, we believe that the company's overall strategy and management philosophies will remain well intact.

### Liquidity analysis

American Water's liquidity is adequate when considering its access to external sources. Internal cash flow of about \$1.4 billion expected in 2020 will lag the pace of capital spending (around \$2.0 billion per year) and growing dividends (\$353 million in 2019). As a result, the roughly \$800 million of negative free cash flow we expect in 2020 will be supplemented through a bank credit facility.

External liquidity is managed through its financing subsidiary, AWCC, with a \$2.25 billion revolving credit facility valid until March 2025 (recently extended on 1 April 2020). This credit facility provides support to the company's commercial paper program (CP) program which amounts to \$2.1 billion, and can support up to \$150 million in letters of credit. Although there are no restrictions on revolver borrowings related to CP outstanding, we expect the company to leave ample cushion under the revolver to effectively backstop any CP borrowings. The facility has same-day drawing availability and no ongoing material adverse change clause. The lone financial covenant is a maximum debt to capitalization ratio of 70%. As of 31 December 2019, the company's ratio was in compliance at 61%.

Given the recent financial market upheaval due to the coronavirus, American Water and AWCC on 20 March 2020 issued a \$750 million 364-day term loan of which the proceeds will be used for general corporate purposes of AWCC and American Water and to provide additional short term liquidity support. Currently, the company has only drawn \$500 million of the term loan, which was used to bolster liquidity resources amid financial market stress. Despite the added debt, we see the action as prudent financial management for liquidity and that the term loan will only be a temporary part of the company's capital structure.

At 31 December 2019, \$76 million in letters of credit and \$786 million of commercial paper and credit facility borrowings were outstanding, leaving around \$2.17 billion available under the facility.

AWCC's next long-term debt maturity is \$310 million in 2021.

### Structural considerations

AWK has approximately \$8.7 billion of consolidated reported long-term debt, roughly \$7.3 billion of which was issued at AWCC. The majority of AWCC's debt (approximately \$5.2 billion) has been advanced via inter-company notes to various regulated utility subsidiaries and is part of their respective regulated capital structures. Since this intercompany debt receives regulatory approved cost recovery, we do not consider this as true "holding company" debt that depends on upstream dividends for interest and principal payments.

In total, we estimate that non-utility debt is around 27% of AWK's consolidated debt outstanding. This amount includes \$500 million drawn of a \$750 million term loan, which was used to bolster liquidity resources amid financial market stress in March 2020. Despite the added debt, we see the action as prudent financial management for liquidity and that the term loan will only be a temporary part of the company's capital structure. AWK's holding company to consolidated debt ratio drops to about 23% when excluding the \$500 million term loan.

The debt issued to fund the Pivotal acquisition in 2018 can also be viewed in one of two ways. Because Pivotal's assets are unlevered, the cash flow generated by this business can be considered as a source of debt service for the \$183 million of debt issued by AWCC as part of acquisition financing; however, since the debt is not the direct or legal obligation of Pivotal's assets, we sensitize our capital structure calculations to include this debt as part of the parent, as well.

AWCC, a Delaware corporation, is the wholly-owned finance subsidiary of American Water, whose purpose is to streamline the financing function, create cash management efficiencies, and often obtain a lower cost of capital for American Water's regulated water utility subsidiaries. The source of upstream debt service funding comes from the regulated utility operations, which make cash principal and interest payments directly to AWCC. We expect any additional up-streamed cash flows, in the form of dividends to AWK, will be limited to maintain the respective regulatory allowed equity capitalization for each utility (generally around 50%).

AWCC's Baa1 senior unsecured rating is the same as its parent, American Water, which provides credit enhancement through a support agreement between American Water and AWCC. The features contained in the support agreement that support Moody's view of credit substitution include: 1) no termination of the support agreement until all debt shall have been irrevocably paid in full, without all lenders' (including debt trustees) consent, 2) American Water has agreed to make timely payment of interest, principal or premium on any debt issued by AWCC, if AWCC is unable to make such payments, 3) the aforementioned payment is in the form of cash or liquid assets and not merely collection, 4) American Water waives any claims related to a failure or delay by AWCC in enforcing its rights under the support agreement, 5) the support agreement is binding on any successors of American Water, 6) the lender may proceed directly against American Water to obtain payment of defaulted interest, principle or premium, and 7) any changes to the support agreement that adversely affect lenders must be approved by such parties. Furthermore, American Water has committed to own, during the term of the support agreement, all of the voting stock of AWCC and to ensure that a positive tangible net worth at AWCC will be maintained at all times. The support agreement is governed by the laws of the state of New York, which we view to be hospitable to the enforcement of guarantees.

Although the support agreement has many attributes of what a guarantee provides, we note that it is not specifically or legally considered a guarantee. Also, debt at AWCC does not benefit from any explicit upstream guarantees from the regulated utility subsidiaries nor does the debt obligations of the subsidiaries benefit from any explicit downstream guarantee from American Water or AWCC. Nevertheless, given the agreement's stated protections, and that a significant amount of AWCC's debt has been incurred to finance rate base, we effectively view the support agreement structure as being similar to a guarantee in our credit analysis and have made no notching differentiation between the two entities.

## Rating methodology and scorecard factors

Exhibit 9

### Rating Factors

American Water Works Company, Inc.

Regulated Water Utilities Industry Scorecard [1][2]	Current FY 12/31/2019		Moody's 12-18 Month Forward View As of Date Published [3]	
	Measure	Score	Measure	Score
<b>Factor 1 : Business Profile(50%)</b>				
a) Stability and Predictability of Regulatory Environment	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Sufficiency & Timeliness)	Baa	Baa	A	A
d) Revenue Risk	Baa	Baa	A	A
e) Scale and Complexity of Capital Programme & Asset Condition Risk	Baa	Baa	A	A
<b>Factor 2 : Financial Policy (10%)</b>				
a) Financial Policy	Ba	Ba	Ba	Ba
<b>Factor 3 : Leverage and Coverage (40%)</b>				
a) FFO Interest Coverage (3 Year Avg)	4.7x	A	4x - 4.5x	Baa
b) Debt / Capitalisation (3 Year Avg)	54.9%	A	50% - 60%	Baa
c) FFO / Net Debt (3 Year Avg)	15.6%	A	13% - 15%	Baa
d) RCF / Net Debt (3 Year Avg)	12.1%	A	9% - 11%	A
<b>Rating:</b>				
Indicated Rating from Grid Factors 1-3		A3		Baa1
<b>Rating Lift</b>		<b>0</b>		<b>0</b>
a) Scorecard-Indicated Outcome		A3		Baa1
b) Actual Rating Assigned		Baa1		Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 12/31/2019

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics



## Appendix

Exhibit 10

### Cash Flow and Credit Metrics [1]

CF Metrics	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
As Adjusted					
<b>FFO</b>	<b>1,205</b>	<b>1,235</b>	<b>1,365</b>	<b>1,426</b>	<b>1,444</b>
+/- Other	4	70	(4)	(39)	(13)
<b>CFO Pre-WC</b>	<b>1,209</b>	<b>1,305</b>	<b>1,361</b>	<b>1,387</b>	<b>1,431</b>
+/- ΔWC	(13)	9	123	30	(31)
<b>CFO</b>	<b>1,196</b>	<b>1,314</b>	<b>1,484</b>	<b>1,417</b>	<b>1,400</b>
- Div	239	261	289	319	353
- Capex	1,177	1,332	1,460	1,617	1,666
<b>FCF</b>	<b>(220)</b>	<b>(279)</b>	<b>(265)</b>	<b>(519)</b>	<b>(619)</b>
(CFO Pre-W/C) / Debt	17.3%	17.0%	16.6%	15.2%	14.3%
(CFO Pre-W/C - Dividends) / Debt	13.9%	13.6%	13.0%	11.7%	10.8%
FFO / Debt	17.3%	16.1%	16.6%	15.6%	14.5%
RCF / Debt	13.8%	12.7%	13.1%	12.1%	10.9%
Revenue	3,159	3,302	3,357	3,440	3,610
Cost of Good Sold	-	-	-	-	-
Interest Expense	336	354	373	381	403
Net Income	418	463	426	492	655
Total Assets	17,342	18,577	19,583	21,328	22,682
Total Liabilities	12,277	13,351	14,202	15,473	16,581
Total Equity	5,065	5,226	5,381	5,855	6,101

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months  
Source: Moody's Financial Metrics

Exhibit 11

### Peer Comparison Table [1]

(in US millions)	American Water Works Company, Inc.			Essential Utilities, Inc.			Sewern Trent Plc			United Utilities PLC		
	Baa1 Stable			Baa2 Stable			Baa2 Stable			Baa1 Stable		
	FYE	FYE	FYE	FYE	FYE	LTM	FYE	FYE	FYE	FYE	FYE	LTM
	Dec-17	Dec-18	Dec-19	Dec-17	Dec-18	Dec-19	Mar-17	Mar-18	Mar-19	Mar-16	Mar-17	Mar-19
Revenue	3,357	3,440	3,610	810	838	890	2,142	2,250	2,321	2,608	2,228	2,585
FFO	1,365	1,426	1,444	407	402	348	992	1,031	1,105	1,374	1,181	1,330
Total Debt	8,215	9,118	9,991	2,226	2,639	3,171	7,297	8,561	8,497	9,087	8,356	8,367
FFO Interest Coverage	4.8x	4.9x	4.6x	6.4x	5.6x	5.1x	4.3x	4.0x	4.5x	5.5x	4.7x	4.3x
Debt / Capitalisation	54.2%	54.6%	55.6%	45.1%	48.2%	39.8%	79.2%	78.8%	77.6%	54.2%	55.2%	54.8%
FFO / Net Debt	16.7%	15.9%	14.5%	18.3%	15.3%	26.7%	13.0%	12.8%	13.0%	14.9%	14.0%	15.9%
RCF / Net Debt	13.2%	12.3%	11.0%	12.0%	9.6%	12.3%	9.8%	9.6%	9.7%	10.7%	10.0%	7.7%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR\* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade  
Source: Moody's Financial Metrics

## Ratings

Exhibit 12

Category	Moody's Rating
<b>AMERICAN WATER WORKS COMPANY, INC.</b>	
Outlook	Stable
Issuer Rating	Baa1
<b>AMERICAN WATER CAPITAL CORP.</b>	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured	Baa1
Commercial Paper	P-2
<b>NEW JERSEY-AMERICAN WATER COMPANY, INC.</b>	
Outlook	Stable
Issuer Rating	A3
Bkd Senior Secured	A1
<b>PENNSYLVANIA-AMERICAN WATER COMPANY</b>	
Outlook	Stable
Issuer Rating	A3
Senior Secured	A1

Source: Moody's Investors Service

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REPORT NUMBER

1222375

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.19

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

19. Supply copies of all presentations by the Company's and, if applicable, its parent's management and securities analysts during the past 2 years, including presentations of financial projections.

**Answer:** For the Company's presentations please refer to the Investor Relations section of the American Water internet site (<http://amwater.com>). Click on "News & Events" then "Investor Presentations".

Regarding securities analysts' reports, please see CONFIDENTIAL AND PROPRIETARY FR VII.19\_Attachment. Note that these documents are confidential and proprietary and, accordingly, the attachment has been marked "CONFIDENTIAL AND PROPRIETARY". In addition, please note the following Research Report Disclaimer:

"The attached reports on American Water Works Company, Inc. included in this response represent the opinions of third-party companies. American Water neither endorses the material, nor undertakes an obligation to publicly update any subsequent distributions by these or other research companies."

The attachment contains the most recently-published security analyst reports relating to American Water Works that were available as of March 29, 2022. Due to the voluminous nature of providing all of the reports herein, the remaining analyst reports will be made available upon request.

The Company understands that, pursuant to 52 Pa, Code Section 5.423(b), the material provided in the sealed envelopes will not be disclosed pending the issuance of an order or other action by the Commission on the Company's request. The Company will, however, provide this information to a party to this proceeding pursuant to the execution of a suitable confidentiality agreement. This response contains confidential information which can be found in Volume 6d.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.20

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

20. Please provide a listing of all securities issuances for the Company and, if applicable, its parent projected for the next two years. The response shall identify for each projected issuance date, dollar amount, type of security, and effective cost rate.

**Answer:**

Pennsylvania-American Water expects to utilize long-term debt placed through AWCC to meet its financing needs during the 2022-2023 period. Shown below are the planned long-term debt issuances for each year, based on the Company's projected capital investment.

**Projected Long-Term Debt Issuances**

<u>Month/Year</u>	<u>Source</u>	<u>Amount</u>	<u>Rate</u>	<u>Term</u>
May 2022	AWCC	\$ 255,000,000	4.00%	30-Year
Jan 2023	AWCC	\$ 144,000,000	4.00%	30-Year
May 2023	AWCC	\$ 128,000,000	4.25%	30-Year

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.21

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

21. Please identify any plan by the Company to refinance high cost long-term debt or preferred stock.

**Answer:**

The Company continuously evaluates its financing options and currently does not intend to retire long-term debt or preferred stock early. However, the Company will consider any beneficial opportunities to do so, should they arise.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.22

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

22. Please provide copies of all securities analysts' reports relating to the Company and its parent, or both, issued within the past 2 years.

**Answer:**

Please see the Company's response to FR VII.19.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.23

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

23. If applicable, please supply a listing of all common equity infusions from the parent to the Company over the past five years. In each case, identify date and dollar amount.

**Answer:**

YEAR	AMOUNT (\$000)	DATE
2021	none	
2020	\$ 90,000	08/31/20
2019	\$130,000	08/30/19
2018	\$196,000	09/27/18
2017	\$125,000	12/28/17



Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Common Dividend Payments

FR VII.24

**Pennsylvania-American Water Company**

**VII. Rate of Return**

24. If applicable, please identify the Company's common dividend payments to its parent for each of the last five years.

**Answer:**

<u>YEAR</u>	<u>AMOUNT (\$000's)</u>
2021	\$165,759
2020	146,286
2019	132,600
2018	137,879
2017	116,489

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.25

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

25. Provide the latest year-by-year financial projections for the Company for the next five years. Also, please indicate the date these projections were prepared; whether approved by management; and whether the projections have been submitted to bond rating agencies. The information will be treated in a confidential manner, if requested by the Company in writing, as set forth in 52 PA Code § 5.423.

**Answer:**

Below is the management approved budget for 2022 and projections for 2023 through 2026 for the Company's water and wastewater operations, based on present rate revenues.

The projections have not been submitted to bond rating agencies.

DESCRIPTION	2022	2023	2024	2025	2026
	(Thousands)	(Thousands)	(Thousands)	(Thousands)	(Thousands)
Revenues	\$ 799,476	\$ 806,286	\$ 810,487	\$ 802,811	\$ 798,279
Operating & Maintenance Expense	246,524	261,400	266,269	271,463	276,582
Depreciation and Amortization	175,006	193,186	205,321	216,561	232,302
Taxes Other than Income	14,896	15,487	15,838	16,302	16,865
Income Taxes	62,480	65,955	62,594	54,867	46,283
Utility Operating Income	300,570	270,258	260,465	243,618	226,247
Income Deductions	61,942	67,448	72,912	75,082	78,840
Net Income to Common	<u>\$ 238,628</u>	<u>\$ 202,810</u>	<u>\$ 187,553</u>	<u>\$ 168,536</u>	<u>\$ 147,407</u>

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.26

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

26. Please provide the Company's five-year construction budget.

**Answer:** Below is the Company's construction plan net of customer contributions and advances.

2022	\$497,869,374
2023	617,908,902
2024	474,130,157
2025	587,932,428
2026	484,666,862

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.27

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

27. Please identify the Company's and, if applicable, its parent's capital structure targets (percentages of capital types). Provide the complete basis for the capital structure targets.

**Answer:** Pennsylvania-American strives to maintain a common equity to total permanent capital ratio of approximately 55%. This target is based upon the goal to maintain a capital structure that will exhibit financial strength and stability to investors and credit rating agencies, support existing credit ratings, and provide the Company reasonable assurance of access to the debt and equity capital it requires to operate, at a reasonable cost.

The parent's capital structure targets are not applicable to the Company.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.28

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

28. For each month, of the most recent 24 months, please supply the Company's
- Short-term debt balance;
  - Short-term debt interest rate;
  - Balance of construction work in progress; and
  - Balance of construction work in progress which is eligible for AFUDC accrual.

Answer:

a-b.

	<b>Short-Term Debt</b>							
	<b>2020</b>				<b>2021</b>			
	<b><u>Balance</u></b> <b><u>(without</u></b> <b><u>Term Loan)</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b> <b><u>(without</u></b> <b><u>Term</u></b> <b><u>Loan)</u></b>	<b><u>Term Loan</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Balance</u></b> <b><u>(without</u></b> <b><u>Term Loan)</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b> <b><u>(without</u></b> <b><u>Term</u></b> <b><u>Loan)</u></b>	<b><u>Term Loan</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>
Jan	123,055,521	1.7860%			166,525,120	0.2168%	107,659,172	0.9979%
Feb	124,931,028	1.7275%			149,722,089	0.1842%	107,659,172	0.8664%
Mar	164,378,607	1.7997%			188,565,960	0.1727%	107,659,172	0.5506%
Apr	35,538,828	1.5614%	107,659,172	1.7520%	199,548,848	0.1708%		
May	31,237,280	0.8471%	107,659,172	1.7520%	155,965,778	0.1716%		
Jun	167,987,538	0.2588%	107,659,172	1.7520%	189,654,182	0.1241%		
Jul	82,105,664	0.2162%	107,659,172	1.7520%	181,596,080	0.1324%		
Aug	212,311	0.1996%	107,659,172	1.7520%	158,613,723	0.1292%		
Sep	39,255,759	0.1774%	107,659,172	1.4868%	228,677,150	0.1307%		
Oct	60,331,182	0.2016%	107,659,172	0.9834%	222,649,023	0.1236%		
Nov	67,091,578	0.2234%	107,659,172	0.9521%	231,133,735	0.1349%		
Dec	138,584,917	0.2371%	107,659,172	0.9761%	282,368,383	0.1812%		

c.

<b>CWIP Balances</b>		
	2020	2021
	Balance	Balance
Jan	\$ 91,319,606	\$116,791,523
Feb	84,993,423	128,138,246
Mar	90,565,760	130,310,049
Apr	105,216,131	133,639,610
May	102,692,226	140,664,883
Jun	126,338,555	152,311,960
Jul	130,332,159	160,529,857
Aug	133,619,323	154,575,971
Sep	153,936,746	156,324,075
Oct	156,966,297	171,686,959
Nov	133,516,037	169,887,548
Dec	109,536,506	96,767,642

d.

<b>CWIP Eligible for AFUDC</b>		
	2020	2021
	Balance	Balance
Jan	\$ 70,311,655	\$102,575,777
Feb	74,599,104	108,308,023
Mar	77,100,935	110,882,968
Apr	79,989,842	113,691,161
May	85,846,322	113,727,851
Jun	79,927,308	115,017,470
Jul	96,801,402	125,977,251
Aug	105,142,558	134,459,106
Sep	113,262,566	130,463,002
Oct	128,554,968	133,924,960
Nov	129,944,667	137,724,524
Dec	119,695,880	147,143,684

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.29

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

29. Fully identify all debt, other than instruments traded in public markets, owed to all shareholders, corporate officers, or members of the board of directors, its affiliates, parent company, or subsidiaries.

**Answer:** The debt owed to the Company's financing affiliate (AWCC) is listed below:

**Inside Debt at December 31, 2021**

<b>Short-Term Debt - Inside</b>					
<b>Description</b>	<b>Rate</b>	<b>Principal</b>			<b>Affiliate</b>
Short-Term Notes Payable - AWCC *	Variable	\$282,368,383			AWCC
<b>Total Inside Short-Term Debt</b>		<b>\$282,368,383</b>			
<b>Long-Term Debt - Inside</b>					
<b>Description</b>	<b>Rate</b>	<b>Principal</b>	<b>Issued</b>	<b>Maturity</b>	<b>Affiliate</b>
5.05% 26 Year LTD series	5.05%	50,500,000	11/21/2011	10/15/2037	AWCC
4.30% 30 Year LTD series	4.30%	45,000,000	12/17/2012	12/1/2042	AWCC
4.30% 30 Year LTD series	4.30%	23,015,000	12/21/2012	12/1/2042	AWCC
3.85% 10 Year LTD series	3.85%	67,000,000	11/20/2013	3/1/2024	AWCC
3.40% 10.5 Year LTD series	3.40%	36,200,000	8/14/2014	3/1/2025	AWCC
4.30% 28 Year LTD series	4.30%	65,700,000	8/14/2014	12/1/2042	AWCC
3.75% 30 Year LTD series	3.75%	240,000,000	8/10/2017	9/1/2047	AWCC
2.95% 10 Year LTD series	2.95%	101,426,171	9/13/2017	9/1/2027	AWCC
3.75% 10 Year LTD series	3.75%	74,739,360	8/9/2018	9/1/2028	AWCC
4.20% 30 Year LTD series	4.20%	227,489,000	8/9/2018	9/1/2048	AWCC
3.75% 10 Year LTD series	3.75%	124,719,875	9/11/2018	9/1/2028	AWCC
3.45% 10 Year LTD series	3.45%	110,000,000	5/23/2019	6/1/2029	AWCC
2.80% 10 Year LTD series	2.80%	30,000,000	4/14/2020	5/1/2030	AWCC
3.45% 30 Year LTD series	3.45%	90,000,000	4/14/2020	5/1/2050	AWCC
2.30% 10 Year LTD series	2.30%	47,500,000	6/14/2021	6/1/2031	AWCC
3.25% 30 Year LTD series	3.25%	47,500,000	5/14/2021	6/1/2051	AWCC
<b>Total Inside Long-Term Debt</b>		<b>\$1,380,789,406</b>			

\* Consists of outstanding commercial paper backed by revolving credit facility.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.30

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

30. Provide a summary statement of all stock dividends, splits, or par value changes during the two (2) year calendar period preceding the rate case filing.

**Answer:**

Stock Dividends for American Water Works Company, Inc.:

	1Q	2Q	3Q	4Q	Total
<b>Fiscal year ended December 31, 2020</b>					
Dividends paid per common share	\$0.500	\$0.550	\$0.550	\$0.550	\$2.150
Dividends declared per common share	0.000	0.550	0.550	1.100	2.200
<b>Fiscal year ended December 31, 2021</b>					
Dividends paid per common share	\$0.550	\$0.603	\$0.603	\$0.603	\$2.358
Dividends declared per common share	0.000	0.603	0.603	1.206	2.412

There were no splits or par value changes in 2020 and 2021.



Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.31

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

31. If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and consolidated system, the reasons for this claim must be fully stated and supported.

**Answer:** Not applicable.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR VII.32

**Pennsylvania-American Water Company**  
**VII. Rate of Return**

32. To the extent not provided elsewhere, supply financial data of the Company and parent, if applicable, for the last five (5) years.
- a. Times interest earned ratio--pre and post tax basis.
  - b. Preferred stock dividend coverage ratio--post tax basis.
  - c. Times fixed charges earned ratio--pre tax basis.
  - d. Dividend payout ratio.
  - e. AFUDC as a percent of earnings available for common equity.
  - f. Construction work in progress as a percent of net utility plant.
  - g. Effective income tax rate.
  - h. Internal cash generations as a percent of total capital requirements.

**Answer:**

Please refer to the response in VII.01 for financial data related to a.- c. Please note that a. and c. reflect the same answer for the Company and Parent.

Pennsylvania-American Water and Parent financial data for the last five-year period are provided below for d.-h.

<b>PA AW</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
d. Dividend payout ratio	0.72	0.74	0.71	0.73	0.72
e. AFUDC/ Income Available for Common Equity	0.2%	2.5%	2.6%	3.3%	0.7%
f. CWIP/ Net utility plant	0.02	0.02	0.02	0.01	0.03
g. Effective income tax rate	19.2%	27.9%	27.5%	28.8%	41.4%
h. Internal cash/ Total capital requirements					
Rate of Return on Book Equity	10.19%	9.05%	9.17%	10.21%	10.02%
Gross Cash Flow/ Total Debt	12.16%	11.81%	25.68%	27.70%	26.43%

<b>Parent</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
d. Dividend payout ratio	0.34	0.55	0.57	0.56	0.68
e. AFUDC/ Income Available for Common Equity *					
f. CWIP/ Net utility plant	0.04	0.04	0.04	0.03	0.04
g. Effective income tax rate	23.0%	23.3%	25.5%	28.1%	53.3%
h. Internal cash/ Total capital requirements					
Rate of Return on Book Equity	17.31%	10.99%	10.15%	9.67%	7.91%
Gross Cash Flow/ Total Debt	14.63%	17.57%	19.00%	19.53%	22.60%

Note:

\*For e. (AFUDC/ Income Available for Common Equity), ratio not provided because Parent does not separately report AFUDC.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Cost of Service

**Pennsylvania-American Water Company**  
**VIII. Cost of Service**

1. Provide a complete, fully allocated, cost of service study if an interval of three years has passed between a previous cost of service study and the historic test year date of the current filing. The cost of service study shall provide the necessary data to determine if the water or wastewater rate structure is fair and equitable to all classifications of water or wastewater customers (including public and private fire protection customers) and reflects, as nearly as possible, the cost of providing the service. The study shall correspond to the test year proposed revenue requirements (future test year only, if used). Summaries of conclusions and all back-up calculations shall be made part of the submission of the cost of service study, and shall include the following:
  - a. A description of the allocation methods used. A comparison of the allocated cost of service by class with the present and proposed revenues. A cost of service schedule showing the rate of return produced by present and proposed rates by class of service.
  - b. Indicate if the method used for establishing the allocation factors in the cost of service study deviates from the previous study submitted in the last rate case. If yes, indicate which allocation factors were changed and discuss the reason for the changes.
  - c. Supply the average day, the maximum day, and the maximum hour deliveries to the system adjusted for storage for the historic test year and two prior years. Also, provide workpapers, analyses, comparative data or other documentation supporting the estimated maximum day and peak hour demands by customer class reflected in the company's cost of service study.
  - d. Explain thoroughly the methodology employed if the company distinguishes between transmission and distribution or collection mains in its allocation of costs.
  - e. Provide a detailed explanation of how storage is utilized to meet base, maximum day and maximum hour demands.
  - f. Provide workpapers, calculations and supporting documentation which develop the equivalent meters and equivalent service line weights reflected in the company's cost of service study.

- g. Provide all workpapers and supporting documentation for the fire flow requirement and duration utilized in the cost of service study.
  - h. Provide a breakdown of the number and size of private fire services according to the general water service class of customer.
  - i. Provide a calculation of the company's base cost of water or wastewater per unit of consumption or usage.
  - j. Provide a detailed cost analysis that supports the company's customer charges, by meter size, showing all direct and indirect costs included.
2. Provide a listing of negotiated special rate contracts which includes a comparison of revenues under special rate contracts and under tariff rates. Provide the cost of service treatment of any deficiency in revenues resulting for the negotiated special rate contracts. Special rates are defined as rates not contained in the currently-effective tariff.

**Answer:**

Please refer to PAWC Statement No. 12 and accompanying exhibits for the above filing requirements.

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Quality of Service SDWA Violations

FR IX.1

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

1. Indicate whether the Company is in violation of any provision of the Pennsylvania Safe Drinking Water Act (SDWA) or any rule, regulation or order, or any condition of any permit, variance or exemption granted by the Pennsylvania Department of Environmental Protection (PA-DEP), or its predecessor.

RESPONSE: Pennsylvania American Water Company is not in violation of any provision of the SDWA or any rule, regulation or order, or any condition of any permit, variance or exemption granted by the Pennsylvania Department of Environmental Protection (PA-DEP), or its predecessor.

- a. Provide information indicating whether the Company is in compliance with SDWA provisions at 25 Pa. Code, §109.407 regarding general public notification requirements.
- (i) Provide a copy of each public notification given in accordance with this section since the last rate proceeding.

RESPONSE: PAWC complies with all requirements of public notification as specified in the SDWA under 25 Pa. Code §109.407. PAWC provides notification to the public on main line breaks, hydrant shears, etc., where public health concerns dictate the issuance of a boil water advisory. Due to the volume of notifications, PAWC does not attach individual copies of the notifications, but is able to provide them upon request.

- (ii) Provide a detailed explanation of all actions taken to remedy an acute violation, and/or to comply with the requirements prescribed by a variance or exemption.

RESPONSE: In 2021, the Company had 3 violations as specified in the SDWA under 25 Pa. Code §109.407 pursuant to the PA Safe Drinking Water Act. The violations occurred in our Turbotville, Yardley, and Lake Winola systems. None of the violations were related to treatment technique violations requiring a boil water advisory to the public. The violations require Tier 3 public notification. Notification for Yardley will be captured in the Consumer Confidence Report (“CCR”) to be issued in February 2022. The others, Turbotville and Lake Winola, will be captured in the Consumer Confidence Report (“CCR”) to be issued in April 2022.

- (iii) State whether any fines or penalties were assessed by PA-DEP, and indicate the amounts paid by the Company.

RESPONSE: The Pa DEP did not assess any penalties or fines for these violations.

- b. (i) Provide the most recent copies of all annual consumer confidence reports issued pursuant to the SDWA Amendments of 1996 since the last rate proceeding.

RESPONSE: All current CCRs are posted on the company's website at <https://amwater.com/paaw/>, under water quality reports. Individual systems can be located by utilizing the zip code of the water system or selecting the system directly. The 2021 CCRs were recently completed and posted to PAWC's website. If a specific CCR is desired for a prior year, PAWC can produce that document upon request.

- (ii) Provide any annual consumer confidence reports which reflect violations of State and Federal safe drinking water requirements.

RESPONSE: The 2021 CCRs for the Yardley, Lake Winola, and Turbotville systems include references to such violations.

- (iii) Explain how these violations were resolved.

RESPONSE: The failure to collect a scheduled quarterly Dioxin sample in the Yardley system resulted in a monitoring violation. This was a missed sample which was corrected when the Dioxin sample was collected the following quarter.

The Turbotville system violation was the result of a failure to collect a scheduled quarterly Disinfection Byproducts Sample (DBP). Sample was collected and shipped to the lab, but the shipping company did not deliver to the laboratory for analysis. A separate sample was collected with compliant results, but outside of the sampling window. A sample was collected the following quarter as required.

The Lake Winola system violation was the result of late reporting. Lake Winola is a seasonal system that operated one day beyond the designated seasonal timeframe. The additional sample collected on the seasonal portion of the distribution system was reported timely, but the sample collected at the sample location required year-round was not. The violation was corrected when the additional sample information was provided to PA DEP.

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Quality of Service Operating Pressure Standards  
 FR IX.2

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

2. Indicate whether the Company is in compliance with 52 Pa. Code, § 65.6(a) regarding normal operating pressure standards, with 52 Pa. Code, § 65.6 (d) regarding pressure surveys at regular intervals.
- a. Provide details on any water pressure problems, lasting longer than five days, which had occurred since the last rate proceeding in any part of the water transmission and distribution system.
  - b. Describe any action taken on a temporary basis, and the long term solutions developed to address any water pressure problems.

Answer:

- a. In the Uniontown/Connellsville District, Pennsylvania-American Water has an area on Frisbee Circle, Connellsville, PA with low pressure. A jet pump was installed at the customer's residence as a short-term resolution. A capital project involving system improvements to serve this area from a higher gradient is planned for completion in 2023. In the Brownsville District, several customers in the Hiller gradient experience chronic low pressure. Residential jet pumps are being installed as a short-term solution. In 2023, a new tank will be installed with a higher overflow elevation to serve this gradient and bring these customers to normal operating pressure. In the Jackson Township area of the New Castle/Ellwood District, there has been a significant amount of growth with additional growth planned. This growth has caused pressure issues that are being addressed by a project that will create a new gradient and includes a booster pump station, elevated tank and new water mains. This project is planned to be completed in 2023.
- b. While not reaching the level specified in part a, above, water flow or pressure concerns were identified as a primary reason for approximately 38 waterline replacement or dead-end looping projects in the 2020 and 2021 DSIC cycles. These projects totaled approximately 33,300 linear feet.



Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Quality of Service Interruptions

FR IX.3

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

3. Provide support to demonstrate that water or wastewater service is being furnished on a continuous basis by supplying a summary of the Company's records of each service interruption greater than 24 hours since the last rate proceeding.

**Answer:**

**Wilkes-Barre/Scranton District**

2/3/21 – 2/4/21 (200 customers)

A 12" water main broke in a remote area off Elmhurst Blvd in Scranton. The gradient and weather conditions resulted in the repair lasting longer than 24 hours.

2/19/21 – 2/20/21 (150 customers)

An 8" water main broke on Birch Street in Scranton. It took over 24 hours to locate and repair the leak, which resulted in low pressures in the area. During that time regulators were adjusted to bring in additional flow and increase pressures.

9/17/21 – 9/20/20 (30 customers)

An 8" water main broke under Harvey's Creek near Nanticoke. The leak lowered area system pressures and approximately 30 customers were out of service. Locating and isolating the leak lasted longer than 24 hours.

12/16/2021 – 12/17/2021 (4 customers)

A 30" water main broke near the intersection of Linden St and 7<sup>th</sup> Avenue in Scranton. The leak was repaired in approximately 24 hours.

**McMurray District**

8/11/2020 – 8/18/2020 (3 customers)

An 8" water main broke near the intersection of Adams and Pike St in Canonsburg. The main was replaced but the sanitary sewer line was damaged during the repair resulted in the repair lasting longer than 24 hrs. Water was temporarily supplied by a portable water buffalo.

10/25/21 – 10/26/21 (100 customers)

A leaking service tapped into a 2” blow off required replacement of a section of 30” lock joint main on East Beau St (RT 136) in Washington. There were approximately 100 customers affected and a single customer requested and was supplied with a portable water buffalo.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Quality of Service Customer Complaints

FR IX.4

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

4. Provide a discussion of the Company's policy, or provide a copy of the policy if in written form, on tracking and responding to customer complaints.
  - a. Provide a summary report demonstrating the Company's compliance with 52 Pa. Code, §65.3 regarding the full and prompt investigation of service or facility complaints and the record keeping requirements of such complaints.

**Answer:**

- a. Please refer to FR IX.04\_Attachment\_Redacted.

## PA DISPUTE PROCESS

[TOP](#)

The Pennsylvania Public Utility Commission has set specific guidelines for AW to resolve any customer dispute within 30 days from the creation of the original contact by obtaining verbal satisfaction or issuing a Utility Company Report. If a dispute is not correctly identified, it could result in the company being penalized with a justified infraction (violation). This type of infraction may potentially include the company paying fines. As CCAs, it is important that we properly identify a customer dispute and follow the dispute process to remain in compliance with PUC Regulations and to avoid infractions.

### What is a Dispute? - Pennsylvania Regulations

**Dispute:** A grievance of an applicant, ratepayer or occupant about a utility's application of a provision covered in this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts, or the proper party to be charged. If, at the conclusion of an initial contact or, when applicable, a follow-up response, the applicant, ratepayer, or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

With that being said:

The Pennsylvania Public Utility Commission regulations considers any contact made between American Water and its customers to be a dispute if; at the conclusion of a call, a Pennsylvania customer has not indicated satisfaction about the issue in question. Once a dispute is identified, we have 30 days to either obtain verbal satisfaction from the customer or send the customer a letter called a "Utility Company Report."

In order for us to resolve issues within the timeframe allowed by the Pennsylvania Regulations, we have outlined a process that will enable CCAs to successfully handle any situation that may arise.

The following points have been identified to guide CCAs in determining the best course of action based upon the issue presented by the customer:

1. Identify the issue that the customer has raised.
2. Resolve the customer's issue so that no dispute exists.
3. Identify special circumstances.
4. Follow up on unresolved issues that become disputes.
  - Place locks on accounts
  - Issue service orders when appropriate
  - Create BPEM cases when appropriate
  - Send CSC – Sup Emails when appropriate

## IDENTIFYING A POTENTIAL DISPUTE

[TOP](#)

Any issue that you resolve with the customer over the phone and that customer expresses satisfaction with the resolution of their issue, is not considered to be a dispute. Only when the customer does not express satisfaction with the resolution of the issue or the outcome of their contact with you, is there a dispute.

**Note:** If possible, we always want to resolve the customer's issue on the first contact. If you are not able to resolve the customer's issue and as a result you create an investigative service order, BPEM case, send a



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## IDENTIFYING A POTENTIAL DISPUTE

[TOP](#)

Sup Email, and/or place locks on an account, the customer's issue is **considered a dispute**, as resolution is pending based on follow up from other departments. In this case, we consider the customer not satisfied.

If a dispute exists at the end of your call, you have the following options:

1. If required, issue a service order to resolve the customer's issue,
2. If required, create a BPEM case for another department to review and follow up on the customer's issue,
3. If required, send a CSC – Sup Email for local investigation or follow up,
4. If a bill or payment is in dispute, place a 30-day dunning lock on the account with the **Bill Inquiry/Dispute** reason, as well as a 30-day **Calculate Interest > Late Payment Charge** lock,  
- Or -
5. If none of the above options are applicable to the customer's issue, escalate the call to a Team Supervisor.

Once an issue has become a dispute, we have 30 days to attempt to resolve the issue to the customer's satisfaction. As CCAs, our objective is to identify disputes and forward them to the appropriate department. Other groups then follow up on each of these issues to reach resolution within 30 days.

## SPECIFIC EXAMPLES OF POTENTIAL DISPUTES

[TOP](#)

### High Bill Complaints & Expansion Tanks

In the case where a customer is concerned about a high bill, perform the High Usage Review in MyWater. It is also necessary to ask the customer if they have an expansion tank and check valve installed in their home. Please use the table below to determine your course of action:

Situation	Do you have an expansion tank?	Do you have a check valve?	Take Action
Expansion Tank and Check Valve Present	Yes	Yes	Follow normal high bill process. <b>Remember;</b> offer the leak kit before issuing a service order.
Expansion Tank with <b>NO</b> Check Valve	Yes	No	Issue an Inspect for Leak service order with comments to "Check for expansion tank and/or check valve."
Expansion Tank and Check Valve UNKNOWN	Unknown	Unknown	Issue an Inspect for Leak service order with comments to "Check for expansion tank and/or check valve."



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## SPECIFIC EXAMPLES OF POTENTIAL DISPUTES

[TOP](#)

**NO** Expansion Tank  
or a Check Valve

No

No

Follow normal high  
bill process.  
**Remember;** offer the  
leak kit before issuing  
a service order.

If the answers to the probing questions indicate that the high usage cannot be explained, we attempt to gain customer satisfaction by directing the customer to [amwater.com](http://amwater.com) to view the leak detection kit. If the customer is not willing to review the leak kit information, or if they have reviewed the leak kit information and investigated with no leaks found, the issue has become a dispute.

Ensure the High Usage Review has been completed and issue an Inspect for Leak service order for field investigation. Place a 30-day dunning lock on the account with the **Bill Inquiry/Dispute** reason, as well as a 30-day **Calculate Interest > Late Payment Charge** lock. The Account Resolution Team has the responsibility to follow up on Inspect for Leak service orders and will attempt to resolve the customer's issue.

**\*\*Note\*\*:** Once the customer has been disconnected for non-payment, they can no longer dispute a high bill. However, if there are extenuating circumstances, escalate to a Team Supervisor.

### Late Charges

If a customer is requesting credit for a late fee, follow normal process. CCAs have the authorization and ability to apply a credit for a late fee based on account research.

### Estimated Reads

In the case where a customer refuses to pay a bill because the latest read has been estimated and the meter is read monthly, issue the appropriate service order (Consecutive Estimates Inside or Outside) depending on the meter location. In addition, place a 30-day dunning lock on the account with the **Bill Inquiry/Dispute** reason, as well as a 30-day **Calculate Interest > Late Payment Charge** lock and create a BPEM for ART to review the customer's issue.

### Leak Adjustment Requests

If a customer is requesting a leak adjustment complete the following:

- Use the Leak Adjustment Tool to determine if the account is eligible for an adjustment on the highest consumption bill.

The Leak Adjustment Tool should be used on every leak adjustment request in PA. The Tool is programmed with adjustment guidelines that have been provided by the State. In Pennsylvania, there are no other considerations that can be taken into account for a leak adjustment.

## SPECIFIC EXAMPLES OF POTENTIAL DISPUTES

[TOP](#)

If a customer is unhappy with their denial or with the amount provided by the tool, provide the customer with the information on how the adjustment is calculated. Leak adjustments are provided as a courtesy to the customer, and are based on:

- ✓ Leak adjustment type
- ✓ Average consumption
- ✓ Calculation provided by the State (example: 40% or 50% of usage over the average consumption)

As part of Customer Obsession, use empathy and educate the customer on the “why” behind the company’s position regarding their adjustment.

Do not send a BPEM case to the Account Resolution Team requesting an adjustment to be reviewed due to a denial or amount provided. The only BPEM cases ART should receive regarding this matter is if the customer would like to dispute this decision and the dispute requires information in writing via the Utility Company Report (UCR).

### Local Field Operations Issues (NSIs and Loss Control)

NSI requests, Loss Control issues complaints and inquiries, and low pressure issues should continue to be handled using the current processes.

- When a customer calls regarding follow-up of an existing problem that was supposed to be handled by Local Operations, send an LODS BPEM case.
- If a customer has called three (3) times regarding the same issue, escalate the request to your Team Supervisor via a Supervisor Follow-Up BPEM.

### Local Field Operations Issues (Restoration and Water Quality)

Restoration and Water Quality complaints and inquiries and handled using the following process in PA.

For a new Restoration request:

- The CCA will complete the AW Restoration Notification and will advise the customer someone will be in contact with them within **three** business days.
- An Operations Specialist reviews all notifications created within the last 48 business hours on a daily basis.
- If a notification has no documentation and/or no indication of customer satisfaction, the Operations Specialist will reach out to the field and will contact the customer.
- If it has been more than **three** business days from the initial contact, the Operations Specialist will follow the account to complete the dispute process.

For a customer following up on an outstanding restoration notification (no contact has been made within 3 business days, or customer has called 3 or more times):

- Escalate the request to your Team Supervisor via a Supervisor Follow-Up BPEM.
- The Team Supervisor will escalate the issue to an Operations Specialist, who will contact the customer.

## SPECIFIC EXAMPLES OF POTENTIAL DISPUTES

[TOP](#)

For a customer following up on an Incomplete or unsatisfactory completion of a Restoration or WQ issue:

- The CCA will create a notification that references the prior notification and will advise the customer that someone will be in contact with them within 3 business days.
- Escalate the request to your Team Supervisor and include the new notification number in the Supervisor Follow-Up BPEM case.
- The Team Supervisor will escalate the issue to an Operations Specialist, who will contact the customer.

### ATP – Negotiation Guidelines

If a customer is not satisfied with the options provided that is within the ATP Negotiation Guidelines, document “not satisfied” in the Interaction Record. As long as the CCA provided correct options and made the proper documentation there is nothing else the company is required to do. ATP disputes follow a different PA Regulation than other disputes, such as billing, local field, or other disputes.

Common ATP disputes include: installment plan disputes, catch up amount disputes, disconnection/reconnection disputes, medical certificate eligibility.

## ASSESSING SATISFACTION

[TOP](#)

At the end of the call we are required to ask, “**Have I satisfied all your concerns today?**” We will continue to ask this question, because it is a requirement to document the customer’s satisfaction (or lack thereof) in the Interaction Record comments. However, when dealing with a potential dispute, it is very important that we determine and document if the customer is satisfied with the resolution of the issue.

In a sense, one question is being asked to satisfy two different concepts:

1. the customer’s satisfaction with the way that you have treated them
2. the customer’s satisfaction with the resolution of the issue they have raised

*Example: Customer says, “You were great, but I’m not satisfied that I still have this high bill”*

**This is considered a dispute, and your Interaction Record comments should indicate that the customer was not satisfied.**

**You should include in your Interaction Record comments: *Satisfied with information provided, not satisfied with open issue.***

As stated earlier, it is important that we recognize that the customer’s issue is **considered a dispute** if resolution of their issue is pending based on follow up from other departments. In this case, we consider the customer not satisfied, regardless of their satisfaction with the way you handled the call.

If the customer disconnects the call before you have a chance to assess satisfaction, this is considered a dispute as well. Create a Supervisor Follow-up BPEM case with details regarding the call and that the





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## ASSESSING SATISFACTION

[TOP](#)

customer disconnected before satisfaction could be obtained. The Supervisor will attempt to reach the customer to gain satisfaction.

Understanding and properly documenting this in Interaction Record comments is very important in situations in which the customer contacts the PUC. If Interaction Record comments simply indicate “Satisfied” and the customer contacts the PUC with an unresolved issue, American Water is in violation of PUC Regulations.

## DOCUMENTING INTERACTION RECORD COMMENTS

[TOP](#)

When entering notes in your Interaction Record, it is important to include detailed notes about the customer’s reason for calling, and what actions were taken to attempt to resolve the customer’s issue. Additionally, as explained above, properly noting the assessment of customer satisfaction is a major component of IR comments.

In situations in which a customer raises a dispute, the following components must be included in your Interaction Record comments:

- What the customer is disputing/not happy with/what they called about
- What steps you took to resolve the issue (scheduled service order, created BPEM, sent email, placed locks), and that you discussed these actions with the customer
- That you explained to the customer that they are still responsible for their current bill, or if their current bill is in dispute that they are responsible for their current charges going forward
- Assessment of satisfaction

Due to the importance of having detailed notes for disputes, the following suggested template has been created. Whether or not this template is used, it is important to remember that the above components are required.

- (Customer name) called about / is disputing:
- Actions taken to resolve the dispute (include if ATP was updated and the category):
- Advised customer that they are still responsible for (current bill) (current charges going forward) and offered payment.
- Satisfied with the information provided, not satisfied with open issue.

## FOLLOW UP SURVEY

[TOP](#)

A survey is built in to MyWater when the **Create** button is clicked after creating an Interaction Record. This survey captures the reason the customer called to help ensure proper follow up is completed and to avoid unnecessary PUC complaints. This pop up will ensure a BPEM to PA Customer Advocacy is created and Dunning Locks are placed on the account. Customer Advocacy will follow up on customer disputes ensure timely resolution.

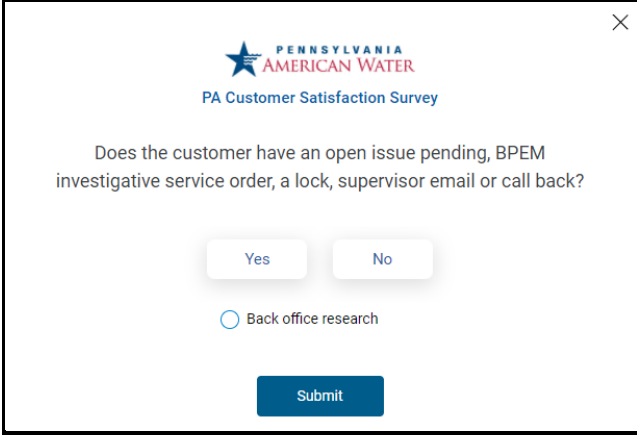
## FOLLOW UP SURVEY


[TOP](#)

**Note:** Assessing satisfaction at the end of a Pennsylvania call and documenting in Interaction Record comments is a requirement for all calls and has NOT changed with this enhancement.

As you know, a dispute exists on a PA account if any one or more of the following actions are required/needed to move the account to resolution:

- BPEM was created
- Lock(s) entered
- Supervisor email or call back required/needed
- Investigative service order was generated (Inspect for Leak, Consecutive Estimates, etc.)



  
 PA Customer Satisfaction Survey

Does the customer have an open issue pending, BPEM investigative service order, a lock, supervisor email or call back?

Back office research

**Back Office Research checkbox is to be utilized ONLY when no customer contact (i.e. phone call) exists and account research is required.**

Examples of research needed before a customer call back is made may be (but not all-inclusive):

- Collections Team review of Installment Plan/ATP history prior to creating an IP.
- Supervisor accesses the account to review service order, BPEM case, and IR comments.
- Contacting the FRCC for additional information and then updating the account with new details in an IR or service order.

## HANDLING EXISTING DISPUTES / OPEN BPEM CASES

[TOP](#)

If a customer has questions about an open ART BPEM, or wants to know status of an open ART BPEM:

1. Review the open BPEM for any updated information and provide the customer with any new information.
2. If no new information, inform the customer that the issue is being addressed and they will receive a letter with the decision.
3. If the customer still has questions about an open BPEM that is still within the 30 days and they request a callback, send a BPEM to CS – Account Resolution Team Follow up and include a good



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## FOLLOW UP SURVEY

[TOP](#)

call back phone number where the customer can be reached between the hours of 8:00am-5:00pm CST, Monday-Friday.

4. If the BPEM is close to being 30 days old or is past 30 days, escalate the customer's issue to CS – Escalation Account Resolution Follow-Up BPEM.
5. If the customer is not satisfied, is very unsatisfied, or is irate, escalate the call to a Team Supervisor.

## UTILITY COMPANY REPORT (UCR)

[TOP](#)

Whenever a customer initiates a dispute, we have 30 days to either satisfy the customer's concerns or send the customer a Utility Company Report. This report, (Correspondence letter), gives closure to the customer's issue and satisfies AW's requirements according to the Pennsylvania Regulations.

The Utility Company Report is generated by the ART Team; it is written on company letterhead that outlines the following:

- The customer's complaint/dispute
- AW's findings
- AW's position
- Information to the customer regarding the dispute

Since no two issues are identical, each Utility Company Report is unique in its composition.



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## UTILITY COMPANY REPORT (UCR)

[TOP](#)

### Sample of a Utility Company Report



01/11/2022

Customer Name  
Customer Address

**For Service To:**  
Account Number:  
Service Address:

Dear Customer

**Statement of Dispute:**  
text

**Findings:**  
text

**Position:**  
text

Should you have questions or would like to discuss a possible payment agreement, please feel free to contact us at 1-717-550-1606. Customer Advocacy Representatives are available to assist you Monday through Friday from 8 a.m. to 5:00 p.m.

**Information to the Customer:**

Your account balance as of \_\_\_\_\_ is \_\_\_\_\_. Your account will become delinquent on \_\_\_\_\_ unless you pay the overdue amount, enter into a payment agreement, or file an informal complaint with the Pennsylvania Public Utility Commission. No attempt to collect this debt will occur until after \_\_\_\_\_.

If you wish to make a payment by phone, please call toll free at 1-855-748-6066. You can avoid the fee if you pay by electronic check on MyWater. Log on to [amwater.com/myaccount](http://amwater.com/myaccount). If you are new to the site, be sure to have your account number with you when you log on.

Please know that the hold on your account will be removed on \_\_\_\_\_ . That means that any collection or shut off activity may resume.

If you do not agree with the findings, you may file an informal complaint with the Pennsylvania Public Utility Commission. This can be done by phone at 1-800-692-7380, online at <http://www.puc.state.pa.us/> or by mail at P.O. Box 3265, Harrisburg, PA 17105-3265.

When filing a complaint with the Pennsylvania Public Utility Commission, the complaint must include the following information: (1) The name and address of the complainant and, if different, the address at which service is provided. (2) The telephone number of the complainant. (3) The account number of the complainant, if applicable. (4) The name of the public utility. (5) A brief statement of the dispute. (6) Whether the dispute formerly has been the subject of a public utility company investigation and report. The

complainant shall affirm having first contacted the public utility for the purpose of resolving the problem about which the complainant wishes to file a complaint. If the complainant has not contacted the public utility, the Commission shall direct the complainant to the public utility. (7) Whether the dispute formerly has been the subject of a Commission informal or formal complaint. (8) The date, if any, of proposed termination. (9) The relief sought.

We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

\* Company report issued on \_\_\_\_\_ and sent to \_\_\_\_\_

Esto es un aviso importante sobre su servicio de agua / alcantarilla. Para la ayuda de la traducción, por favor llamas a Pennsylvania American Water al numero 1-800-565-7292.

Last revision date of the document: 12/20/2021

## UTILITY COMPANY REPORT (UCR)

[TOP](#)

Utility Company Reports are issued:

1. In situations where a customer does not verbally indicate satisfaction and satisfaction will not be reached per AW guidelines, policy, or procedures. The letter is sent within 30 days from the initial contact regarding the dispute.
2. In situations where a customer expresses verbal satisfaction with the resolution of the issue but would like written documentation regarding the decision or results of the issue.

### Follow Up on a Utility Report

At the beginning of the call, if a Utility Company Report has already been sent to the customer regarding the issue, determine if any circumstances have changed, or if new circumstances have recently occurred. If this is the case, create a new BPEM to CS – Account Resolution Team Follow-Up with detailed notes about the change or new circumstances.

### Customer Disputes the Utility Report Findings

If a customer has received a leak denial letter or a Utility Company Report and is not satisfied with the information in the report or has additional questions concerning the report:

- Send a BPEM to CS – Account Resolution Team Follow-Up and include notes on why the customer is not satisfied. Additionally, include a good call back phone number where the customer can be reached between the hours of 8:00am-5:00pm CST, Monday-Friday.

## CALLS TO THE PUC AND/OR LAWYER

[TOP](#)

We want to make sure that we have done everything to resolve the customer's issue **before** the customer contacts the PUC. If you have a customer who informs you that they are going to call the PUC or requests the number to the PUC explain to the customer that we would like to attempt to resolve their issue before they contact the PUC.

If the customer is requesting the number to the PUC, escalate the call to a Supervisor. A Supervisor will attempt to resolve the customer's issue before they call the PUC. If the issue cannot be resolved, the Supervisor will provide the customer the number to the PUC.

In the Interaction Record comments, include the reason the customer wants to contact the PUC.

### Determining Whether an Official PUC Complaint Exists

Whenever an official Commission complaint is made, the PA Compliance Team creates a BPEM Case Type CS-PUC Case to document the case.

BPEM Type	CS – PUC Case
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The Interaction Record class and actions are used by both the PA Compliance Team and the CSC to document interactions with the customer regarding the PUC Case:

## CALLS TO THE PUC AND/OR LAWYER

[TOP](#)

IR Class	IR Action
Complaints	Customer PUC Complaint
	Customer PUC Complaint – Mediation
	PUC Follow-Up / Invstgtn / Closure

### Follow-Up on PUC Complaints

If a customer states they have a PUC Case or makes mention of the decision the PUC made on their behalf, be sure to review information in the BPEM case titled **CS – PUC Case** and the PUC Interaction Records. PA Compliance will have made notes in the BPEM. Read the notes carefully as there may be instructions on what to inform the customer if a call back is received. In all instances, **remain calm and professional if you see there is an open PUC complaint on the account.**

At times, the customer contacts the CSC after filing a Commission complaint and asks for assistance on their issue. Although the customer has filed a complaint, if you perform account research and determine that there is something we can do at the CSC to assist them, we should take appropriate actions to satisfy the customer. These situations do not occur often, but it is important to understand that once the customer contacts the Commission, we should not always take a “hands off” approach. If we should not offer assistance to the customer, Compliance will include this in the CS – PUC Case BPEM notes.

### Suggested Scripting:

“I see you have contacted the Commission concerning your account. I will research your account to determine what we can do assist you.”

### Examples:

- If the customer’s complaint is regarding an installment plan, and the customer is eligible for one, you can set the customer up on an installment plan based on their ATP category.
- If the customer’s complaint is regarding a high bill, and we have not yet investigated, complete the High Usage Review process with the customer.
- If the customer’s complaint is regarding a restoration issue, and a Restoration Notification has not yet been created, create a notification.
- If there are situations that are not as clear-cut and involve extenuating circumstances, review with a Supervisor.
  - Ask the customer to hold while you perform account research. To enhance customer experience and to take ownership of the situation, do not advise that you are getting a Supervisor involved.
    - Discuss the situation with a Supervisor.
  - If you cannot locate a Supervisor, ask the customer if they would be willing to receive a call back after their account has been reviewed. Advise that they will be contacted within 24 hours. Send a Supervisor Follow-up BPEM case for your Supervisor to review the customer’s issue.
    - Supervisors will call the customer back to discuss if any actions can be taken on their account to resolve their issue.



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## CALLS TO THE PUC AND/OR LAWYER

[TOP](#)

If we are able to assist the customer, we can advise the customer that they should contact the PUC back to withdraw their complaint.

### **Open PUC BPEM:**

After viewing the PUC Case BPEM and following the instructions, if a customer has a question or wants additional information on an existing complaint it is our job to forward the information to Compliance for follow up. **NEVER refer the customer back to the PUC regarding their complaint.**

### **Suggested Scripting:**

"I see you have contacted the Commission concerning your account. At this time, I do not have any additional information to provide. What I can do to assist you is to forward your information to our AW internal contact."

If the customer's situation is **urgent** (water is off; customer indicates the PUC has advised them of a decision and there are no notes in the CS – PUC Case BPEM):

1. Create a PUEC-PA-Compliance Follow Up BPEM with detailed notes regarding the customer's question or request (this is for tracking purposes for the Compliance Team).
2. Ask your customer if they will hold while you perform further research on their account.
3. Contact a Team Supervisor, who will reach out to Compliance to determine what our next actions should be.
4. Complete any actions on the account as advised by Compliance.

If the customer's situation is **non-urgent** (water is on; customer following up on request for PUC Budget; customer has questions about change in their PUC Budget; etc.):

1. Create a PUEC-PA-Compliance Follow Up BPEM with detailed notes regarding the customer's question or request. Include a contact telephone number for the customer to be reached.
2. A return call will be made within 3 business days. (They will try to get back to the customer on the same day if able).
3. Include notes regarding the customer's request in your Interaction Record comments.

## PUC COMPLAINTS AND CURRENT BILL TERMINATIONS

[TOP](#)

If a customer calls the PUC with a complaint, the PA Compliance Team will place a lock on the account while the issue is being investigated. At that point, we will not be able to collect on the customer's past due balance; however, the customer **is responsible** for charges from the date of the complaint.

When the customer logs their complaint with the PUC, they are made aware that they must pay their current charges. If the customer does not pay any new charges (since the date they filed the complaint), a termination notice will be sent. **The termination notice will only include charges incurred after the complaint was filed, and that amount is what should be quoted to the customer.**

If there is an open issue regarding an open PUC complaint, create a PUEC-PA - Compliance Follow Up BPEM Case for PA Compliance to review.





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## PUC COMPLAINTS AND CURRENT BILL TERMINATIONS

[TOP](#)

If a customer calls asking what they need to pay to prevent termination or to restore service, offer to update ATP if it has been 30 days or more since the last update. The customer can decline ATP and if so create an RATP record. Advise the customer they must pay the amount on the notice. If the water is off, they must also pay the \$30 reconnection fee. **DO NOT OFFER AN INSTALLMENT PLAN.** The customer is not eligible while they have an open PUC complaint.

### Suggested scripting:

“Because you have an ongoing PUC case, we can only ask for the current charges due on your account as instructed to you by the PUC when you filed your complaint. Have there been any changes to your income and occupancy information since you called on --/--? (Review the information quickly with the customer. If the answer is no, proceed with the scripting. If the answer is yes, take the information and then proceed with the scripting). The amount required to prevent disruption of service is \$\_\_\_\_. I can take that payment over the phone or I can provide you with a payment location, whichever you prefer.”





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## DOCUMENTING IR COMMENTS FOR PA DISPUTES

[TOP](#)

When entering notes in your Interaction Record, it is important to include detailed notes about the customer's reason for calling, and what actions were taken to attempt to resolve the customer's issue. Additionally, as explained above, properly noting the assessment of customer satisfaction is a major component of IR comments.

In situations in which a customer raises a dispute, the following components must be included in your Interaction Record comments:

- What the customer is disputing/not happy with/what they called about
- What steps you took to resolve the issue (scheduled service order, created BPEM, sent email, placed locks), and that you discussed these actions with the customer
- That you explained to the customer that they are still responsible for their current bill, or if their current bill is in dispute that they are responsible for their current charges going forward
- Assessment of satisfaction

Due to the importance of having detailed notes for disputes, the following suggested template has been created. Whether or not this template is used, it is important to remember that the above components are required.

Copy and paste the following notes to use in your Interaction Records. Fill in the blanks as necessary.

**(Customer name) called about / is disputing:**

**Actions taken to resolve the dispute (include if ATP was updated and the category):**

**Advised customer that they are still responsible for (current bill) (current charges going forward) and offered payment.**

**Satisfied with the information provided, not satisfied with open issue.**

# Pennsylvania – Customer Advocacy Process

## Introduction

When a customer or applicant contacts American Water with a question or concern, it is handled as an inquiry. In accordance with Pennsylvania Public Utility Commission regulations, Pennsylvania American Water has five days to resolve the inquiry and obtain customer satisfaction. If the company cannot obtain satisfaction, the inquiry becomes a dispute. If the time to obtain customer satisfaction exceeds five (calendar) days, the inquiry is considered a dispute.

The Pennsylvania Public Utility Commission has set specific regulations for PAW to resolve customer disputes within 30 days from the creation of the **original customer contact**. This would require verbal customer satisfaction or issuance of a Utility Company Report. Our goal is to process all customer disputes in less than 30 days of the original contact date of the customer.

The PA Customer Advocacy Team is involved with customer contact for Local Field Operations issue, Billing and Collection issues. Disputes pertaining to property restoration and high or low pressure are a few of the Local Field Operations issues handled by PA Customer Advocacy. Leak adjustment requests are typically the leading customer dispute. PA Customer Advocacy is also involved in ensuring that commercial properties are receiving actual reads for billing purposes by contacting and scheduling orders to read or repair meter equipment.

## Customer Communication Requirements

Once all activities related to the customer's inquiry/dispute have been completed, customer notification is **required**.

One or more attempts are made to reach the customer by phone to discuss the issue and obtain, as appropriate, customer satisfaction. If the Customer Advocacy team is unsuccessful at reaching the customer, a message with the Customer Advocacy number is left for a return call.

If there is not a return call within 24 hours of the attempt, a Utility Company Report is created and mailed to the customer.

If contact is made with the customer, Customer Advocacy reviews the customer dispute and all pertinent details. The objective is to obtain verbal satisfaction from the customer on our findings and position or resolution on their dispute. A interaction record with the results of the conversation is required even if only a message is left for a call back.

Enhanced customer service skills are used to ensure a positive customer experience and outcome. The explanation of a policy may not be what the customer wants to hear, however. Customer Advocacy provides knowledgeable answers to customer questions and concerns and

# Pennsylvania – Customer Advocacy Process

provide available options. Customer Advocacy explains first what the company can do for the customer and provide the background information on the reasons behind the decisions.

If the customer has a remaining balance after the dispute is resolved, an Installment Plan can be offered to pay off the remaining disputed balance.

The key to successful resolution of a customer dispute is to listen to the customer and acknowledge that we understand their concerns. If Customer Advocacy is unable to satisfy the customer during the phone interaction and the customer continues to dispute the findings and position, Customer Advocacy would follow the escalated resolution process.

## **Escalated Resolution Process**

If speaking with the customer, and they are still not satisfied with options/adjustment/information we are able to provide, please follow the outline below:

- Review the account and determine if the correct information and actions were taken within the 30-day requirement.
- Was the average usage for this customer correct or is there other consideration that needs to be made regarding the average that was used.
- Offer a payment arrangement - Make a diligent attempt to negotiate a reasonable payment agreement- typical PAW arrangements are for current bill + \$40, however, you should take into consideration: the size of the unpaid balance/high bill, the ability of the customer to pay, the payment history of the customer, the length of time over which the bill accumulated. No payment arrangement should go beyond 5 years.
- Review with the Customer Advocacy Supervisor if there is a question on if the complaint is justified.
- If the customer is not satisfied with additional offers, complete the steps as outlined in 56.151 and advise that we will send written documentation (Utility Company Report.) Attach the Utility Company Report to the Contract Account.
- Update all information regarding the conversation and company position in the BPEM case notes. Create an interaction record referencing the BPEM case number.

# Pennsylvania – Customer Advocacy Process

## Utility Company Reports are issued:

1. In situations where a customer does not verbally indicate satisfaction and satisfaction will not be reached per American Water guidelines, policy, or procedures. The letter must be sent within 30 days from the **initial customer contact**.
2. In situations where a customer expresses verbal satisfaction with the resolution of the issue, but would like written documentations regarding the decision or results of the issue.

The 30-day timeline begins on the date of the **initial customer contact with customer service**. If the investigation is **not completed** within 30 days, the customer was not contacted, and verbal satisfaction was not obtained, it is considered out of compliance with the regulations for PA.

## Utility Company Report Process

This report gives closure to the customer's issue and satisfies American Water's requirements according to the Pennsylvania Regulations.

A Utility Company Report is either a letter that is generated by Customer Advocacy that outlines the following:

- The customer's complaint
- American Water's findings
- American Water's position
- Information to the customer regarding the dispute

Since no two issues are identical, each Utility Company Report (UCR) is unique in its composition. In addition to the UCR, a **PUC regulation at 56 PA Code 151.4 requires utility companies to provide a statement of their account that is in dispute**.

The most important part of the Utility Company Report is outlining the timeline that covers the customer's dispute. The start of the timeline is the date from the first contact ( Example: call, correspondence, email, etc. ) when the customer may have been only "inquiring" about the "issue." The Utility Report also needs to have an account statement included.

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
1.11 No Water Calls						
01/2021		3777208		Kingston	220016527113	Wilkes-Barre / Scrant
02/2021		3779027		Wilkes Barre	210032386157	Wilkes-Barre / Scrant
03/2021		3782501		Scranton	210034957098	Wilkes-Barre / Scrant
03/2021		3781604		Blue Bell	220005921395	Norristown District
04/2021		3785078		Warren	210034450412	Warren District
06/2021		3791462		Plymouth	220035193108	Wilkes-Barre / Scrant
06/2021		3792981		Connellsville	220014010923	Connellsville Distri
06/2021		3791473		Plymouth	220035193108	Wilkes-Barre / Scrant
09/2021		3804495		Pittsburgh	210030772752	Pittsburgh District
11/2021		3811252		New Castle	210043112622	New Castle
11/2021		3812187		Carnegie	210031252381	Carnegie
1.11A Outages						
03/2021		3781051		Uniontown	220009744118	Uniontown Dist
1.12 Misc - Dist Complaint						
01/2021		3777381		Norristown	220035662390	Norristown District
05/2021		3787387		Pittsburgh	210034380629	Pittsburgh District
06/2021		3791177		Washington	210030169691	McMurray District
06/2021		3791872		Glassport	210031291676	Mon Valley District
07/2021		3794108		Lemoine	210035402508	Mechanicsburg Distri
07/2021		3796872		Washington	210030379085	McMurray District
08/2021		3798208		Pittsburgh	210032390187	Pittsburgh District
08/2021		3797850		Pittsburgh	210031666683	Pittsburgh District
09/2021		3804639		Scranton	220021847864	Wilkes-Barre / Scrant
11/2021		3814564		New Castle	210044325421	New Castle
12/2021		3815892		Scranton	220038410185	Wilkes-Barre/Scranton
1.3 Damage Due to Const/Rest						
03/2021		3781612		Wilkes Barre	210035310371	Wilkes-Barre / Scrant
03/2021		3783839		Pittsburgh	210036174158	Pittsburgh District
03/2021		3781007		Coatesville	bp1203416545	Coatesville District
04/2021		3784966		Wilkes Barre	210034261834	Wilkes-Barre / Scrant
05/2021		3787478		Dickson City	220030536397	Wilkes-Barre / Scrant
05/2021		3787553		Scranton	210038956837	Wilkes-Barre / Scrant
07/2021		3794878		Wilkes Barre	210035766530	Wilkes-Barre / Scrant
07/2021		3795811		Uniontown	220024750808	Uniontown Dist
07/2021		3796865		Scranton	210034857747	Wilkes-Barre / Scrant
07/2021		3793742		Mc Murray	220035153117	McMurray District
07/2021		3794220		Palmyra	210029656195	Hershey / Palmyra Di
08/2021		3798565		Pittsburgh	210036328429	Pittsburgh District
08/2021		3797894		Yardley	210034324193	Yardley District
08/2021		3800735		WILKES BARRE	220001774511	Wilkes-Barre / Scrant
08/2021		3800989		Bushkill	210030093329	Lehman Pike District
09/2021		3804034		Forest City	210030711399	Wilkes-Barre / Scrant
09/2021		3805558		Throop	220036840490	Wilkes-Barre / Scrant
10/2021		3810250		Norristown	210032584166	Norristown
10/2021		3807250		Wilkes Barre	210035310203	Wilkes-Barre/Scranton
1.3A Incomplete Surface Restoration						
04/2021		3785077		Norristown	210035309791	Norristown District
10/2021		3808461		Wilkes Barre	210036768171	Wilkes-Barre/Scranton
11/2021		3814230		Norristown	210033683202	Norristown
1.3B Customer Property Damage						
01/2021		3778219		Bethel Park	210034878171	Pittsburgh District
04/2021		3786432		Kingston	210030635075	Wilkes-Barre / Scrant
1.4 Pressure						
09/2021		3802481		Castle Shannon	210028758159	Pittsburgh District
1.4A High Pressure						
03/2021		3780980		Houston	220011305981	McMurray District
05/2021		3789378		Carnegie	210036989657	Pittsburgh District
08/2021		3797403		New Cumberland	210031259795	Mechanicsburg Distri
09/2021		3804933		Mc Murray	210029876838	McMurray District
1.4B Low Pressure						
02/2021		3779261		West Mifflin	210037073746	Pittsburgh District
02/2021		3779357		Ellwood City	220027888597	Ellwood District
02/2021		3778975		WASHINGTON	220035930673	McMurray District
03/2021		3783721		Pittsburgh	210034651840	Pittsburgh District
04/2021		3785536		Reading	210031494529	Wyomissing District
06/2021		3792497		Wilkes Barre	210034480352	Wilkes-Barre / Scrant
08/2021		3800457		Bushkill	210029913973	Lehman Pike District
09/2021		3802413		Scranton	210035750665	Wilkes-Barre / Scrant
11/2021		3812613		Old Forge	210035972762	Wilkes-Barre/Scranton
1.5 Water Quality						
03/2021		3782741		West Mifflin	210029380399	Pittsburgh District
1.5C Color						
03/2021		3781449		Wyoming	220013847214	Wilkes-Barre / Scrant
10/2021		3606593		Wilkes Barre	210030119092	Wilkes-Barre/Scranton
10/2021		3806581		Wilkes Barre	210036002482	Wilkes-Barre/Scranton
10/2021		3806847		Dunmore	220023543229	Wilkes-Barre/Scranton
1.5D Dirty Water						
01/2021		3777298		Scranton	210028240979	Wilkes-Barre / Scrant
03/2021		3781795		Pittsburgh	210034864943	Pittsburgh District
07/2021		3794300		Eighty Four	210031645952	McMurray District
10/2021		3807348		Dunmore	210036386609	Wilkes-Barre/Scranton
10/2021		3807498		Dunmore	210036481078	Wilkes-Barre/Scranton
1.6 New Service - Taps						
05/2021		3787152		Monongahela	Bp1200525089	Mon Valley District
06/2021		3790584		Washington	220037471842	McMurray District
07/2021		3796809		Washington	BP1104323057	McMurray District
08/2021		3800927		Lemont Furnace	BP1203459287	Uniontown Dist
10/2021		3809043		Downingtown	220037971120	Coatesville
10/2021		3806497		Washington	BP1104375138	Washington
1.7 Leaking Svc Pipe - Cust						
01/2021		3778524		Wyoming	220004078465	Wilkes-Barre / Scrant
01/2021		3778152		Shiremanstown	220019938774	Mechanicsburg Distri
01/2021		3777922		Scranton	220028018834	Wilkes-Barre / Scrant

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
01/2021		3778021		Tobyhanna	220029479166	Pocono District
02/2021		3779383		Cecil	210030451734	McMurray District
02/2021		3780347		Yardley	210030515300	Yardley District
02/2021		3778603		Scranton	210034367084	Wilkes-Barre / Scran
02/2021		3779258		Scranton	210034709732	Wilkes-Barre / Scran
02/2021		3780654		Camp Hill	210035257159	Mechanicsburg Distri
02/2021		3779589		Pittsburgh	220027628382	Pittsburgh District
03/2021		3783896		Norristown	220002133410	Norristown District
03/2021		3781852		Yardley	220006419246	Yardley District
03/2021		3782024		Jermyn	220028482343	Wilkes-Barre / Scran
03/2021		3783088		Coatesville	220032610383	Coatesville District
04/2021		3786225		Canonsburg	210029090122	McMurray District
04/2021		3784794		Montrose	210031910816	Susquehanna District
04/2021		3786492		Mount Pocono	210032368562	Pocono District
04/2021		3785822		Norristown	210034173821	Norristown District
04/2021		3784846		South Connellsville	210034544874	Connellsville Distri
04/2021		3785470		Tobyhanna	220016304228	Pocono District
04/2021		3784575		Enola	220029021017	Mechanicsburg Distri
04/2021		3784887		Tobyhanna	220029996449	Pocono District
04/2021		3786085		Wilkes Barre	220035968562	Wilkes-Barre / Scran
05/2021		3788990		Bridgeport	220035679169	Norristown District
05/2021		3789474		Roaring Brook Twp	210035014130	Wilkes-Barre / Scran
05/2021		3787177		Norristown	220032113226	Norristown District
06/2021		3791501		Mc Donald	210030072544	McMurray District
06/2021		3791785		Bushkill	210031400142	Lehman Pike District
06/2021		3792296		Bangor	220026328399	Bangor District
06/2021		3793431		Washington	210031260757	McMurray District
06/2021		3792112		Hallstead	220007558144	Susquehanna District
06/2021		3790566		Coatesville	210029915993	Coatesville District
06/2021		3791600		NORRISTOWN	220031296081	Norristown District
06/2021		3791416		Mckeesport	210039674886	Mckeesport
07/2021		3796352		Scranton	220014982837	Wilkes-Barre / Scran
07/2021		3796035		Nazareth	210029794356	Blue Mountain
07/2021		3793987		Jessup	210035681998	Wilkes-Barre / Scran
08/2021		3797469		Bridgeport	220034461099	Norristown District
08/2021		3799462		Connellsville	210029804819	Connellsville Distri
08/2021		3800770		Tobyhanna	220036076770	Pocono District
08/2021		3797375		Uniontown	210034211396	Uniontown Dist
08/2021		3799180		Kane	210029600499	Kane
08/2021		3797554		Norristown	220002133410	Norristown District
08/2021		3797346		Wyoming	210029614412	Wilkes-Barre / Scran
09/2021		3804252		Dingmans Ferry	210030154613	Silver District
09/2021		3802936		Carnegie	220018215423	Pittsburgh District
09/2021		3801774		Limerick	220036200078	Royersford District
09/2021		3802057		Wyoming	220013979558	Wilkes-Barre / Scran
09/2021		3804717		Yardley	220003561551	Yardley District
09/2021		3805911		Olyphant	210029913393	Wilkes-Barre / Scran
09/2021		3805432		Tobyhanna	210033216848	Pocono District
10/2021		3810583		Bushkill	210029072582	Lehman Pike
10/2021		3810967		Shipperville	210033678477	Clarion
10/2021		3810352		Norristown	210042235768	Norristown
10/2021		3808993		Dingmans Ferry	220014885295	Silver
10/2021		3809313		Berwick	220037057864	Berwick
11/2021		3814954		Wormleysburg	220036433649	Mechanicsburg
11/2021		3815323		Yardley	210032607694	Yardley
11/2021		3813452		Bushkill	210032683452	Lehman Pike
11/2021		3811025		Harrisburg	220014437856	Hershey/Palmyra
12/2021		3815634		Norristown	210028806935	Norristown
12/2021		3816159		Tobyhanna	210029518897	Pocono
12/2021		3816532		Glassport	220004253631	Mon Valley

## 1.8 Water Main Lks or Brks

01/2021		3777413		Scranton	220009909236	Wilkes-Barre / Scran
03/2021		3783756		Pittsburgh	210032494805	Pittsburgh District
04/2021		3785249		Canonsburg	210030601416	McMurray District
04/2021		3784232		Dravosburg	210030862662	Pittsburgh District
04/2021		3784879		West Mifflin	220036842786	Pittsburgh District
05/2021		3789694		Washington	210029104724	McMurray District
06/2021		3793035		Blue Bell	210031757787	Norristown District
07/2021		3795068		Clarion	210031748394	Clarion District
08/2021		3800405		Mc Murray	210030808880	McMurray District
09/2021		3804260		Nanticoke	220004419301	Wilkes-Barre / Scran
11/2021		3814203		Scranton	210034592354	Wilkes-Barre/Scranton
11/2021		3815319		Hershey	210035904530	Hershey/Palmyra
11/2021		3814777		Uniontown	220034092882	Uniontown

## 2.2 Discontinuance T/L

02/2021		3779605		New Cumberland	210040409501	Mechanicsburg Distri
02/2021		3780429		Browndale	220035493358	Wilkes-Barre / Scran
03/2021		3780753		Canonsburg	220032448427	McMurray District
03/2021		3783362		Lewisburg	220034174197	Milton District
04/2021		3784016		Mckeesport	210039623291	Mckeesport

## 2.3 T/L Terminations

03/2021		3781610		Forty Fort	220024645623	Wilkes-Barre / Scran
04/2021		3785267		Pittston	220022122179	Wilkes-Barre / Scran

## 2.4 Act 54

02/2021		3779640		Wilkes-Barre	220023052945	Wilkes-Barre / Scran
05/2021		3788420		Old Forge	220032248511	Wilkes-Barre / Scran
05/2021		3788406		Scranton	220018505348	Wilkes-Barre / Scran
06/2021		3791820		Scranton	220035352495	Wilkes-Barre / Scran
06/2021		3792972		Coatesville	220012073973	Coatesville District
07/2021		3796607		Pittsburgh	220037215493	Pittsburgh District
09/2021		3806148		Scranton	220018505348	Wilkes-Barre / Scran
09/2021		3805622		Uniontown	220023165056	Uniontown Dist
10/2021		3806382		WILKES BARRE	210030624440	Wilkes-Barre/Scranton

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
01/2021		3778223		Reading	210029149802	Wyomissing District
01/2021		3777829		Washington	210032993524	McMurray District
03/2021		3783449		Palmyra	210031993019	Hershey / Palmyra Di
03/2021		3783643		Wyoming	210034538565	Wilkes-Barre / Scrant
03/2021		3783735		Norristown	210036411840	Norristown District
03/2021		3783856		Reading	220010236778	Wyomissing District
03/2021		3781384		Reading	220025505780	Wyomissing District
03/2021		3783947		Kane	220031135780	Kane
03/2021		3781930		Yardley	220022872429	Yardley District
03/2021		3783496		New Castle	220027049217	New Castle District
04/2021		3783969		CARBONDALE	220012519646	Wilkes-Barre / Scrant
07/2021		3794748		Wilkes Barre	220037284116	Wilkes-Barre / Scrant
09/2021		3802330		Collier Twp	220022627506	Pittsburgh District
09/2021		3804550		Duryea	220035635022	Wilkes-Barre / Scrant
09/2021		3803348		Bushkill	210032889700	Lehman Pike District
11/2021		3811217		Glassport	220008419679	Mon Valley

## 3.1 Can't Get Through

## 3.5 Failure to Recv Bill + Ntc

01/2021		3778559		Norristown	220033228077	Norristown District
04/2021		3784966		Forty Fort	210031253780	Wilkes-Barre / Scrant
04/2021		3785444		Edwardsville	210031320963	Wilkes-Barre / Scrant
04/2021		3784495		Connellsville	220010833759	Connellsville Distri
04/2021		3786786		Palmyra	220033986137	Hershey / Palmyra Di
07/2021		3796547		New Cumberland	210028855395	Mechanicsburg Distri
08/2021		3797527		Coatesville	220031127079	Coatesville District
08/2021		3798057		CLAIRTON	220031092722	Mon Valley District
09/2021		3805923		CLAIRTON	220017803162	Mon Valley District
10/2021		3809527		Mount Pocono	210031346323	Pocono
10/2021		3806999		Mountain Top	210036611381	Wilkes-Barre/Scranton
10/2021		3807889		Nanticoke	220027753431	Wilkes-Barre/Scranton
10/2021		3808971		New Eagle	220029185034	Mon Valley
10/2021		3808463		PITTSBURGH	220036641600	Pittsburgh
11/2021		3813717		Canonsburg	220003111994	McMurray
11/2021		3811560		Clarion	220008470636	Clarion
11/2021		3814074		New Castle	210033706839	New Castle
11/2021		3812916		Nanticoke	220005062685	Wilkes-Barre/Scranton
11/2021		3811012		Bridgeville	220023527241	Pittsburgh
11/2021		3815096		Coatesville	220031975094	Coatesville
12/2021		3817121		Uniontown	220032394902	Uniontown
12/2021		3817031		Phoenixville	220032110630	Royersford
12/2021		3815397		Reading	220003094006	Wyomissing
12/2021		3816653		New Castle	220028249065	New Castle

## 3.6 Term w/Additional Complaint

02/2021		3779652		Hiller	220023984400	Brownsville
03/2021		3783952		New Castle	210029990017	New Castle District
03/2021		3782243		Reading	210033238398	Wyomissing District
03/2021		3781640		McKeesport	220032284944	McKeesport
04/2021		3785279		Kingston	210030746821	Wilkes-Barre / Scrant
04/2021		3785183		Pittsburgh	210031747667	Pittsburgh District
04/2021		3785303		KINGSTON	210034353306	Wilkes-Barre / Scrant
04/2021		3785918		Tobyhanna	210038812548	Pocono District
04/2021		3766049		Scranton	220002388906	Wilkes-Barre / Scrant
04/2021		3785926		Tobyhanna	220013905608	Pocono District
04/2021		3786028		Pittston	220018261815	Wilkes-Barre / Scrant
04/2021		3785751		Luzerne	220022280303	Wilkes-Barre / Scrant
04/2021		3786459		Duquesne	220023788855	McKeesport
04/2021		3785988		Nanticoke	220030761056	Wilkes-Barre / Scrant
04/2021		3784700		Scranton	220031072759	Wilkes-Barre / Scrant
04/2021		3786353		Wilkes Barre	220032314982	Wilkes-Barre / Scrant
04/2021		3785832		Tobyhanna	220032802090	Pocono District
04/2021		3786349		Coatesville	220033542216	Coatesville District
04/2021		3785884		Uniontown	220034032590	Uniontown Dist
05/2021		3787994		New Castle	210029005865	New Castle District
05/2021		3789882		Tobyhanna	220022762881	Pocono District
05/2021		3788073		Carbondale	210029357290	Wilkes-Barre / Scrant
05/2021		3787958		Wilkes Barre	220032845448	Wilkes-Barre / Scrant
05/2021		3788378		Duquesne	220023789032	McKeesport
05/2021		3789713		Berwick	220023296790	Berwick District
05/2021		3789398		Tobyhanna	220029131310	Pocono District
05/2021		3788469		Scranton	210029146551	Wilkes-Barre / Scrant
05/2021		3787282		Pittston	220002235583	Wilkes-Barre / Scrant
05/2021		3789772		Pittsburgh	220004934237	Pittsburgh District
06/2021		3790353		Washington	220015845955	McMurray District
06/2021		3792536		Kingston	220031088648	Wilkes-Barre / Scrant
06/2021		3790815		Plymouth	220021356290	Wilkes-Barre / Scrant
06/2021		3792948		Uniontown	220035525323	Uniontown Dist
06/2021		3790686		Harrisburg	220037279732	Hershey / Palmyra Di
06/2021		3793241		Enola	220006613901	mechanicsburg
06/2021		3792566		Wilkes Barre	210030160823	Wilkes-Barre / Scrant
06/2021		3791197		Scranton	220021311600	Wilkes-Barre / Scrant
06/2021		3792736		Canonsburg	220033863418	McMurray District
06/2021		3793435		Ashley	210041622871	Wilkes-Barre / Scrant
07/2021		3795668		Plymouth	210033906424	Wilkes-Barre / Scrant
07/2021		3794624		Scranton	220029407024	Wilkes-Barre / Scrant
07/2021		3791053		Washington	210037084982	McMurray District
07/2021		3796505		Wilkes Barre	220036761801	Wilkes-Barre / Scrant
07/2021		3794374		Dunmore	210038949051	Wilkes-Barre / Scrant
07/2021		3795819		Pittsburgh	210032629335	Pittsburgh District
07/2021		3796166		Mountain Top	210033469567	Wilkes-Barre / Scrant
07/2021		3796624		East FALLOWFIELD	210030675875	Coatesville District
07/2021		3793931		Shickshinny	210028316395	Wilkes-Barre / Scrant
07/2021		3795235		Mayfield	220036538544	Wilkes-Barre / Scrant
07/2021		3796069		CLAIRTON	210032465579	Mon Valley District
07/2021		3794399		McKeesport	210039627262	McKeesport
07/2021		3794695		Parquesburg	220030589117	Coatesville District
07/2021		3795827		Nanticoke	220030782886	Wilkes-Barre / Scrant
07/2021		3794130		Coatesville	220018603778	Coatesville District
07/2021		3795220		Homestead	220029784288	Pittsburgh District
07/2021		3795910		Pittston	220020862709	Wilkes-Barre / Scrant
08/2021		3798786		Washington	220022602682	McMurray District
08/2021		3798317		Scranton	220034243079	Wilkes-Barre / Scrant
08/2021		3800240		Reading	210034149071	Wyomissing District
08/2021		3797412		Brownsville	210035089486	Brownsville District
08/2021		3799969		Pringle	220018667024	Wilkes-Barre / Scrant
08/2021		3800146		Bushkill	220022401414	Lehman Pike District



Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
08/2021		3797505		Wilkes Barre	210033723896	Wilkes-Barre / Scran
08/2021		3199049		Plymouth	220037128940	Wilkes-Barre / Scran
08/2021		3798883		Washington	210032993524	McMurray District
08/2021		3798101		MOUNT POCONO	220008592628	Pocono District
08/2021		3798506		Nanticoke	210042543872	Wilkes-Barre / Scran
08/2021		3796971		CLAIRTON	220030219777	Mon Valley District
08/2021		3798246		Dingmans Ferry	220029640227	Silver District
08/2021		3798458		New Castle	220028798833	New Castle District
08/2021		3799111		Luzerne	220022280303	Wilkes-Barre / Scran
08/2021		3797050		Warren	220031175917	Warren District
08/2021		3798631		New Castle	220035255129	New Castle District
08/2021		3797950		CANONSBURG	220010672275	McMurray District
08/2021		3799166		Avoca	220019049711	Wilkes-Barre / Scran
08/2021		3798435		Scranton	220034380473	Wilkes-Barre / Scran
08/2021		3799129		Pittsburgh	210032044286	Pittsburgh District
08/2021		3798832		New Castle	220031525758	New Castle District
08/2021		3800895		Tobyhanna	220021846670	Pocono District
08/2021		3798159		Brownsville	220009556489	Brownsville District
08/2021		3798659		Scranton	220023872576	Wilkes-Barre / Scran
08/2021		3798441		Scranton	210032976697	Wilkes-Barre / Scran
08/2021		3800051		Pittston	220013763491	Wilkes-Barre / Scran
08/2021		3801158		Coatesville	220036790373	Coatesville District
08/2021		3800165		Washington	220027845088	McMurray District
08/2021		3799279		Pittsburgh	210031821732	Pittsburgh District
08/2021		3798786		South Park	210033841428	Pittsburgh District
08/2021		3800283		Uniontown	220034032590	Uniontown Dist
08/2021		3797476		Pittsburgh	210036067762	Pittsburgh District
08/2021		3800468		Enola	220016699827	Mechanicsburg Distri
08/2021		3798280		Wilkes Barre	220024499950	Wilkes-Barre / Scran
08/2021		3797994		Nanticoke	220032461543	Wilkes-Barre / Scran
08/2021		3798113		Uniontown	210034861715	Uniontown Dist
08/2021		3798236		MCKEESPORT	220030321670	Mon Valley District
08/2021		3799433		EXETER	210031180608	Wilkes-Barre / Scran
08/2021		3801536		Norristown	210035308286	Norristown District
08/2021		3797446		Bridgeville	220020552170	Pittsburgh District
08/2021		3798322		Nanticoke	220030583225	Wilkes-Barre / Scran
09/2021		3803433		Scranton	220014190652	Wilkes-Barre / Scran
09/2021		3804233		Pittsburgh	210033498541	Pittsburgh District
09/2021		3804844		Edwardsville	220031714138	Wilkes-Barre / Scran
09/2021		3805136		Plymouth	210034131001	Wilkes-Barre / Scran
09/2021		3805101		Mechanicsburg	220037286518	Mechanicsburg Distri
09/2021		3802426		Dupont	210035026331	Wilkes-Barre / Scran
09/2021		3805651		Uniontown	220030842153	Uniontown Dist
09/2021		3804262		Coatesville	220008063021	Coatesville District
09/2021		3804771		West Pittston	210029673114	Wilkes-Barre / Scran
09/2021		3804977		Kingston	210034192723	Wilkes-Barre / Scran
09/2021		3806375		Wilkes Barre	220031901765	Wilkes-Barre / Scran
09/2021		3801654		Kingston	220030039445	Wilkes-Barre / Scran
09/2021		3803459		Coatesville	220032904019	Coatesville District
09/2021		3804668		New Eagle	220028397209	Mon Valley District
09/2021		3803041		Trucksville	210036314727	Wilkes-Barre / Scran
09/2021		3805213		Coatesville	220028123415	Coatesville District
09/2021		3806125		Mckeesport	210039598241	Mckeesport
09/2021		3803437		Pittsburgh	220023132513	Pittsburgh District
09/2021		3801725		Coatesville	220012073973	Coatesville District
09/2021		3805670		Norristown	220033477848	Norristown District
09/2021		3805977		West Mifflin	210033132865	Pittsburgh District
09/2021		3803323		Pittsburgh	220027231610	Pittsburgh District
09/2021		3802974		Ashley	220037057383	Wilkes-Barre / Scran
09/2021		3805416		Camp Hill	210035765520	Mechanicsburg Distri
09/2021		3803410		Scranton	220022115836	Wilkes-Barre / Scran
09/2021		3802967		Mountain Top	210040870516	Wilkes-Barre / Scran
09/2021		3802748		Mount Pocono	220033155315	Pocono District
09/2021		3804583		Birdsboro	220013180607	Glen Alsace District
09/2021		3805229		Nanticoke	220032841798	Wilkes-Barre / Scran
09/2021		3805691		Carnegie	210031864715	Pittsburgh District
09/2021		3805571		Pittsburgh	210034799360	Pittsburgh District
09/2021		3806063		Norristown	210035041323	Norristown District
09/2021		3806366		ENOLA	220021571532	Mechanicsburg Distri
09/2021		3802965		CLAIRTON	220017803162	Mon Valley District
09/2021		3803946		Butler	220008716691	Butler District
09/2021		3803021		Milton	220022654102	Milton District
09/2021		3805788		Plymouth	220037750989	Wilkes-Barre / Scran
09/2021		3804855		Larksville	210035959523	Wilkes-Barre / Scran
10/2021		3806744		Plymouth	210028604078	Wilkes-Barre/Scranton
10/2021		3806509		Pittsburgh	210028690307	Pittsburgh
10/2021		3809759		Washington	210031084281	McMurray
10/2021		3809034		Ellwood City	210031360152	Ellwood
10/2021		3808291		Old Forge	210032485573	Wilkes-Barre/Scranton
10/2021		3808242		Forest City	210033244232	Wilkes-Barre/Scranton
10/2021		3806830		Wilkes Barre	210034280286	Wilkes-Barre/Scranton
10/2021		3807019		Old Forge	210034677774	Wilkes-Barre/Scranton
10/2021		3809232		New Castle	210038719496	New Castle
10/2021		3808466		Pen Argyl	210040235366	Blue Mountain
10/2021		3806488		BERWICK	210040570199	Berwick
10/2021		3806707		Wilkes Barre	210041499781	Wilkes-Barre/Scranton
10/2021		3809092		Exeter	210041726865	Wilkes-Barre/Scranton
10/2021		3807018		Scranton	210042756760	Wilkes-Barre/Scranton
10/2021		3807838		Blue Bell	210043963592	Norristown
10/2021		3807301		Ashley	220004345240	Wilkes-Barre/Scranton
10/2021		3807276		Bridgeport	220012417597	Norristown
10/2021		3806853		Coatesville	220012576922	Coatesville
10/2021		3809487		Dallas	220015667780	Wilkes-Barre/Scranton
10/2021		3810252		Phillipsburg	220015686996	Phillipsburg
10/2021		3807316		Coatesville	220018686971	Coatesville
10/2021		3810512		California	220018713330	Brownsville
10/2021		3810792		Scranton	220020779708	Wilkes-Barre/Scranton
10/2021		3807421		Nanticoke	220021932977	Wilkes-Barre/Scranton
10/2021		3807244		Clarion	220022647753	Clarion
10/2021		3808002		Glassport	220022752259	Mon Valley
10/2021		3809464		New Cumberland	220022849252	Mechanicsburg
10/2021		3808916		Pittsburgh	220023341287	Pittsburgh
10/2021		3806497		Nanticoke	220023817081	Wilkes-Barre/Scranton
10/2021		3810523		Uniontown	220024750808	Uniontown
10/2021		3807801		Munhall	220025151459	Pittsburgh
10/2021		3808802		Plymouth	220025202234	Wilkes-Barre/Scranton
10/2021		3809115		Scranton	220025765025	Wilkes-Barre/Scranton



Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
10/2021		3809111		Larksville	220028805274	Wilkes-Barre/Scranton
10/2021		3809441		Avoca	220029145470	Wilkes-Barre/Scranton
10/2021		3807992		MCKEESPORT	220030321670	Mon Valley
10/2021		3808158		Avoca	220030612277	Wilkes-Barre/Scranton
10/2021		3807856		Brownsville	220031596026	Brownsville
10/2021		3810826		Carbondale	220031821159	Wilkes-Barre/Scranton
10/2021		3807472		Wilkes Barre	220033119876	Wilkes-Barre/Scranton
10/2021		3810900		Coatesville	220033542216	Coatesville
10/2021		3810928		Clarks Summit	220033949497	Abington
10/2021		3810142		Uniontown	220034082540	Uniontown
10/2021		3807767		Pittston	220034847044	Wilkes-Barre/Scranton
10/2021		3806829		Exeter	220036505520	Wilkes-Barre/Scranton
10/2021		3809130		Pittston	220037027641	Wilkes-Barre/Scranton
10/2021		3807478		Coatesville	220037495152	Coatesville
11/2021		3814675		Tobyhanna	220024984724	Pocono
11/2021		3813193		Vandling	220034761096	Wilkes-Barre/Scranton
11/2021		3815155		Carnegie	210029632601	Pittsburgh
11/2021		3812742		New Castle	220016843631	New Castle
11/2021		3813753		Oakdale	220024166151	Pittsburgh
11/2021		3814133		Olyphant	210031273487	Wilkes-Barre/Scranton
11/2021		3811897		Washington	220023951752	McMurray
11/2021		3812106		Uniontown	220032115772	Uniontown
11/2021		3813004		Tobyhanna	220031864347	Pocono
11/2021		3814423		Old Forge	220026550769	Wilkes-Barre/Scranton
11/2021		3814274		Nanticoke	220012945511	Wilkes-Barre/Scranton
11/2021		3813709		Pittsburgh	210035574229	Pittsburgh
11/2021		3812042		Nanticoke	220017862291	Wilkes-Barre/Scranton
11/2021		3813315		Nanticoke	220027634530	Wilkes-Barre/Scranton
11/2021		3815331		Pittsburgh	210036035994	Pittsburgh
11/2021		3813478		Wilkes Barre	220031217392	Wilkes-Barre/Scranton
11/2021		3814757		Pittsburgh	210031446728	Pittsburgh
11/2021		3813638		Wilkes Barre	210031520268	Wilkes-Barre/Scranton
11/2021		3811954		Coatesville	210030435848	Coatesville
11/2021		3812711		New Castle	210028139765	New Castle
11/2021		3811012		Wilkes Barre	220031783356	Wilkes-Barre/Scranton
11/2021		3813360		New Castle	220022178745	New Castle
11/2021		3814324		Orrtanna	220031870878	Franklin Twp
11/2021		3811830		New Castle	220037716347	New Castle
11/2021		3812879		Coatesville	220018603778	Coatesville
11/2021		3814227		Old Forge	220022945242	Wilkes-Barre/Scranton
11/2021		3814658		Old Forge	220029884492	Wilkes-Barre/Scranton
11/2021		3811679		Mckeesport	220034052228	McKeesport
11/2021		3811581		Kingston	220005197307	Wilkes-Barre/Scranton
11/2021		3813892		Reading	220010236778	Wyomissing
11/2021		3811758		Norristown	220027717534	Norristown
11/2021		3811436		Nanticoke	220030583225	Wilkes-Barre/Scranton
11/2021		3811889		KITTANNING	220021289451	Kittanning
12/2021		3817038		New Castle	210041483816	New Castle
12/2021		3816020		Scranton	220026722694	Wilkes-Barre/Scranton
12/2021		3815846		Washington	210036224183	McMurray
12/2021		3816680		Allison	220027071511	Brownsville
12/2021		3817369		Butler	220032820609	Butler
12/2021		3815602		Elizabeth	220037072443	Mon Valley
12/2021		3816734		Duryea	220035635022	Wilkes-Barre/Scranton
12/2021		3815888		Brownsville	220009556489	Brownsville
12/2021		3815415		Forest City	210028906231	Wilkes-Barre/Scranton
12/2021		3816325		Coatesville	210028848137	Coatesville
12/2021		3816047		West Pittsburg	210029477484	New Castle
12/2021		3816944		Wilkes Barre	220028371092	Wilkes-Barre/Scranton
12/2021		3815980		Uniontown	220018611236	Uniontown
12/2021		3815507		New Castle	220023518605	New Castle
12/2021		3815919		Wilkes Barre	210041434340	Wilkes-Barre/Scranton
12/2021		3817160		Tobyhanna	210030884952	Pocono

## 3.7 Co Personnel Impolite

10/2021		3807915		West Pittsburg	210029477484	New Castle
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## 3.8 Miscellaneous

03/2021		3782164		Norristown	210033479366	Norristown District
03/2021		3781239		Blue Bell	210035010510	Norristown District
03/2021		3783629		West Mifflin	220026847043	Pittsburgh District
04/2021		3785179		SHICKSHINNY	210032201140	Wilkes-Barre / Scran
04/2021		3785809		Yardley	220011578192	Yardley District
04/2021		3785680		Luzerne	220035142506	Wilkes-Barre / Scran
06/2021		3792897		Pittsburgh	220029263668	Pittsburgh District
06/2021		3793528		Connellsville	210031054624	Connellsville Distri
07/2021		3796603		Steelton	210040934373	Steelton
07/2021		3794465		Moosic	210035874905	Wilkes-Barre / Scran
07/2021		3793550		Plymouth	210036544016	Wilkes-Barre / Scran
08/2021		3798405		Spring City	210032555274	Royersford District
09/2021		3802882		Pittston	210035543348	Wilkes-Barre / Scran
09/2021		3806218		Limerick	210031168332	Royersford District
09/2021		3805737		Coatesville	220035704058	Coatesville District
09/2021		3802408		Wilkes Barre	210034463272	Wilkes-Barre / Scran
10/2021		3810554		Scranton	BP1203512835	Wilkes-Barre/Scranton
12/2021		3816593		Pittsburgh	210036694683	Pittsburgh

## 4.1 High Rates

04/2021		3784645		New Cumberland	220029504284	Mechanicsburg Distri
05/2021		3788228		Mckeesport	210039609394	Mckeesport
05/2021		3787187		Mckeesport	210039611151	Mckeesport
06/2021		3791508		Tobyhanna	210033760123	Pocono District
07/2021		3793684		Lewisberry	220024691046	Mechanicsburg Distri
07/2021		3794398		Carbondale	210036001731	Wilkes-Barre / Scran
07/2021		3796220		Birdsboro	210041020109	Glen Alsace District
07/2021		3795719		Pittston	220011776392	Wilkes-Barre / Scran
08/2021		3797463		Duquesne	220023788855	Mckeesport
08/2021		3797216		Yardley	220035363006	Yardley District
09/2021		3804751		Reading	210029844244	Glen Alsace District
10/2021		3807346		Yardley	220017482886	Yardley

## 4.10 Activation fee

11/2021		3811364		New Castle	220038062937	New Castle
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## 4.11 Tariff Provisions

06/2021		3793374		New Cumberland	220020180247	mechanicsburg
07/2021		3795218		Pittsburgh	210034913142	Pittsburgh District

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
07/2021		3793896		Clinton	210030425001	McMurray District
09/2021		3805865		Royersford	210028688922	Royersford District
10/2021		3806891		Indiana	210035895124	Indiana
11/2021		3814817		Larksville	210042451140	Wilkes-Barre/Scranton

## 4.12 Frzn/Brkn Meter Chg

03/2021		3783599		Mc Murray	220035153117	McMurray District
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## 4.13 Charged off acct

09/2021		3802219		WEST PITTSTON	210040716476	Wilkes-Barre / Scranton
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## 4.14 Act Svc w/out Approval

12/2021		3816867		Bushkill	210044262247	Lehman Pike
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## 4.15 Estimated Bills

01/2021		3777706		Pittsburgh	210031740307	Pittsburgh District
01/2021		3778031		Pittsburgh	210035117923	Pittsburgh District
01/2021		3778312		Steelton	210040945373	Steelton
01/2021		3778459		Steelton	210040948570	Steelton
01/2021		3778046		Clairton	220033290706	Mon Valley District
02/2021		3780121		Nazareth	210032320041	Blue Mountain
02/2021		3779524		Lewisburg	210035131592	Milton District
03/2021		3783322		New Castle	210041477026	New Castle District
03/2021		3781388		Pittston	220015113399	Wilkes-Barre / Scranton
04/2021		3786138		Washington	210031911468	McMurray District
04/2021		3785570		Pittsburgh	210033968606	Pittsburgh District
04/2021		3784770		Norristown	220025866379	Norristown District
05/2021		3787521		Pittsburgh	210036669373	Pittsburgh District
05/2021		3789911		Pittsburgh	220033411862	Pittsburgh District
05/2021		3787254		Bridgeville	210035752913	Pittsburgh District
05/2021		3789996		S Connellsvl	220036552601	Connellsville Distri
05/2021		3789520		Mc Donald	210031523069	McMurray District
06/2021		3791298		Pittsburgh	220033154923	Pittsburgh District
06/2021		3792234		Bridgeville	210030367112	McMurray District
06/2021		3791776		Bridgeport	210034962922	Norristown District
06/2021		3792529		Bethel Park	220022963189	Pittsburgh District
06/2021		3792930		Downingtown	210031701265	Coatesville District
07/2021		3795641		Pittsburgh	220035530448	Pittsburgh District
08/2021		3798150		Exeter	210036537780	Wilkes-Barre / Scranton
08/2021		3798544		Steelton	210040931848	Steelton
08/2021		3799785		Chinchilla	210029519692	Wilkes-Barre / Scranton
09/2021		3803557		Houston	210030743808	McMurray District
09/2021		3804271		Monongahela	210030255684	Mon Valley District
09/2021		3802311		Mc Murray	210028081811	McMurray District
10/2021		3808655		NORRISTOWN	210030039288	Norristown
10/2021		3810498		Library	210036475301	Pittsburgh
10/2021		3810784		Norristown	220006060545	Norristown
11/2021		3812325		Pittsburgh	210035489321	Pittsburgh
11/2021		3812749		South Park	210036243863	Pittsburgh
12/2021		3816123		Homestead	220036400137	Pittsburgh
12/2021		3816719		Pittsburgh	210029450748	Pittsburgh
12/2021		3816831		Bethel Park	220022963189	Pittsburgh
12/2021		3816006		Pittsburgh	210036731605	Pittsburgh
12/2021		3816440		Pittsburgh	220003724048	Pittsburgh
12/2021		3815538		Pittsburgh	210030597234	Pittsburgh
12/2021		3817396		Pittsburgh	210037128233	Pittsburgh
12/2021		3815478		Pittsburgh	220026044028	Pittsburgh
12/2021		3817172		Washington	210035451715	McMurray

## 4.16 additional bills

01/2021		3777396		Scranton	210039011607	Wilkes-Barre / Scranton
01/2021		3777847		Scranton	220025960738	Wilkes-Barre / Scranton
02/2021		3780611		Norristown	210035576713	Norristown District
02/2021		3779432		Pittsburgh	220008387086	Pittsburgh District
02/2021		3779573		Scranton	220028570929	Wilkes-Barre / Scranton
03/2021		3781763		Punxsutawney	210032195856	Punxsutawney Distric
03/2021		3781500		Bushkill	210032864763	Lehman Pike District
03/2021		3781386		ELIZABETH	220032516450	Mon Valley District
03/2021		3783794		East Stroudsburg	220037085913	Lehman Pike District
04/2021		3785999		Coatesville	210035896332	Coatesville District
04/2021		3784662		New Cumberland	220028804080	Mechanicsburg Distri
06/2021		3790083		Finleyville	210032458861	McMurray District
07/2021		3796250		Reading	220006832795	Glen Alsace District
08/2021		3798668		Tobyhanna	220030787072	Pocono District
09/2021		3801847		Koppel	220037245036	Ellwood District
09/2021		3804248		Pottstown	210042399044	Royersford District
09/2021		3804694		Phoenixville	220031468206	Royersford District
10/2021		3810475		Pittsburgh	220022877288	Pittsburgh
10/2021		3809624		Bethel Park	220027261307	Pittsburgh
11/2021		3813282		Duquesne	220035732831	McKeesport
11/2021		3813167		Bethel Park	210029639374	Pittsburgh
11/2021		3814009		Pittsburgh	210032571559	Pittsburgh
11/2021		3812357		Norristown	220030177163	Norristown
11/2021		3813506		CLAIRTON	210041135940	Mon Valley
12/2021		3816373		Nazareth	220013853608	Blue Mountain

## 4.17 App of Svc Comp

01/2021		3777863		Dickson City	bp1203413648	Wilkes-Barre / Scranton
02/2021		3779892		Kane	bp1203428413	Kane
03/2021		3781875		Burgettstown	BP 1203440328	McMurray District
04/2021		3786476		Nanticoke	220019389655	Wilkes-Barre / Scranton
04/2021		3785447		Punxsutawney	220032135356	Punxsutawney Distric
04/2021		3784310		Pittston	220032986066	Wilkes-Barre / Scranton
04/2021		3785321		Koppel	220037245036	Ellwood District
04/2021		3785897		Dunmore	BP 1104235650	Wilkes-Barre / Scranton
04/2021		3786272		Burgettstown	BP 1104236210	McMurray District
05/2021		3787278		Nanticoke	BP1104231726	Wilkes-Barre / Scranton
05/2021		3787296		Clairton	BP1104249444	Mon Valley District
05/2021		3787123		Scranton	BP1203411713	Wilkes-Barre / Scranton
05/2021		3789248		Pittston	BP1203465963	Wilkes-Barre / Scranton
05/2021		3787700		Houston	210029541279	McMurray District
05/2021		3787310		Scranton	220033986878	Wilkes-Barre / Scranton
06/2021		3790882		Hallstead	210034329853	Susquehanna District
07/2021		3795018		Scranton	220021311600	Wilkes-Barre / Scranton
07/2021		3796043		Pittsburgh	bp #1104275298	Pittsburgh District
07/2021		3795734		Milton	210034240974	Milton District
07/2021		3794474		SCRANTON	220022371308	Wilkes-Barre / Scranton

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
07/2021		3793944		Wilkes Barre	210031479124	Wilkes-Barre / Scranton
07/2021		3793830		Scranton	BP1203466009	Wilkes-Barre / Scranton
07/2021		3794038		Scranton	220037657585	Wilkes-Barre / Scranton
08/2021		3799468		Pittsburgh	220033145714	Pittsburgh District
08/2021		3799645		Dravosburg	220027762718	Mon Valley District
08/2021		3797387		New Castle	210043322559	New Castle District
09/2021		3804175		Reading	220013156789	Glen Alsace District
09/2021		3804772		Dravosburg	BP1104389828	Pittsburgh District
09/2021		3803951		Kingston	220038095661	Wilkes-Barre / Scranton
09/2021		3805012		COATESVILLE	220017116448	Coatesville District
09/2021		3804522		Pittston	220011086129	Wilkes-Barre / Scranton
09/2021		3804744		PITTSBURGH	210031613306	Pittsburgh District
10/2021		3808563		Scranton	210044062386	Wilkes-Barre/Scranton
10/2021		3809618		New Cumberland	220036355381	Mechanicsburg
10/2021		3807607		Coatesville	220038074923	Coatesville
10/2021		3807413		Uniontown	BP 1104413940	Uniontown
10/2021		3808459		Tobyhanna	BP 1203512349	Pocono
10/2021		3807791		Carbondale	BP1104416531	Wilkes-Barre/Scranton
11/2021		3811597		Wilkes Barre	220034461204	Wilkes-Barre/Scranton
11/2021		3812741		Wilkes Barre	220024039594	Wilkes-Barre/Scranton
11/2021		3814296		Coatesville	220027131697	Coatesville
11/2021		3814849		Archbald	BP1104463541	Wilkes-Barre/Scranton
11/2021		3811741		Pittsburgh	210036471170	Pittsburgh
11/2021		3813323		Pittston	210030639947	Wilkes-Barre/Scranton
11/2021		3814720		Coatesville	220023253991	Coatesville
11/2021		3815050		Plymouth	220010796386	Wilkes-Barre/Scranton
12/2021		3816592		Simpson	220031196204	Wilkes-Barre/Scranton
12/2021		3815797		Scranton	220037006866	Wilkes-Barre/Scranton
12/2021		3817027		Washington	220027099267	McMurray
12/2021		3816989		SCRANTON	210044592146	Wilkes-Barre/Scranton
12/2021		3816481		Pittsburgh	210036471170	Pittsburgh
12/2021		3815747		Duryea	220029752144	Wilkes-Barre/Scranton
12/2021		3816754		Uniontown	BP1104481331	Uniontown

## 4.18 User w/out Cntrct

01/2021		3778283		Coatesville	220013570491	Coatesville District
01/2021		3777473		Coatesville	bp1203007995	Coatesville District
02/2021		3779873		Pittsburgh	220031558628	Pittsburgh District
03/2021		3781990		New Cumberland	220007137691	Mechanicsburg Distri
06/2021		3792908		SCRANTON	220021951176	Wilkes-Barre / Scranton
06/2021		3793161		Scranton	210032092568	Wilkes-Barre / Scranton

## 4.2 Final Bill Errors

06/2021		3793423		Dunmore	210038963484	Wilkes-Barre / Scranton
08/2021		3799308		Plymouth	220007146657	Wilkes-Barre / Scranton
10/2021		3806938		West Mifflin	220018370252	Pittsburgh
11/2021		3815065		Pittsburgh	210030153405	Pittsburgh

## 4.23 Lost Payment

01/2021		3778285		Norristown	210033657081	Norristown District
04/2021		3785770		Pittsburgh	210032367712	Pittsburgh District
08/2021		3797111		Wilkes Barre	210035929157	Wilkes-Barre / Scranton
09/2021		3802816		Pittsburgh	210042595408	Pittsburgh District

## 4.24 Pymt Arrangement Disp

01/2021		3778212		New Cumberland	210030604156	Mechanicsburg Distri
01/2021		3778365		Exeter	210030778408	Wilkes-Barre / Scranton
01/2021		3778019		New Castle	210031243714	New Castle District
01/2021		3778634		Palmer	210032215514	Blue Mountain
01/2021		3777973		Nanticoke	220002968333	Wilkes-Barre / Scranton
01/2021		3777731		Pittston	220006786700	Wilkes-Barre / Scranton
01/2021		3777694		Scranton	220022115836	Wilkes-Barre / Scranton
01/2021		3777733		Clairton	220022340458	Mon Valley District
01/2021		3777735		Tobyhanna	220022848549	Pocono District
01/2021		3777866		Scranton	220023818275	Wilkes-Barre / Scranton
01/2021		3778576		Coatesville	220029443181	Coatesville District
01/2021		3777230		Wilkes Barre	220032327421	Wilkes-Barre / Scranton
01/2021		3778245		Coatesville	220033092643	Coatesville District
02/2021		3779167		Exeter	220024173197	Wilkes-Barre / Scranton
02/2021		3779481		Tobyhanna	220036430435	Pocono District
03/2021		3780975		Scranton	210041465634	Wilkes-Barre / Scranton
03/2021		3781803		Pittsburgh	220002467441	Pittsburgh District
03/2021		3793943		Northumberland	220018360606	Milton District
04/2021		3786908		Reading	210028758050	Wyomissing District
04/2021		3784726		Plymouth	210029633277	Wilkes-Barre / Scranton
04/2021		3784684		Elizabeth	220009260672	Mon Valley District
04/2021		3785532		Pittsburgh	220018116397	Pittsburgh District
05/2021		3789658		Tobyhanna	220011086198	Pocono District
05/2021		3788036		Washington	210032993524	McMurray District
05/2021		3787856		Dunmore	220018951804	Wilkes-Barre / Scranton
05/2021		3788904		Wyoming	220023589997	Wilkes-Barre / Scranton
05/2021		3789991		Avoca	220012686188	Wilkes-Barre / Scranton
07/2021		3796337		New Castle	220036344091	New Castle District
07/2021		3796949		Wilkes Barre	220006869599	Wilkes-Barre / Scranton
07/2021		3794401		Elizabeth	210032908571	Mon Valley District
07/2021		3793759		Uniontown	220035088183	Uniontown Dist
07/2021		3795290		Wilkes Barre	210033356081	Wilkes-Barre / Scranton
07/2021		3794823		Scranton	210031979853	Wilkes-Barre / Scranton
08/2021		3801053		Uniontown	220037023687	Uniontown Dist
08/2021		3798104		Scranton	220020815215	Wilkes-Barre / Scranton
08/2021		3800037		Wilkes Barre	220016106325	Wilkes-Barre / Scranton
08/2021		3799003		Butler	220032830811	Butler District
08/2021		3796983		Carbondale	210032459864	Wilkes-Barre / Scranton
09/2021		3082406		Canonsburg	220025321487	McMurray District
09/2021		3804944		Scranton	220019032713	Wilkes-Barre / Scranton
09/2021		3804385		Tobyhanna	210034663027	Pocono District
09/2021		3803466		Pittsburgh	210029519678	Pittsburgh District
09/2021		3803010		New Castle	220023486906	New Castle District
09/2021		3805619		Kingston	220022908496	Wilkes-Barre / Scranton
09/2021		3804115		Coatesville	210028768699	Coatesville District
09/2021		3803193		Bridgeport	220007086250	Norristown District
09/2021		3803358		Butler	210030834575	Butler District
10/2021		3806685		Munhall	210028614723	Pittsburgh
10/2021		3809989		New Castle	210033525795	New Castle
10/2021		3807480		Connellsville	220011056456	Connellsville
10/2021		3809753		Uniontown	220011413981	Uniontown
10/2021		3808317		Enola	220016699827	Mechanicsburg

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
11/2021		3812448		PITTSBURGH	220009600478	Pittsburgh
11/2021		3813107		Scranton	210041819347	Wilkes-Barre/Scranton
11/2021		3811316		Punxsutawney	210033052204	Punxsutawney
11/2021		3814389		Wilkes Barre	220029575873	Wilkes-Barre/Scranton
11/2021		3813052		Milton	210040120402	Milton
11/2021		3814952		Coatesville	220013153988	Coatesville
11/2021		3811370		Norristown	210031929254	Norristown
11/2021		3814222		Wilkes Barre	220031175948	Wilkes-Barre/Scranton
11/2021		3813296		Pittston	220012805941	Wilkes-Barre/Scranton
11/2021		3812468		Enola	220022194563	Mechanicsburg
12/2021		3817019		Norristown	210035788479	Norristown
12/2021		3815601		SHICKSHINNY	210032201140	Wilkes-Barre/Scranton
12/2021		3817414		New Castle	220018482339	New Castle
12/2021		3816327		Butler	210042127218	Butler
12/2021		3817129		Morrisdale	220005380680	Phillipsburg
12/2021		3816686		Butler	210041073608	Butler

## 4.26 Cross Connect

02/2021		3780575		Blakely	220035169358	Wilkes-Barre / Scranton
05/2021		3788490		Mount Pocono	220028785165	Pocono District
07/2021		3796719		Dunmore	220034177233	Wilkes-Barre / Scranton

## 4.27 Denial of Svc Complaint

03/2021		3781195		Scranton	220015132536	Wilkes-Barre / Scranton
04/2021		3785656		Steelton	210040921667	Steelton
04/2021		3785750		PITTSTON	210042423886	Wilkes-Barre / Scranton
04/2021		3785415		Pittsburgh	220037099448	Pittsburgh District
04/2021		3786929		Wilkes Barre	220037301561	Wilkes-Barre / Scranton
04/2021		3785302		Enola	BP 1104227167	Mechanicsburg District
04/2021		3786813		Kingston	BP 1203456863	Wilkes-Barre / Scranton
05/2021		3789384		Kane	220027268254	Kane
05/2021		3788827		Duquesne	220034135000	Mckeesport
05/2021		3788168		Uniontown	BP1104241815	Uniontown Dist
05/2021		3788381		Norristown	BP1104216828	Norristown District
05/2021		3788220		Wilkes Barre	BP1104245731	Wilkes-Barre / Scranton
06/2021		3791603		Norristown	220037545729	Norristown District
06/2021		3792396		Allison	220021364031	Brownsville District
07/2021		3795700		Scranton	220027280971	Wilkes-Barre / Scranton
07/2021		3796507		Uniontown	220026199379	Uniontown Dist
08/2021		3799611		Scranton	BP1104361028	Wilkes-Barre / Scranton
08/2021		3800366		Pittsburgh	210036471170	Pittsburgh District
08/2021		3799153		Scranton	BP1104356688	Wilkes-Barre / Scranton
08/2021		3800570		Kingston	220036892422	Wilkes-Barre / Scranton
08/2021		3799217		Uniontown	220037425986	Uniontown Dist
09/2021		3802046		Clarion	220037607849	Clarion District
09/2021		3805603		Palmyra	220010759714	Hershey / Palmyra Di
09/2021		3804689		Wilkes Barre	210031479124	Wilkes-Barre / Scranton
10/2021		3808914		Kingston	220004829519	Wilkes-Barre/Scranton
10/2021		3810721		Carbondale	220037328221	Wilkes-Barre/Scranton
10/2021		3810714		Washington	220038255159	McMurray
10/2021		3810175		Kingston	BP1104422540	Wilkes-Barre/Scranton
10/2021		3809845		Berwick	BP1104434831	Berwick
11/2021		3812464		Pittsburgh	BP1104386318	Pittsburgh
11/2021		3814190		Dunmore	220028307824	Wilkes-Barre/Scranton
11/2021		3812935		New Castle	220023988556	New Castle

## 4.28 misc billing complaint

01/2021		3777518		Tobyhanna	220024087173	Pocono District
01/2021		3778479		New Castle	210034687788	New Castle District
01/2021		3777552		Ellwood City	220017168890	Ellwood District
01/2021		3777484		Ashley	220028258557	Wilkes-Barre / Scranton
02/2021		3780283		Pittsburgh	210029962524	Pittsburgh District
03/2021		3781620		Hershey	210031691474	Hershey / Palmyra Di
03/2021		3783558		Uniontown	210034919065	Uniontown Dist
03/2021		3781922		Pittsburgh	210035050907	Pittsburgh District
03/2021		3783228		Bethel Park	210036278333	Pittsburgh District
03/2021		3783072		Pittston	210036886017	Wilkes-Barre / Scranton
03/2021		3781690		Cecil	220023946064	McMurray District
03/2021		3781071		Venetia	220032346156	McMurray District
03/2021		3783675		Coal Center	220033262497	Brownsville District
03/2021		3782644		Swoyersville	220035966399	Wilkes-Barre / Scranton
04/2021		3785664		Bangor	210028140475	Bangor District
04/2021		3786112		Scranton	210035343470	Wilkes-Barre / Scranton
04/2021		3784701		Mountain Top	220006353285	Wilkes-Barre / Scranton
04/2021		3786070		Wilkes Barre	220031741420	Wilkes-Barre / Scranton
05/2021		3787594		Pittsburgh	210035903247	Pittsburgh District
05/2021		3789604		Tobyhanna	220028331643	Pocono District
05/2021		3788606		Pittsburgh	220029240979	Pittsburgh District
05/2021		3789131		Nanticoke	BP 1104232549	Wilkes-Barre / Scranton
05/2021		3787993		Lewisburg	210036300087	Milton District
06/2021		3791583		West Mifflin	210031484577	Pittsburgh District
06/2021		3791476		Blue Bell	210034196985	Norristown District
06/2021		3791945		Bethel Park	210036479761	Pittsburgh District
06/2021		3790355		Birdsboro	210041014166	Glen Alsace District
06/2021		3790632		Scranton	210032254038	Wilkes-Barre / Scranton
06/2021		3790752		Butler	210030467876	Butler District
07/2021		3795826		Mc Donald	220006552488	McMurray District
07/2021		3795935		Dunmore	220027994645	Wilkes-Barre / Scranton
07/2021		3793428		Reading	210041023641	Glen Alsace District
07/2021		3796221		PITTSTON	220037128667	Wilkes-Barre / Scranton
07/2021		3794061		Pittsburgh	210035369878	Pittsburgh District
08/2021		3798867		Uniontown	220032004230	Uniontown Dist
08/2021		3800971		Scranton	220022144186	Wilkes-Barre / Scranton
08/2021		3798636		Carnegie	220022373441	Pittsburgh District
08/2021		3801534		Bushkill	210031988055	Lehman Pike District
09/2021		3806001		Pittsburgh	210032290072	Pittsburgh District
09/2021		3805679		Pittsburgh	220037911364	Pittsburgh District
09/2021		3806302		Wormleysburg	210034638670	Mechanicsburg District
10/2021		3808262		Washington	210031714773	McMurray
10/2021		3807924		Tobyhanna	210034480505	Pocono
10/2021		3807867		Wilkes Barre	210036005351	Wilkes-Barre/Scranton
10/2021		3807739		Norristown	220019397267	Norristown
11/2021		3811481		Hendersonville	210034791762	McMurray
11/2021		3814381		Muse	210034729651	McMurray
12/2021		3816927		Reading	220035897301	Wyomissing

## 4.3 Crdng Pymnts Incorrectly



Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
01/2021		3777531		Kane	210029345211	Kane
01/2021		3777526		Kane	210030426912	Kane
01/2021		3777527		Kane	210031403332	Kane
01/2021		3777533		Kane	210031605817	Kane
01/2021		3777535		Kane	210031605909	Kane
01/2021		3777530		Kane	210031782967	Kane
01/2021		3777524		Kane	210032434957	Kane
01/2021		3777537		Kane	210032594545	Kane
01/2021		3777536		Kane	210032594620	Kane
01/2021		3777528		Kane	210032594712	Kane
01/2021		3777532		Kane	210033870921	Kane
01/2021		3778516		King of Prussia	210034623432	Norristown District
01/2021		3777529		Kane	210034981183	Kane
01/2021		3777522		Kane	220003333664	Kane
01/2021		3777538		Kane	220023523928	Kane
08/2021		3800773		Pittsburgh	210037389076	Pittsburgh District
09/2021		3802510		Pen Argyl	210028711242	Blue Mountain
09/2021		3802310		Washington	210032759168	McMurray District
09/2021		3804482		S CONNELLSVL	210042240753	Connellsville Distri

## 4.4 High Bills

01/2021		3777856		Koppel	210028304262	Ellwood District
01/2021		3778093		Carbondale	210029347477	Wilkes-Barre / Scran
01/2021		3777682		Tobyhanna	210030223489	Pocono District
01/2021		3778415		Coatesville	210030315401	Coatesville District
01/2021		3778142		East FALLOWFIELD	210031507777	Coatesville District
01/2021		3778412		Camp Hill	210034607911	Mechanicsburg Distri
01/2021		3778693		Pittsburgh	210035103405	Pittsburgh District
01/2021		3778579		Forty Fort	210038625423	Wilkes-Barre / Scran
01/2021		3777581		Mount Pocono	210041653103	Pocono District
01/2021		3777408		Connellsville	220012118258	Connellsville Distri
01/2021		3778498		New Cumberland	220013315854	Mechanicsburg Distri
01/2021		3778418		Edwardsville	220019060152	Wilkes-Barre / Scran
01/2021		3777674		Scranton	220021050417	Wilkes-Barre / Scran
01/2021		3777205		Pittsburgh	220025183319	Pittsburgh District
01/2021		3777558		Limerick	220025184206	Royersford District
01/2021		3777661		Wilkes Barre	220029160424	Wilkes-Barre / Scran
01/2021		3777848		Scranton	220030763038	Wilkes-Barre / Scran
01/2021		3778294		Bethel Park	220031480183	Pittsburgh District
01/2021		3778432		Berwick	220032786679	Berwick District
01/2021		3777808		Carbondale	220036045189	Wilkes-Barre / Scran
02/2021		3779804		Reading	210030241098	Glen Alsace District
02/2021		3780258		Mechanicsburg	210030831613	Mechanicsburg Distri
02/2021		3779284		Pittsburgh	210032741679	McMurray District
02/2021		3780632		Ellwood City	210033262346	Ellwood District
02/2021		3780527		Bethel Park	210035049303	Pittsburgh District
02/2021		3780402		Pittsburgh	210037025631	Pittsburgh District
02/2021		3778972		Pittsburgh	210040733662	Pittsburgh District
02/2021		3779585		Ellwood City	220009314456	Ellwood District
02/2021		3780044		Coatesville	220014711790	Coatesville District
02/2021		3780409		WEST MIFFLIN	220018323119	Pittsburgh District
02/2021		3780201		Enola	220024763576	Mechanicsburg Distri
02/2021		3779793		Coatesville	220030666878	Coatesville District
02/2021		3778988		Scranton	220033554639	Wilkes-Barre / Scran
02/2021		3780289		Washington	220034372311	McMurray District
02/2021		3779274		Taylor	220036355640	Wilkes-Barre / Scran
02/2021		3780281		Mill Hall	220023474460	Nittany
03/2021		3782084		Brownsville	210029175542	Brownsville District
03/2021		3781851		Ellwood City	210029220787	Ellwood District
03/2021		3782546		Canonsburg	210029841115	McMurray District
03/2021		3783277		Mc Donald	210029880455	McMurray District
03/2021		3783396		Canonsburg	210030029762	McMurray District
03/2021		3781471		Wilkes Barre	210030094322	Wilkes-Barre / Scran
03/2021		3782986		Bangor	210030284828	Bangor District
03/2021		3781801		Blue Bell	210031316216	Norristown District
03/2021		3781727		Venetia	210031333181	McMurray District
03/2021		3781473		Milton	210031690136	Milton District
03/2021		3781064		Throop	210032247634	Wilkes-Barre / Scran
03/2021		3783025		Philipsburg	210034419398	Philipsburg District
03/2021		3782383		Kingston	210034689814	Wilkes-Barre / Scran
03/2021		3783725		Scranton	210034791854	Wilkes-Barre / Scran
03/2021		3782197		Dingmans Ferry	210035165021	Hickory District
03/2021		3783411		Edwardsville	210035355992	Wilkes-Barre / Scran
03/2021		3782640		Mount Pocono	210035856754	Pocono District
03/2021		3781891		Throop	210035916083	Wilkes-Barre / Scran
03/2021		3781427		Scranton	210035983045	Wilkes-Barre / Scran
03/2021		3781835		New Cumberland	210036498236	Mechanicsburg Distri
03/2021		3781482		Homestead	210036896571	Pittsburgh District
03/2021		3782893		Lewisberry	210036921989	Mechanicsburg Distri
03/2021		3783635		Pittsburgh	210036975153	Pittsburgh District
03/2021		3781769		Steelton	210040949047	Steelton
03/2021		3783616		Birdsboro	210041014975	Glen Alsace District
03/2021		3782816		Donora	220008351438	Mon Valley District
03/2021		3783679		Tobyhanna	220022848549	Pocono District
03/2021		3782087		Scranton	220028307879	Wilkes-Barre / Scran
03/2021		3781585		Carnegie	220030038657	Pittsburgh District
03/2021		3783860		Pittsburgh	220031135445	Pittsburgh District
03/2021		3781359		Bethel Park	22003222236	Pittsburgh District
03/2021		3783470		New Castle	220033058452	New Castle District
03/2021		3783845		Scranton	220033206725	Wilkes-Barre / Scran
03/2021		3781374		Scranton	220034651274	Wilkes-Barre / Scran
03/2021		3782974		Scranton	220035641416	Wilkes-Barre / Scran
03/2021		3781498		West Mifflin	220036781966	Pittsburgh District
03/2021		3781521		Pittsburgh	220023327786	Pittsburgh District
03/2021		3783268		Scranton	220025755080	Wilkes-Barre / Scran
04/2021		3783978		Pittsburgh	210030959139	Pittsburgh District
04/2021		3786668		Scranton	210032289706	Wilkes-Barre / Scran
04/2021		3786048		Edwardsville	210034689951	Wilkes-Barre / Scran
04/2021		3785872		Pittsburgh	210034880754	Pittsburgh District
04/2021		3785314		New Castle	210035280708	New Castle District
04/2021		3786260		Wilkes Barre	210036888235	Wilkes-Barre / Scran
04/2021		3786192		Swoyersville	210041815055	Wilkes-Barre / Scran
04/2021		3786191		Pittston	220002171276	Wilkes-Barre / Scran
04/2021		3784118		Glassport	220002639741	Mon Valley District
04/2021		3785436		PITTSBURGH	220008282204	Pittsburgh District
04/2021		3785389		Washington	220017758569	McMurray District
04/2021		3786825		Scranton	220017882974	Wilkes-Barre / Scran

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
04/2021		3786007		Wilkes Barre	220024007733	Wilkes-Barre / Scrant
04/2021		3785231		Pittsburgh	220027059917	Pittsburgh District
04/2021		3785144		Wilkes Barre	220028579780	Wilkes-Barre / Scrant
04/2021		3784313		Collegeville	220028662743	Royersford District
04/2021		3785462		Parkesburg	220029623307	Coatesville District
04/2021		3786808		Carnegie	220034562558	Pittsburgh District
04/2021		3785647		Warren	220036672826	Warren District
04/2021		3784841		Jessup	220036984284	Wilkes-Barre / Scrant
05/2021		3787961		Clarion	220036857443	Clarion District
05/2021		3789389		West Mifflin	210029347910	Pittsburgh District
05/2021		3787679		WASHINGTON	220016921562	McMurray District
05/2021		3787455		Bridgeville	220006024402	McMurray District
05/2021		3789400		Yardley	210034076791	Yardley District
05/2021		3788912		Bridgeport	220036070277	Norristown District
05/2021		3788107		Mount Pocono	210033950971	Pocono District
05/2021		3788512		Bethel Park	210030732914	Pittsburgh District
05/2021		3787870		PITTSTON	210036140636	Wilkes-Barre / Scrant
05/2021		3788334		Pittsburgh	220029740066	Pittsburgh District
05/2021		3788667		Clarion	210029680631	Clarion District
05/2021		3787591		Washington	220003071461	McMurray District
05/2021		3789227		Washington	220035413741	McMurray District
05/2021		3789549		Coatesville	210029763093	Coatesville District
05/2021		3789899		Duquesne	220035582647	Mckeesport
05/2021		3789472		Pittsburgh	220033894986	Pittsburgh District
05/2021		3787508		Burgettstown	220011151252	McMurray District
05/2021		3788871		Scranton	220032783519	Wilkes-Barre / Scrant
05/2021		3787952		Pittston	220006813985	Wilkes-Barre / Scrant
05/2021		3788000		Pittsburgh	210035527865	Pittsburgh District
05/2021		3788160		Pittsburgh	210037127278	Pittsburgh District
05/2021		3789053		Pittsburgh	210036936738	Pittsburgh District
05/2021		3789252		West Mifflin	210036300483	Pittsburgh District
05/2021		3788812		New Cumberland	210036921682	Mechanicsburg Distri
05/2021		3787760		Indiana	220028775212	Indiana District
05/2021		3788885		Monongahela	210032993234	Mon Valley District
05/2021		3788727		Pittsburgh	220027628382	Pittsburgh District
06/2021		3792435		Pittsburgh	220016935974	Pittsburgh District
06/2021		3792747		Pittsburgh	220015174394	Pittsburgh District
06/2021		3790896		Pittston	210036889931	Wilkes-Barre / Scrant
06/2021		3791078		Scranton	210035557484	Wilkes-Barre / Scrant
06/2021		3790536		PITTSBURGH	220006591643	Pittsburgh District
06/2021		3790992		Duryea	210036322308	Wilkes-Barre / Scrant
06/2021		3792243		Coatesville	220015788670	Coatesville District
06/2021		3793039		Jefferson Hills	210028443396	Pittsburgh District
06/2021		3793335		Wyoming	210029758404	Wilkes-Barre / Scrant
06/2021		3792893		Burgettstown	210030356709	McMurray District
06/2021		3790921		Wind Gap	210029350848	Blue Mountain
06/2021		3792462		Bangor	210032562920	Bangor District
06/2021		3791919		Pittsburgh	210032044286	Pittsburgh District
06/2021		3793166		Scranton	210036503312	Wilkes-Barre / Scrant
06/2021		3791205		Blue Bell	220028313454	Norristown District
06/2021		3791235		Bridgeville	210030341004	Pittsburgh District
06/2021		3793347		Tobyhanna	220035495163	Pocono District
06/2021		3792512		Pittsburgh	220026224251	Pittsburgh District
06/2021		3792072		Dunmore	210035609088	Wilkes-Barre / Scrant
06/2021		3790163		Pittsburgh	210033098576	Pittsburgh District
06/2021		3791591		Hershey	210035678183	Hershey / Palmyra Di
07/2021		3794233		Bushkill	210032503020	Lehman Pike District
07/2021		3796699		Blue Bell	220019156909	Norristown District
07/2021		3795151		Scranton	210033926367	Wilkes-Barre / Scrant
07/2021		3796946		Eynon	210034537227	Wilkes-Barre / Scrant
07/2021		3795582		Reading	210030019598	Glen Alsace District
07/2021		3794534		Scranton	210030280758	Wilkes-Barre / Scrant
07/2021		3793963		Parkesburg	210028366659	Coatesville District
07/2021		3795871		Pittsburgh	210034803948	Pittsburgh District
07/2021		3795542		Scranton	220030609158	Wilkes-Barre / Scrant
07/2021		3794914		Reading	210029645430	Glen Alsace District
07/2021		3795560		Scranton	220036877799	Wilkes-Barre / Scrant
07/2021		3793953		New Castle	210034264659	New Castle District
07/2021		3795461		Scranton	210032044385	Wilkes-Barre / Scrant
07/2021		3794846		Wyomissing	210030318028	Wyomissing District
07/2021		3796555		Scranton	210033368619	Wilkes-Barre / Scrant
07/2021		3796755		Homestead	210041693415	Pittsburgh District
07/2021		3795124		Daisytown	210029910240	Brownsville District
08/2021		3799052		Norristown	210030327640	Norristown District
08/2021		3800082		Pittsburgh	210030531739	Pittsburgh District
08/2021		3801560		Uniontown	210033082588	Uniontown Dist
08/2021		3797577		New Castle	220031296807	New Castle District
08/2021		3798384		Dunmore	220034855434	Wilkes-Barre / Scrant
08/2021		3800851		Pittsburgh	210031022269	Pittsburgh District
08/2021		3798031		Pittsburgh	220037427739	Pittsburgh District
08/2021		3797128		Mckeesport	210039605576	Mckeesport
08/2021		3797975		Eagleville	220032669675	Norristown District
08/2021		3800633		Reading	210029504522	Glen Alsace District
08/2021		3799713		Wilkes Barre	210033244263	Wilkes-Barre / Scrant
08/2021		3796997		Tobyhanna	220026442387	Pocono District
08/2021		3801529		Connellsville	210035692714	Connellsville Distri
08/2021		3801026		Mc Donald	210029009447	McMurray District
08/2021		3797229		Munhall	210032884712	Pittsburgh District
08/2021		3797797		Pittsburgh	220022936088	Pittsburgh District
08/2021		3801195		Nanticoke	210030741536	Wilkes-Barre / Scrant
08/2021		3799151		EAST STROUDSBU	210032449126	Lehman Pike District
08/2021		3797639		Reading	210031239043	Wyomissing District
08/2021		3797343		Scranton	220004829847	Wilkes-Barre / Scrant
08/2021		3799627		Wind Gap	210029350848	Blue Mountain
08/2021		3800501		Peckville	210030579427	Wilkes-Barre / Scrant
08/2021		3800622		Frackville	220026270315	Frackville District
08/2021		3799401		Norristown	220030744778	Norristown District
08/2021		3798973		McEwensville	210042537242	McEwensville Borough
08/2021		3799015		Dickson City	220013261865	Wilkes-Barre / Scrant
08/2021		3800847		Finleyville	220018614693	Pittsburgh District
08/2021		3800193		Steeltown	210040947096	Steeltown
08/2021		3797350		Pittston	220035855673	Wilkes-Barre / Scrant
08/2021		3800403		Glassport	210033559071	Mon Valley District
08/2021		3797175		Birdsboro	210041014814	Glen Alsace District
08/2021		3798085		Pittsburgh	220030927221	Pittsburgh District
08/2021		3798687		Mc Murray	220006561239	McMurray District
08/2021		3799020		East Stroudsburg	220019723217	Lehman Pike District

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
08/2021		3799575		Carbondale	220035354637	Wilkes-Barre / Scranton
08/2021		3797920		Steelton	210040937624	Steelton
08/2021		3798542		Washington	220022095734	McMurray District
08/2021		3800352		Scranton	220036054251	Wilkes-Barre / Scranton
08/2021		3800021		Wilkes Barre	220032314982	Wilkes-Barre / Scranton
09/2021		3802908		Pittsburgh	220036797725	Pittsburgh District
09/2021		3804802		New Castle	220032146752	New Castle District
09/2021		3806279		Pittsburgh	220003925544	Pittsburgh District
09/2021		3804205		Elrama	220025627307	Mon Valley District
09/2021		3805738		Indiana	210035289484	Indiana District
09/2021		3802165		Steelton	210040939613	Steelton
09/2021		3805714		Collegeville	210033111240	Norristown District
09/2021		3804821		Pittsburgh	220014309005	Pittsburgh District
09/2021		3801834		Scranton	220014123645	Wilkes-Barre / Scranton
09/2021		3803644		Carbondale	220004753803	Wilkes-Barre / Scranton
09/2021		3803650		New Cumberland	210036620798	Mechanicsburg District
09/2021		3801846		Limerick	220034797194	Royersford District
09/2021		3805434		Butler	210029430201	Butler District
09/2021		3805372		Wilkes Barre	210043171706	Wilkes-Barre / Scranton
09/2021		3801788		Phillipsburg	220025690497	Phillipsburg District
09/2021		3804147		Pittsburgh	220033929578	Pittsburgh District
09/2021		3804579		Pittsburgh	210036879514	Pittsburgh District
09/2021		3803965		Pittsburgh	210033671292	Pittsburgh District
09/2021		3804833		Scranton	220037421168	Wilkes-Barre / Scranton
09/2021		3806135		Scranton	220023887509	Wilkes-Barre / Scranton
09/2021		3805099		Midway	210029078887	McMurray District
09/2021		3802417		Norristown	210032570440	Norristown District
09/2021		3801757		Mechanicsburg	220028355434	Mechanicsburg District
09/2021		3805880		Wilkes Barre	210034265782	Wilkes-Barre / Scranton
09/2021		3806034		Pittston	220034828760	Wilkes-Barre / Scranton
09/2021		3805674		East Stroudsburg	210032198244	Lehman Pike District
10/2021		3809873		Pittsburgh	210029050667	Pittsburgh
10/2021		3809207		Pittsburgh	210029564319	Pittsburgh
10/2021		3807835		Connellsville	210029994620	Connellsville
10/2021		3810962		Harrisburg	210031124615	Hershey/Palmyra
10/2021		3806988		New Castle	210031900031	New Castle
10/2021		3807866		Enola	210032031396	Mechanicsburg
10/2021		3810265		Connellsville	210032312033	Connellsville
10/2021		3808462		Pittsburgh	210032396871	Pittsburgh
10/2021		3808858		South Park	210032789671	Pittsburgh
10/2021		3810803		Burgettstown	210032978105	McMurray
10/2021		3807515		Mechanicsburg	210033635968	Mechanicsburg
10/2021		3810685		Wyoming	210033995554	Wilkes-Barre/Scranton
10/2021		3809238		Carbondale	210035031623	Wilkes-Barre/Scranton
10/2021		3810808		Pittsburgh	210035369823	Pittsburgh
10/2021		3806411		West Mifflin	210040527294	Pittsburgh
10/2021		3808947		Birdsboro	210041013071	Glen Alsace
10/2021		3810931		Pittston	210042239579	Wilkes-Barre/Scranton
10/2021		3809497		Wilkes Barre	210042338445	Wilkes-Barre/Scranton
10/2021		3806983		Scranton	210042451478	Wilkes-Barre/Scranton
10/2021		3808211		West Pittston	210042619984	Wilkes-Barre/Scranton
10/2021		3807436		Yardley	210043231325	Yardley
10/2021		3809804		WILKES BARRE	220003205844	Wilkes-Barre/Scranton
10/2021		3809302		Carbondale	220004907075	Wilkes-Barre/Scranton
10/2021		3807583		Coatesville	220006231064	Coatesville
10/2021		3807583		Bushkill	220008744009	Lehman Pike
10/2021		3807368		Scranton	220020815215	Wilkes-Barre/Scranton
10/2021		3808021		Munhall	220023686805	Pittsburgh
10/2021		3807051		Wilkes Barre	220032601358	Wilkes-Barre/Scranton
10/2021		3809704		Limerick	220035451507	Royersford
11/2021		3812029		Edwardsville	220031815932	Wilkes-Barre/Scranton
11/2021		3812638		Scranton	220024472252	Wilkes-Barre/Scranton
11/2021		3813922		SCRANTON	220037830373	Wilkes-Barre/Scranton
11/2021		3811399		Carbondale	220030908220	Wilkes-Barre/Scranton
11/2021		3811187		Duquesne	210039592670	McKeesport
11/2021		3814783		West Mifflin	210036155010	Pittsburgh
11/2021		3812623		Collegeville	220036370427	Norristown
11/2021		3811856		Wilkes Barre	210029509589	Wilkes-Barre/Scranton
11/2021		3814622		Moosic	210030206842	Wilkes-Barre/Scranton

Cal. Month	Business Partner	BCS Case #	Premise Street	Premise City	Contract Account	District
11/2021		3813039		Scranton	210032747158	Wilkes-Barre/Scranton
11/2021		3813067		Wilkes Barre	220002443643	Wilkes-Barre/Scranton
11/2021		3814824		Norristown	210036138053	Norristown
11/2021		3812940		East Norriton	220037973188	Norristown
11/2021		3813232		Pittsburgh	220010769216	Pittsburgh
11/2021		3812486		Scranton	220023887509	Wilkes-Barre/Scranton
11/2021		3811203		SCRANTON	210039004487	Wilkes-Barre/Scranton
11/2021		3812867		Palmyra	210033833885	Hershey/Palmyra
11/2021		3812842		New Castle	220019412494	New Castle
11/2021		3813989		Carnegie	210035143823	Pittsburgh
11/2021		3814233		Norristown	210034135157	Norristown
11/2021		3814797		Connellsville	210043639578	Connellsville
11/2021		3812696		Coatesville	220031860697	Coatesville
11/2021		3812383		Pittston	220037384870	Wilkes-Barre/Scranton
12/2021		3816869		CLAIRTON	210031709825	Mon Valley
12/2021		3816066		Muse	210030454795	McMurray
12/2021		3817138		Scranton	220025562653	Wilkes-Barre/Scranton
12/2021		3817331		COATESVILLE	220032515327	Coatesville
12/2021		3816382		Pittsburgh	220017853204	Pittsburgh
12/2021		3817008		Tobyhanna	210032890847	Pocono
12/2021		3815862		Connellsville	220007727544	Connellsville
12/2021		3816491		Steelton	220032609918	Steelton
12/2021		3817337		East Stroudsburg	210030976653	Lehman Pike
12/2021		3815408		Scranton	210031611706	Wilkes-Barre/Scranton
12/2021		3817288		BERWICK	210033040911	Berwick
12/2021		3816919		Scranton	220033963745	Wilkes-Barre/Scranton
12/2021		3816082		Wilkes Barre	210042760707	Wilkes-Barre/Scranton
12/2021		3815932		Norristown	220018217160	Norristown
12/2021		3816991		Mechanicsburg	220036202135	Mechanicsburg
12/2021		3816983		Coatesville	220033092643	Coatesville
12/2021		3817168		South Abington Twp	220037704726	Abington
12/2021		3817082		Canonsburg	220024399173	McMurray
12/2021		3816096		Munhall	210029062189	Pittsburgh
12/2021		3816673		Lemoine	220019397618	Mechanicsburg
12/2021		3815895		Carnegie	210042118160	Pittsburgh
12/2021		3815972		Pittston	220037951546	Wilkes-Barre/Scranton
12/2021		3815765		Norristown	210034518974	Norristown
12/2021		3815700		Reading	220030969003	Wyomissing
12/2021		3816840		Pittston	220033630489	Wilkes-Barre/Scranton
12/2021		3815438		West Mifflin	210031387034	Pittsburgh
12/2021		3815946		Scranton	210043008600	Wilkes-Barre/Scranton
12/2021		3817078		Washington	220015808000	McMurray
12/2021		3815987		Canonsburg	220037779584	McMurray

## 4.5 Meter Access

05/2021		3789917		Washington	210035246098	McMurray District
08/2021		3798094		Nanticoke	210030680648	Wilkes-Barre / Scran
11/2021		3815088		Pittsburgh	220026376657	Pittsburgh
11/2021		3813541		Pittsburgh	210034429944	Pittsburgh
11/2021		3814521		Pittsburgh	210041219718	Pittsburgh
11/2021		3813186		Steelton	210040937112	Steelton

## 4.6 Damage Claims

03/2021		3781147		Venetia	210031017878	McMurray District
05/2021		3789326		Pittsburgh	210032097778	Pittsburgh District
05/2021		3787331		Wilkes Barre	210034745141	Wilkes-Barre / Scran
07/2021		3793903		Burgettstown	210031312863	McMurray District
08/2021		3799080		Pittsburgh	210033432060	Pittsburgh District
10/2021		3808443		Pittsburgh	210033174173	Pittsburgh

## 4.7 Billing Errors

01/2021		3778502		Glassport	210028341582	Mon Valley District
01/2021		3777768		CLAIRTON	220017402538	Mon Valley District
01/2021		3778663		Northumberland	220022600273	Milton District
03/2021		3783782		Reading	210028527867	Glen Alsace District
03/2021		3782666		Mckeesport	210039589988	Mckeesport
03/2021		3783451		Bangor	220008545882	Bangor District
04/2021		3786183		Kingston	210029865128	Wilkes-Barre / Scran
04/2021		3784805		Wilkes Barre	210033685710	Wilkes-Barre / Scran
04/2021		3785111		Birdsboro	220019705424	Glen Alsace District
04/2021		3785644		Duryea	220036658295	Wilkes-Barre / Scran
05/2021		3788292		Bridgeport	220036186431	Norristown District
06/2021		3791806		Scranton	220028655042	Wilkes-Barre / Scran
07/2021		3795231		Kingston	220035442459	Wilkes-Barre / Scran
07/2021		3794176		Washington	210029054751	McMurray District
07/2021		3795878		Pittsburgh	220024357872	Pittsburgh District
08/2021		3799845		Osceola Mills	220027349436	Philipsburg District
09/2021		3804951		cranton	220034283763	Wilkes-Barre / Scran
09/2021		3803100		Forest City	210033572593	Wilkes-Barre / Scran
09/2021		3803112		CARBONDALE	220029193240	Wilkes-Barre / Scran
09/2021		3805296		Burgettstown	220018676509	McMurray District
09/2021		3803822		Pittston	220032330557	Wilkes-Barre / Scran
10/2021		3810302		Douglassville	210032763556	Glen Alsace
10/2021		3806450		Pittsburgh	210036669373	Pittsburgh
10/2021		3806820		Reading	210041014432	Glen Alsace
11/2021		3813738		Enola	210042122084	Mechanicsburg
11/2021		3813618		Tobyhanna	220018293966	Pocono
11/2021		3812431		Jessup	220030910544	Wilkes-Barre/Scranton
12/2021		3815831		Scranton	220030886122	Wilkes-Barre/Scranton
12/2021		3816699		Pittston	220027855399	Wilkes-Barre/Scranton

## 4.9 Svc Chrg Bill Complaint

08/2021		3798309		Yardley	220025927052	Yardley District
11/2021		3813079		Clarks Summit	210044270064	Abington

## 5.2 Request for Meter Testing

03/2021		3782191		Berwick	220022309556	Berwick District
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## 6.4 Comm high bill

01/2021		3778335		Yardley	220031791524	Yardley District
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## 6.7 Comm Svc Pipe Leak

06/2021		3791028		Canonsburg	210035949083	McMurray District
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Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Quality of Service Distribution System Mapping

FR IX.5

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

5. Indicate whether the Company is in compliance with 52 Pa. Code, § 65.4 (b) regarding complete and current mapping of the entire distribution or collection system.

**Answer:**

Pennsylvania-American Water Company maintains complete and current mapping of all water distribution and wastewater collection systems for each of its operating areas in a Geographic Information System (GIS). Utilizing GIS and a Global Navigation Satellite System (GNSS), asset information is updated regularly and is accessible via a secure mobile application on smartphones and tablets.

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Quality of Service Water Conservation

FR IX.6

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

6. Provide a summary report demonstrating the Company's efforts in water conservation, since the last rate proceeding to 52 Pa. Code § 65.20.

**Answer:**

Reference is made to PA PUC approved Tariff Water-PA P.U.C. No. 4 page 66, Rule 24, Water Conservation Contingency Plan.

In addition, as part of the approved tariff for low-income customers, the Company provides Home Water Conservation Kits containing three water-saving devices (low-flow showerhead, sink aerator and a toilet fill cycle diverter), and do-it-yourself educational booklet on how to install them as well as other ways to use water wisely (Conservation Kit Booklet – English and Spanish versions). In 2020 and 2021, the company provided 3,195 conservation kits to eligible low-income customers. The company also completed a new video about its H2O Help to Others program in November 2021 focusing on home water conservation, which can be viewed on the Company's YouTube channel at <https://youtu.be/ZxgSfl9WhJY>.

Since the last rate proceeding, the Company has continued to promote water conservation and wise water use in various ways through communications with customers. The Company sends out a bill insert annually to all customers providing tips on how to use water more wisely inside and outside the home (WaterSource: Save Water. Save Money.). In the pre-winter months, the Company also sends out a bill insert on how to prevent pipes from freezing (WaterSource: Prepare your pipes for winter). The company also promoted water conservation through several statewide customer email campaigns (Get Winter Wise: Winterize – November 2020; Stop Leaks in Their Tracks – March 2021; Saving Water for our Future – July 2021; It's Time to Prepare Your Home for Winter – December 2021).

In addition, a flyer (Save Water. Save Money.) discussing conservation tips was distributed at presentations to civic organizations, schools, environmental groups and community activities and festivals. The bill

inserts and/or flyers are provided at these speaking engagements and community events as handouts.

In advance of extended periods of sub-freezing weather, the Company has issued press releases and launched phone, email and text alerts through its customer notification system, CodeRED, to remind customers of the precautions they should take to protect their plumbing and prevent pipes from freezing and bursting. In addition, the Company has produced customer education videos on these topics, which are posted on its YouTube channel ([www.youtube.com/paamwater](http://www.youtube.com/paamwater)). The Company regularly uses social media (Facebook, Twitter, Instagram and YouTube) to promote conservation and educational messages, infographics, photos and videos (Examples: Conserve & Save).

The Company also disseminates a water leak detection booklet and leak detection dye tablets as giveaway items for participants at speaking engagements as appropriate and at community events.

Examples are provided in FR IX.06\_Attachment.



# SAVE WATER.

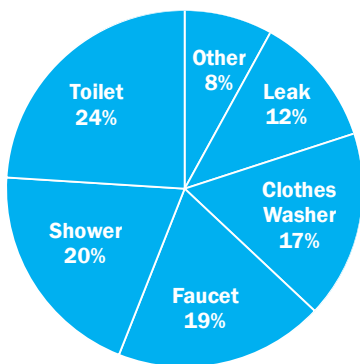
# SAVE MONEY.



With many of us spending a lot more time at home, here are some tips for how you and your family can conserve water!

## HOW MUCH WATER DO WE USE?

Saving water (and money) is always in season. But to save water, it's helpful to first understand how much water you use and where. This chart shows how the typical American family uses water indoors.



**Every household is different.** American Water is a member of the Alliance for Water Efficiency. Check out their online Water Calculator. This tool allows you to input water use information specific to your household and offers tips on where you can save water and energy based on that data. To access the calculator, visit [pennsylvaniaamwater.com](http://pennsylvaniaamwater.com). Under Water Information, select Wise Water Use.



PENNSYLVANIA  
AMERICAN WATER

WE KEEP LIFE FLOWING™

## CHECK & FIX LEAKS

Small household leaks can add up to gallons of water lost every day, and not fixing them is like throwing money down the drain. Check your plumbing fixtures and irrigation systems periodically for leaks. And, if you find any, fix them!

### IN THE BATHROOM

- **Check for toilet leaks.** Leaky toilets can easily go unnoticed. To check for toilet leaks, remove the lid from your toilet tank, and drop a small amount of food coloring into the tank. Wait 10-15 minutes. If food coloring appears in the bowl, you have a leak. Repairs may be needed or the flapper valve adjusted. (Be sure to flush immediately after the experiment to avoid staining the tank.)
- **Take shorter showers.** Bathrooms account for the largest water consumption percentage in homes. Showers alone use five gallons of water per minute. Consider installing water-saving showerheads.
- **Turn off the water while shaving or brushing teeth.** You can save eight gallons of water per day while brushing and 10 gallons per shave.

### IN THE KITCHEN

- **Wait for a full load of dishes.** This can eliminate one load of dishes per week and save the average family nearly 320 gallons of water.
- **Scrape, don't rinse.** Before washing dishes by hand or in the dishwasher, scrape them; don't rinse first.
- **Keep a pitcher of drinking water in the fridge** instead of letting the tap run until the water is cool.

### IN THE LAUNDRY ROOM

- **Wash only full loads of laundry** or use the appropriate load size selection. Wearing clothes more than once can also help to reduce laundry loads and save water.
- **Consider purchasing EnergyStar™ rated washing machines.** They use less water and energy per load.

## BIENVENIDO

Como sabe, usted está actualmente inscrito en el Programa mensual de descuento de cargos por servicios de Pennsylvania American Water, según sus calificaciones financieras. El descuento es parte del Programa H2O Help to Others® de la empresa, diseñado para ayudar y dar apoyo a los clientes que lo necesitan en tiempos difíciles.



Nos complace presentarle otro beneficio del programa de Pennsylvania American Water que se ofrece a los clientes elegibles: un kit de uso inteligente del agua.

Este kit lo ayuda a controlar el costo de su factura de agua mediante la conservación. El kit cuenta con productos valiosos para ahorrar agua caliente y fría en duchas y lavabos, para conservar el agua en cada descarga y para encontrar costosas pérdidas silenciosas del agua del inodoro. Estos productos, junto con los consejos para el uso inteligente del agua, pueden ayudarlo a ahorrar galones de agua todos los meses.

Si es inquilino y tiene pérdidas en las tuberías, comuníquese con el propietario de forma inmediata.

**Las facturas mensuales de agua pueden ser asequibles cuando se sabe cómo usar el agua de forma inteligente, porque cuanto más agua ahorre, más bajas serán sus facturas.**

### Pasos para ahorrar agua y dinero

- Lea este folleto y descubra cómo el H2O Help to Others Program® puede ayudarlo a ahorrar dinero en sus facturas de agua.
- Instale los productos para el ahorro de agua que se incluyen en este kit. Todas las instrucciones están en este folleto.
- Asistencia para la instalación del kit: Si tiene dificultades para instalar alguno de los productos del kit de conservación, un miembro del equipo local de Pennsylvania American Water puede proporcionarle asistencia por teléfono. Llame al (717) 550-1606 de 9 a. m. a 5 p. m., de lunes a viernes. Si el número no está disponible, deje un mensaje.
- Incluya a toda la familia en la tarea de cambiar sus hábitos que desperdician agua para ahorrar agua a diario con los consejos que se ofrecen en este folleto.
- Pague su factura de Pennsylvania American Water todos los meses.

### En la cocina

- Ponga solo cargas completas en el lavavajillas.
- Antes de lavar los platos a mano o en el lavavajillas, limpie los residuos; no los enjuague primero.
- Si lava los platos a mano, use dos fregaderos: uno para lavar y otro para enjuagar. No deje correr el agua.
- Guarde una botella de agua potable en el refrigerador en lugar de dejar correr el grifo para obtener un vaso frío.
- Enjuague las verduras y las frutas en un fregadero en lugar de hacerlo bajo el agua que corre.
- Descongele los alimentos congelados sin hacer correr agua sobre los envases. Planifique con antelación y coloque los productos congelados en el refrigerador durante la noche o descongélelos en el microondas.

### En el cuarto de lavado

- Las lavadoras usan de 15 a 40 galones de agua por carga. Si tiene una máquina con controles de carga ajustables, ajuste siempre el nivel del agua para que coincida con el tamaño de cada carga. Si su máquina no se ajusta a cargas de diferente tamaño, lave siempre las cargas completas.
- El mayor costo en el lavado de la ropa corresponde al agua caliente que se utiliza. Cuanto más lave y enjuague con agua fría, más energía ahorrará.

### Fuera de casa

- Lave el auto en un lavadero de autos que recicle el agua. Si lo lava en casa, no deje que la manguera funcione continuamente. Use un rociador en la manguera que se pueda desconectar con facilidad.
- Lleve el auto al césped antes de lavarlo para que el agua de enjuague ayude a regar el césped.
- Riegue el césped solo cuando sea necesario, por la mañana temprano o por la noche, cuando hay menos evaporación. No riegue los días ventosos. Si la hierba brota rápidamente cuando camina sobre ella, no necesita que la riegue.
- Barra las entradas, los patios y las aceras con una escoba en lugar de usar la manguera.

## MÁS INFORMACIÓN

Para obtener más consejos para ahorrar agua, consulte estos sitios en línea:

- **WaterSense:** [www.epa.gov/watersense](http://www.epa.gov/watersense)
- **Alliance for Water Efficiency Home Water Works:** [www.home-water-works.org](http://www.home-water-works.org)
- **Pennsylvania American Water:** [www.pennsylvaniaamwater.com](http://www.pennsylvaniaamwater.com)

08-2020

Pennsylvania American Water es un orgulloso miembro del programa WaterSense de la EPA de EE. UU. Nos comprometemos con la conservación de nuestro recurso natural más preciado: el agua, para que esté disponible para satisfacer las necesidades de las generaciones futuras.



**GUÍA HÁGALO USTED MISMO**

**CONSERVACIÓN DEL AGUA EN EL HOGAR**



**PENNSYLVANIA AMERICAN WATER**

**AYUDAMOS A QUE LA VIDA FLUYA™**



## PASO 1: INSTALE EL KIT PARA EL AHORRO DEL AGUA

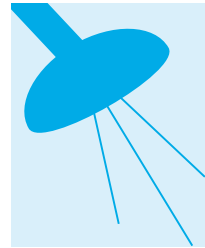
### QUÉ INCLUYE EL KIT PARA EL AHORRO DEL AGUA

- Flor de ducha WaterSense y cinta selladora de teflón
- Dos aireadores para el ahorro de agua (uno para la cocina y otro para la tina)
- Válvula desviadora del ciclo de llenado
- Pastillas de tinte no tóxicas para el inodoro para detectar pérdidas

### CÓMO INSTALAR LOS DISPOSITIVOS PARA EL AHORRO DE AGUA

#### Flor de ducha Watersense

1. Desenrosque la flor de ducha vieja (gire en sentido antihorario).
2. Limpie la parte roscada del brazo de la ducha.
3. Aplique cinta de sellado de teflón, envolviendo en sentido horario.
4. Atornille la flor de ducha. No ajuste demasiado.
5. Deje correr el agua para comprobar que no haya pérdidas. Si es necesario, ajuste suavemente con una llave.
6. Gire la flor de ducha para seleccionar la opción preferida para el chorro.



Según la Agencia de Protección Ambiental de Estados Unidos, EPA (United States Environmental Protection Agency), la sustitución de una ducha por un modelo WaterSense puede ahorrar a una familia promedio hasta **2,900 galones** de agua al año, o **más de \$70 dólares en costos de energía y agua cada año.**

#### Aireadores para el ahorro de agua

Este kit cuenta con dos aireadores: uno de tamaño 2.2 para la cocina y otro de 1.5 para la tina. Lea los números que están en el lateral antes de instalarlos.

1. Desenrosque el grifo viejo. Para un grifo con rosca interior, instale el aireador tal como está. Para un grifo con rosca exterior, primero quite la arandela superior para exponer las roscas interiores y luego instálo.
2. Apriete de forma manual, pero no demasiado. Si se utiliza una llave, proteja el acabado con un paño.

#### Válvula desviadora del ciclo de llenado

La válvula desviadora del ciclo de llenado Fill Master ahorra de 0.5 a 1.5 galones de agua por descarga, y desvía al tanque del inodoro durante el ciclo de llenado la mayor parte del agua que normalmente fluiría por el tubo de rebalse.

1. Suelte la manguera del tubo de rebalse.
2. Retire el clip o el soporte de la manguera.
3. Inserte el Fill Master en el extremo de la manguera.
4. Empuje el Fill Master en el tubo de rebalse con la boquilla n.º 1 dentro del tubo y las boquillas n.º 2 y n.º 3 fuera del tubo. NOTA: Es posible que la manguera tenga que cortarse un poco para lograr un ajuste adecuado.
5. Coloque la boquilla n.º 2 o n.º 3 en el tubo según sea necesario si el tazón no se llena a su nivel normal cuando se hace la descarga.

### Pastillas de tinte no tóxicas para detectar pérdidas de agua del inodoro

1. Quite la tapa del tanque del inodoro.
2. Ponga una pastilla de tinte en el agua del tanque.
3. Espere 15 minutos. Si aparece el color azul en el tazón, el inodoro tiene una pérdida silenciosa de agua y hay que repararla.

## PASO 2: BUSCAR PÉRDIDAS DE AGUA



**El medidor puede ser una excelente herramienta para comprobar si hay pérdidas de agua en el hogar.**

Dejar un inodoro o un grifo con pérdidas sin reparar es como botar dinero. Si tiene un medidor de agua en su casa, puede usarlo para detectar pérdidas. Empiece por cerciorarse de que nadie esté usando

el agua y de que todos los efectos electrodomésticos que consumen agua estén apagados, incluso la máquina de hacer hielo automática. Luego, compruebe qué tipo de medidor de agua tiene (de dial o digital) y siga estos sencillos pasos.

**Medidor de dial:** Revise el indicador de flujo de agua de su medidor. Si se mueve, significa que está pasando agua por el medidor y hay alguna pérdida. Si su medidor no tiene un indicador de flujo de agua, apunte la cifra que aparece en el medidor y fíjese en la posición de las manecillas del reloj contador. Revise el medidor dentro de una hora. Si la cifra o la posición de las manecillas cambió, entonces es posible que haya alguna pérdida.

**Medidor digital:** En primer lugar, active la pantalla del medidor digital encendiendo una luz en la parte delantera del medidor. Si la flecha del flujo aparece en la pantalla o si la lectura del medidor se activa y el número aumenta, significa que el agua se mueve a través del medidor. NOTA: La dirección de la flecha del flujo debe coincidir con la dirección de la flecha que aparece en la base misma del medidor. Si no es así, significa que el agua está fluyendo en la dirección opuesta. Esto debe solucionarse de inmediato instalando una válvula de retención doble en la línea de servicio o haciendo revisar la válvula de retención actual.

### MEDIDOR DE DIAL

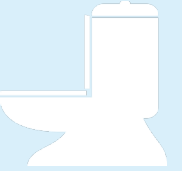
0 0 1 0 8 9 0

GALONES



Indicador de flujo de agua: Cuando se mueve, indica que el agua fluye a través del medidor y en qué dirección.

**El 10 % de los hogares tienen pérdidas de agua que desperdician 90 galones o más por día. Compruebe y arregle todas las pérdidas de agua de las tuberías de la casa o podría estar botando el dinero por el desagüe (literalmente).**



### Compruebe que no haya pérdidas de agua en los grifos

Las pérdidas en los grifos son fáciles de detectar. Si el grifo gotea, o peor aún, si continúa chorreando agua aún después de cerrado, es necesario repararlo. Si el agua que está goteando está caliente, también está gastando dinero en el calentador del agua. Si la ducha gotea aun cuando está cerrada, o sale agua del pico cuando usa la ducha, por lo general se debe a arandelas o juntas defectuosas que hay que cambiar.

### Compruebe que no haya pérdidas de agua en el inodoro

Las pérdidas de agua del inodoro, que a menudo pueden pasar desapercibidas, suelen originarse por piezas desgastadas o dañadas en el tanque de descarga del inodoro, como una válvula de descarga, una junta de válvula de descarga, una válvula de flotador, un brazo flotante o un tubo de rebalse defectuosos. Utilice las pastillas de tinte que se incluyen en este kit para comprobar si hay pérdidas de agua en el inodoro. Una vez que haya utilizado las pastillas del kit, compruebe regularmente si hay pérdidas de agua vertiendo una taza de té o café diluido en el tanque del inodoro. El uso de colorantes alimentarios puede manchar permanentemente el tazón del inodoro, si tiene raspones o grietas.

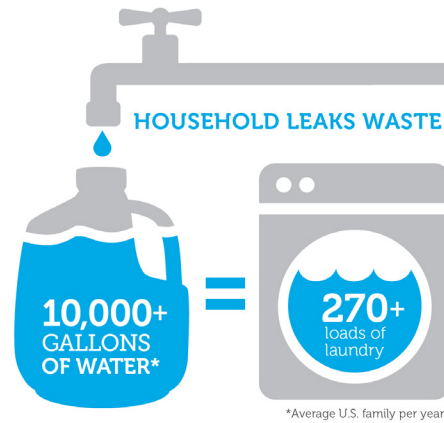
## PASO 3: PRACTIQUE EL USO INTELIGENTE DEL AGUA

### In the Bathroom

- El inodoro es el mayor derrochador de agua de la casa. Al insertar la válvula desviadora del ciclo de llenado Fill Master que se adjunta, puede evitar que el agua fluya en exceso por el desagüe de forma innecesaria. La válvula desviadora del ciclo de llenado ahorra agua y dinero al hacer que el inodoro sea más eficiente.
- Instale duchas y aireadores que ahorren agua en sus lavabos.
- Acorte su ducha a 7-10 minutos. Puede ahorrar hasta 150 galones al mes incluso si solo acorta la ducha uno o dos minutos.
- Cierre el grifo mientras se cepilla los dientes. Ahorra de uno a dos galones por día.
- Enjuague su rasuradora con pequeños chorros de agua o sacudiéndola en un lavabo parcialmente lleno, en lugar de dejar correr el agua mientras se rasura.
- Ponga los residuos del baño y los productos de higiene femenina en el cesto de basura en vez de tirarlos por el inodoro.

## WELCOME

As you know, you are currently enrolled in Pennsylvania American Water's monthly Service Charge Discount Program based on your financial qualifications. The discount is part of the company's **H2O Help to Others Program®**, designed to lend a hand of support to customers in need during difficult times.



We are pleased to introduce you to another benefit of Pennsylvania American Water's program provided to eligible customers—a wise water use kit.

This kit helps you to control the cost of your water bill through conservation. Your kit has valuable products to save hot and cold water in showers and sinks, to conserve water with every flush and to find silent and costly toilet leaks. These products, along with wise water use tips, can help you save gallons of water every month.

If you are a renter and have plumbing leaks, contact your landlord immediately.

**Your monthly water bills can be affordable when you know how to use water wisely, because the more water you save, the lower your bills will be.**

### Steps to saving water and money

- **Read this booklet and find out how the H2O Help to Others Program® can help you save money on your water bills.**
- **Install the water-saving products supplied in this kit.** Complete instructions are printed in this pamphlet.
- **Kit installation assistance:** If you are having difficulty with installing any of the products in the conservation kit, a local Pennsylvania American Water team member can provide assistance by phone. Please call (717) 550-1606 between the hours of 9 a.m. and 5 p.m., Monday through Friday. If unavailable, please leave a message.
- **Include the whole family in changing water-wasting habits into daily water-saving habits** by using the tips provided in this booklet.
- **Pay your Pennsylvania American Water bill every month.**

### In the Kitchen

- Run only full loads in the dishwasher.
- Before washing dishes by hand or in the dishwasher, scrape them; don't rinse first.
- If you wash dishes by hand, use two basins: one for washing and one for rinsing. Don't let the water run.
- Keep a bottle of drinking water in the refrigerator instead of running the tap for a cold glass.
- Rinse vegetables and fruit in a basin rather than under running water.
- Defrost frozen foods without running water over the packages. Plan ahead and place frozen items in the refrigerator overnight or defrost them in the microwave.

### In the Laundry

- Washing machines use 15-40 gallons of water per load. If you have a machine with adjustable load controls, always adjust the water level to match the size of each load. If your machine doesn't adjust to different size loads, always wash full loads.
- The major cost in washing clothes is the hot water used. The more you wash and rinse with cold water, the more energy you will save.

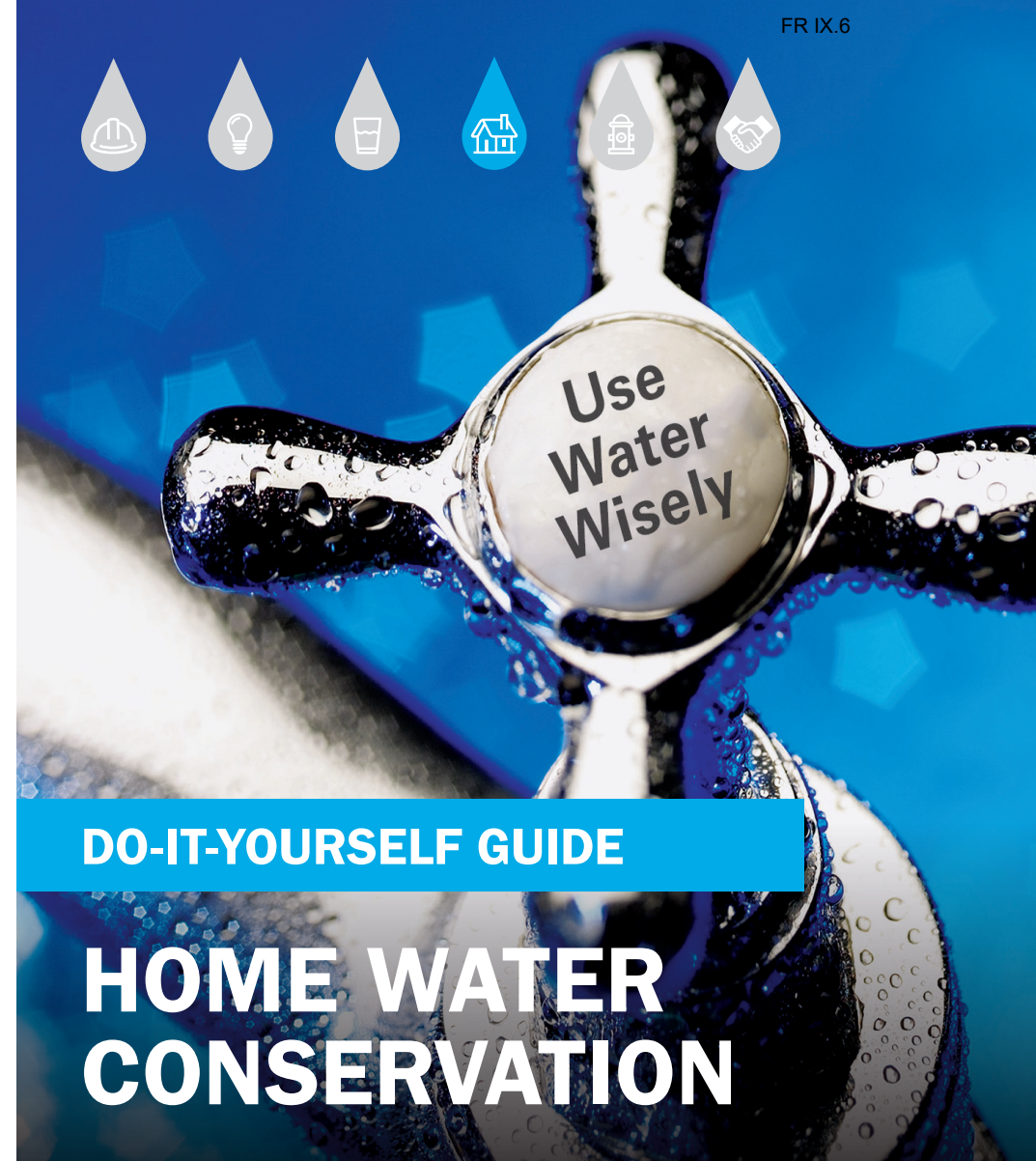
### Outside the Home

- Wash your car at a car wash that recycles its water. If washing at home, don't let the hose run continuously. Use a sprayer attachment on the hose that can easily be shut off.
- Drive your car onto the lawn before washing so that the rinse water can help water the lawn.
- Water the lawn only when it needs it, in the early morning or evening when there is less evaporation. Don't water on windy days. If the grass springs up when you walk on it, it doesn't need watering.
- Sweep driveways, patios and sidewalks with a broom instead of using the hose.

### LEARN MORE

For more water-saving tips, check these sites out online:

- **WaterSense:** [www.epa.gov/watersense](http://www.epa.gov/watersense)
- **Alliance for Water Efficiency Home Water Works:** [www.home-water-works.org](http://www.home-water-works.org)
- **Pennsylvania American Water:** [www.pennsylvaniaamwater.com](http://www.pennsylvaniaamwater.com)



08-2020

Pennsylvania American Water is a proud member of the US EPA's WaterSense Program. We are committed to conserving our most precious natural resource – water, so it is available to meet the needs of future generations.



  
**PENNSYLVANIA  
 AMERICAN WATER**  
 WE KEEP LIFE FLOWING™



## STEP 1: INSTALL THE WATER-SAVER KIT

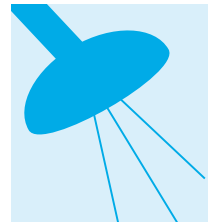
### WHAT YOUR WATER-SAVER KIT INCLUDES

- WaterSense showerhead and Teflon thread sealing tape
- Two water-saving faucet aerators (one kitchen; one bath)
- Fill cycle diverter
- Leak-detecting, non-toxic dye tablets for the toilet

### HOW TO INSTALL YOUR WATER-SAVING DEVICES

#### WaterSense Showerhead

1. Unscrew old showerhead (turn counter-clockwise).
2. Clean shower arm threads.
3. Apply Teflon thread-sealing tape, wrapping clockwise.
4. Screw on showerhead. Do not over-tighten.
5. Run water to test for leaks. If needed, gently tighten with wrench.
6. Turn face of showerhead to select preferred spray option.



According to the EPA, replacing one showerhead with a WaterSense model can save the average family as much as **2,900 gallons** of water a year — or **more than \$70 in energy and water costs every year.**

#### Water-Saving Faucet Aerators

This kit features two aerators: a 2.2 size for the kitchen and a 1.5 size for the bath. Read the numbers on the side before installing.

1. Unscrew old faucet attachment. For an inside-threaded faucet, install aerator as is. For an outside-threaded faucet, first remove the top washer to expose inside threads and then install.
2. Hand tighten, but do not over-tighten. If a wrench is used, protect finish with a cloth.

#### Fill Cycle Diverter

The Fill Master Fill Cycle Diverter saves 0.5 to 1.5 gallons of water per flush, by diverting the majority of water that would normally flow down the toilet overflow tube back into your toilet tank during the toilet's filling cycle.

1. Pull hose loose from overflow tube.
2. Remove clip or holder from hose.
3. Insert Fill Master into end of hose.
4. Push Fill Master onto overflow tube with nozzle #1 inside the tube and nozzle #2 and #3 outside the tube. NOTE: Hose may need to be cut shorter for proper fit.
5. Position nozzle #2 or #3 into the tube as needed if the bowl does not fill to its normal level when flushed.

### Leak Detecting Non-Toxic Dye Tablets for the Toilet

1. Remove lid from toilet tank.
2. Drop one dye tablet into water in tank.
3. Wait 15 minutes. If blue color appears in the bowl, your toilet has a silent leak and repairs need to be made.

## STEP 2: FINDING WATER LEAKS



automatic ice makers. Then, check to see what type of water meter you have (dial or digital), and follow these simple steps.

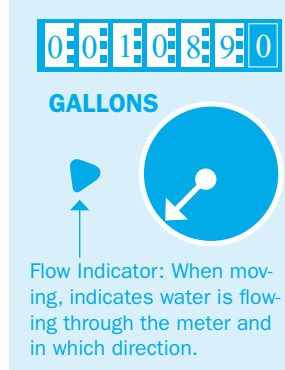
**Dial Meter:** Check the flow indicator on your meter. If it is moving, it means that water is passing through the meter and there is a leak(s). If your meter does not have a low flow indicator, write down the meter reading shown on the dial and take note of the sweep hand's position. Check the meter in an hour. If the reading or the position of the sweep hand has changed, it may indicate that you have a leak(s).

**Digital Meter:** First, activate the screen on the digital meter by shining a light on the face of the meter. If the flow arrow appears on the screen or if the meter reading calculates, and the number is increases, that means water is moving through the meter. NOTE: The direction of the flow arrow should match the direction of the arrow that appears on the base of the meter itself. If it does not, this means water is flowing in the opposite direction. This should be addressed immediately by installing a dual check valve on your service line or having your current dual check valve serviced.

### Your meter can be a great tool to check for household leaks

Not fixing a leaky toilet or faucet is like throwing money down the drain. If your water meter is in your home, you can use it to check for leaks. Start by making sure that no one is using water and that all water-using appliances are turned off, including

#### DIAL METER



**10% of homes have leaks that waste 90 gallons or more per day.** Check and fix all household plumbing leaks or you could be throwing money down the drain (literally).



#### Check for faucet leaks

Faucet leaks are easy to detect. If your faucet drips, or worse, continues to keep running after you shut it off, it needs to be fixed. If the dripping water is hot, it is also costing you money to heat the water. Water dripping from the showerhead when the shower is off, or running out of the spout when the shower is on, is usually caused by bad washers or seats which need to be replaced.

#### Check for toilet leaks

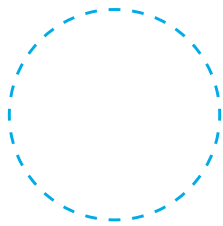
Toilet leaks, which can often go unnoticed, are often caused by worn or damaged parts in the toilet flush tank, such as a bad flapper valve, flapper valve seat, ballcock valve, float arm or overflow tube. Use the dye tablets included with this kit to check for toilet leaks. Once you have used the tablets in the kit, you can continue to regularly check for leaks by pouring a cup of weak tea or coffee into your toilet tank. Using food coloring may permanently discolor your toilet bowl, if it has scratches or cracks.

## STEP 3: PRACTICE WISE WATER USE

### In the Bathroom

- The toilet is the biggest water waster in your house. By inserting the enclosed Fill Master Fill Cycle Diverter, you can prevent excess water from needlessly flowing down the drain. The fill cycle diverter saves water and money by making your toilet more efficient.
- Install water-saving showerheads and faucet aerators in your sinks.
- Shorten your shower to 7-10 minutes. Even shortening your shower by one or two minutes can save up to 150 gallons a month.
- Turn off the water when brushing your teeth. Saves one to two gallons each day.
- Rinse your razor with short blasts of water or by swishing it in a partially filled sink instead of running the water while you shave.
- Put bathroom trash and feminine hygiene products in the waste basket instead of flushing them down the toilet.

(More tips on the back panel)



## HANG THIS TAG ON YOUR MAIN

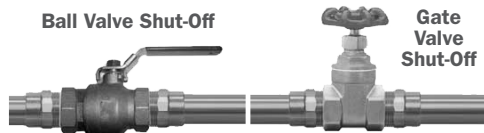
### WATER SHUT-OFF VALVE

In the event of an emergency, it may be necessary to turn off the main water valve in your home. It's important that everyone knows where to locate the main water shut-off valve. In many homes, it is located near the water meter. If the water meter is not inside, the shut-off valve is typically located close to where the water pipe enters your home or business; possibly in the basement, in a utility closet or crawl space.

**PLEASE NOTE:** You may want to test the valve to ensure that it is working properly. To test it, find your main shut-off valve and close it.

- **Ball valve:** Generally, closing a ball valve only requires a quarter turn, so that the handle is perpendicular to the water line. In the image below, the valve is open.
- **Gate valve:** Gate valves are generally closed by turning the handle clockwise. If the valve does not turn easily, do not force it and consider having the valve repaired so that it does turn easily.

Once the main shut-off valve is completely closed, check sinks and other fixtures to be sure you have found the main valve and that it is working properly. To turn water back on, slowly turn the valve until fully reopened.



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## PREPARE YOUR PIPES FOR WINTER



PENNSYLVANIA  
AMERICAN WATER

WE KEEP LIFE FLOWING™

## BEFORE THE COLD SETS IN:



### CHECK SPRINKLER OR IRRIGATION SYSTEMS

Make sure you've turned everything off and fully drained the system.



### IDENTIFY YOUR HOME'S FREEZING POINTS

Check your home for pipes in areas that might be prone to freezing, such as crawl spaces, unheated rooms, basements, garages, and exterior walls.



### KNOW HOW TO SHUT OFF YOUR WATER

Locate your main water shut-off valve. Hang the I.D. tag located on the back of this insert on the valve, so you can find it quickly in an emergency.



### STRENGTHEN YOUR DEFENSES

Eliminate sources of cold air near water lines by closing off crawl spaces, fixing drafty windows, insulating walls and attics, and plugging drafts around doors.



### PROTECT YOUR PIPES

Where pipes are exposed to cold, wrap them with insulation or heat tape (even fabric or newspaper can help).

### AVOID COSTLY REPAIRS

If the meter freezes, the homeowner/business is responsible for the cost to replace or repair the meter. With a little attention, you can help prevent pipes and meters from freezing in your home.

## WHEN TEMPERATURES STAY BELOW FREEZING:



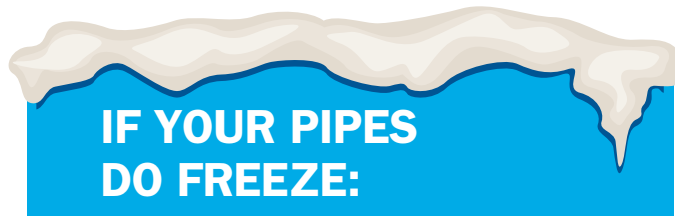
### GIVE PIPES A HELPING HAND

If pipes run through cabinets or vanities, open the doors to let warmer room temperatures flow in.



### KEEP WATER WORKING

Keep water moving through the pipes by allowing a small trickle of water to run. The cost of the extra water is typically lower than the cost of repairing a broken pipe.



## IF YOUR PIPES DO FREEZE:



### SHUT OFF THE WATER IMMEDIATELY

Don't attempt to thaw pipes without turning off the main shut-off valve.



### THAW PIPES WITH WARM AIR

Melt the frozen water in the pipe by warming the air around it. Be sure not to leave space heaters unattended and avoid the use of kerosene heaters or open flames.



### BE CAREFUL TURNING THE WATER BACK ON

Once pipes are thawed, slowly turn the water back on and check pipes and joints for any cracks or leaks that might have been caused by freezing.

[View this email in your browser](#)



## STOP LEAKS IN THEIR TRACKS



WE KEEP LIFE FLOWING™



### FIX A LEAK WEEK IS MARCH 15-21

What do making coffee, brushing your teeth, doing dishes and washing your car have in common? **All these activities require water.** With people spending more time at home, the important role water plays in daily life has come into focus. More washing, cooking, and trips to the bathroom mean household water use – and utility bills – are up. Join the nation in recognizing Fix a Leak Week by making sure your increased water use doesn't mean increased water waste.



### FIND LEAKS AND FIX THEM FAST

According to a [recent survey](#) by American Water, more than two-in-three Americans have experienced a leak at their home and even more report seeing signs that could indicate they have



had a water leak. In less than 10 minutes, you can search your home for leaks and crackdown on water waste that will save you money now and in the future.

Many common household leaks are quick to find and easy to fix. Worn toilet flappers, dripping faucets, and leaking showerheads are all easily correctable and can save you money on your water bill. Even the smallest of leaks can cause the loss of thousands of gallons of water each month. This Fix a Leak Week, take some time to detect and repair leaks in your home to save money and conserve water!

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## LEAK DETECTION KIT


[Click here](#) to download our helpful and easy-to-follow leak detection kit. We are all responsible for helping to save and conserve water, and we want to help you save water and money.






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## SPRING WISE WATER USE

Spring is the perfect time to save money outdoors by making a few simple adjustments.

 Add native and drought tolerant plants to your garden that require low water use.

 Adjust your irrigation controller with each new season and only water your landscape in the early morning and late evening to avoid evaporation.

 Install a rain barrel to catch rainwater runoff from your roof and hold it for later use for your outside landscape or indoor plants.

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Pennsylvania American Water is proud to be an EPA WaterSense Partner. Together, with other WaterSense partners across the country, we are helping to spread the word about water efficiency.

## YOU CAN SLOW THE SPREAD

Remember to follow CDC guidelines to slow the spread of COVID-19.



**Wash hands for 20 seconds.**



**Wear a mask.**



**Stay 6 feet apart.**



**Avoid crowds.**

[Click here for more CDC tips on how to stay safe & slow the spread](#)



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## SAVE WATER. SAVE MONEY.

With the summer season in full swing, here are some tips for how you and your family can conserve water!

### CHECK & FIX LEAKS

Small household leaks can add up to gallons of water lost every day, and not fixing them is like throwing money down the drain. Check your plumbing fixtures and irrigation systems periodically for leaks. If you find any, fix them! Every drop counts!

Size of continuous leak	Gallons wasted per quarter (at 60 psi)
1/16"	74,000 gallons
1/8"	296,000 gallons
3/16"	666,000 gallons
1/4"	1,181,500 gallons

### IN THE BATHROOM

• **Toilet leaks.** Leaky toilets can easily go unnoticed. To check for toilet leaks, remove the lid from your toilet tank, and drop a small amount of food coloring into the tank. Wait 10-15 minutes. If food coloring appears in the bowl, you have a leak. Repairs may be needed or the flapper valve adjusted. (Be sure to flush immediately after the experiment to avoid staining the tank.)

- **Turn off the water while shaving or brushing teeth.** You can save eight gallons of water per day while brushing and 10 gallons per shave.
- **Take shorter showers.** Bathrooms account for the largest water consumption percentage in homes. Showers alone use five gallons of water per minute. Consider installing water-saving showerheads.

### IN THE KITCHEN

- **Wait for a full load of dishes.** This can eliminate one load of dishes per week and save the average family nearly 320 gallons of water.
- **Scrape, don't rinse.** Before washing dishes by hand or in the dishwasher, scrape them; don't rinse first.
- **Keep a pitcher of drinking water in the fridge** instead of letting the tap run until the water is cool.

### IN THE LAUNDRY ROOM

- **Wash only full loads of laundry** or use the appropriate load size selection. Wearing clothes more than once can also help to reduce laundry loads and save water.
- **Consider purchasing EnergyStar™ rated washing machines.** They use less water and energy per load.

### HOW MUCH WATER DO WE USE?

**Every household is different.** American Water is a member of the Alliance for Water Efficiency. Check out their online Water Calculator. This tool allows you to input water use information specific to your household and offers tips on where you can save water and energy based on that data. To access the calculator, visit [pennsylvaniaamwater.com](http://pennsylvaniaamwater.com). Under Water Information, select Wise Water Use.







## TIPS FOR USING WATER WISELY OUTDOORS

**Outdoor watering is one of the biggest culprits of high water use during the spring and summer months. Take steps to avoid over watering:**

- **No need to water every day.** Instead, only water as needed. Depending on the weather or type of plants/turf, you may find that you only need to water once or twice per week. It can save thousands of gallons of water in a season and lead to a healthier lawn (over watering could lead to shallow roots).
- **Don't set it and forget it.** Your lawn does not need as much water in the cooler, wetter months of spring. Save the more frequent watering for summer! Check your irrigation timer and make sure you have a working rain sensor installed. No rain sensor? Be sure to turn off the sprinkler when it rains.
- **Water late in the day or early in the morning** when the sun is low to minimize evaporation.
- **Collect and store rainwater** in a rain barrel and use it to water your outdoor plants.
- **Use a broom** instead of a hose to clean patios and sidewalks.
- **Choose drought-resistant plants** or native plants. Plants native to the local conditions have the benefit of being able to thrive within them. And, they often require less maintenance and water.
- **Use a hose nozzle on your hose** to better control the flow you are using. Place hoses carefully to avoid watering unnecessary areas like sidewalks.
- **If you use a sprinkler, check sprinkler heads** to make sure they're not watering paved or unwanted areas. Be sure to turn them off when it rains.



### Log on to MyWater for Usage Data

Did you know you can view up to three years' worth of water usage data on MyWater? You can also compare your usage to the neighborhood average.

#### Not enrolled?

Visit [amwater.com/mywater](https://amwater.com/mywater). Be sure to have your account number handy.

- **Mulch plant beds to reduce weeds and preserve moisture.** NOTE: over mulching can stress plants. Only two to three inches are needed.
- **Use a bucket of soapy water** rather than leaving the hose running when washing your car or take your car to a car wash that recycles the water.
- **Bathe pets outdoors** in areas that need water.

**For more tips on how to detect leaks and use water wisely, visit [pennsylvaniaamwater.com](https://pennsylvaniaamwater.com).**

[View this email in your browser](#)

## SAVING WATER FOR OUR FUTURE



At Pennsylvania American Water, we understand the importance of living in a way that supports the availability of water for future generations. According to the [Environmental Protection Agency](#), at least 40 states anticipate a water shortage by 2024. Using water efficiently is the one thing we all can do to combat water shortages.

LEARN MORE ABOUT WATER  
CONSERVATION AT HOME  
AND AROUND THE WORLD




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### LET'S SAVE WATER THIS SUMMER

The average person in the U.S. uses [156 gallons](#) of water a day. You can find your water usage data on [MyWater](#). We are grateful for what all our customers

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do to use water wisely, but there's always more that we can do to save.

## WISE WATER USE AT HOME

Water use at home is highest during summer months. Up to 60 percent of all summer water use can be attributed to outdoor activities. You can save water this summer by taking simple steps:



**Only water when your lawn needs it.** Water only when you can leave footprints when walking across the grass.



**Set mower blades to three inches.** Longer grass keeps soil moist and encourages deeper roots, requiring less watering.



**Reduce evaporation.** Water late in the day or early in the morning to minimize evaporation.



**Use a shut-off nozzle on your hose.** Whether washing your car or watering plants, use a hose that automatically shuts off when you're not using it.



**Choose drought-resistant or native plants.** They often require less maintenance and water.



**Mulch plant beds.** Only two to three inches are needed to reduce weeds and preserve moisture.



**Fix leaks.** Check indoor and outdoor plumbing for wasteful leaks and fix them. Be sure to check sprinkler heads to make sure they're not watering paved or unwanted areas. For more information and to download our Leak Detection Kit, [click here](#).

Click [here](#) for more ways to save.

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Pennsylvania American Water remains committed to helping our customers who are experiencing hardship due to the coronavirus (COVID-19) pandemic. We urge customers struggling to pay their bill to take advantage of the programs available.



[Click here for CDC tips on how to stay safe and slow the spread](#)



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AMERICAN WATER**

[www.pennsylvaniaamwater.com](http://www.pennsylvaniaamwater.com)

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## PREPARE YOUR PIPES FOR WINTER

### BEFORE THE COLD SETS IN:



#### Check sprinkler or irrigation systems

Make sure you've turned everything off and fully drained the system.



#### Identify your home's freezing points

Check your home for pipes in areas that might be prone to freezing, such as crawl spaces, unheated rooms, basements, garages, and exterior walls.



#### Know how to shut off your water

Locate your main water shut-off valve. Hang the I.D. tag located on the next page on the valve so you can find it quickly in an emergency.



#### Strengthen your defenses

Eliminate sources of cold air near water lines by closing off crawl spaces, fixing drafty windows, insulating walls and attics, and plugging drafts around doors.



#### Protect your pipes

Where pipes are exposed to cold, wrap them with insulation or heat tape (even fabric or newspaper can help).

**SERVICE. ONE MORE WAY  
 WE KEEP LIFE FLOWING.**

### WHEN TEMPERATURES STAY BELOW FREEZING:



#### Give pipes a helping hand

If pipes run through cabinets or vanities, open the doors to let warmer room temperatures flow in.



#### Keep water working

Keep water moving through the pipes by allowing a small trickle of water to run. The cost of the extra water is typically lower than the cost of repairing a broken pipe.

### IF YOUR PIPES DO FREEZE:



#### Shut off the water immediately

Don't attempt to thaw pipes without turning off the main shut-off valve.



#### Thaw pipes with warm air

Melt the frozen water in the pipe by warming the air around it. Be sure not to leave space heaters unattended and avoid the use of kerosene heaters or open flames.



#### Be careful turning the water back on

Once pipes are thawed, slowly turn the water back on and check pipes and joints for any cracks or leaks that might have been caused by freezing.



## KNOW WHERE YOUR WATER SHUT-OFF VALVE IS LOCATED



### WATER SHUT-OFF VALVE

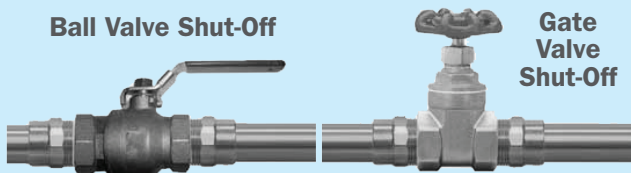
**PLEASE NOTE:** You may want to test the valve to ensure that it is working properly. To test it, find your main shut-off valve and slowly close it.

- **Ball valve:** Generally, closing a ball valve only requires a quarter turn, so that the handle is perpendicular to the water line. In the image below, the valve is open.
- **Gate valve:** Gate valves are generally closed by turning the handle clockwise. If the valve does not turn easily, do not force it and consider having the valve repaired so that it does turn easily.

Once the main shut-off valve is completely closed, check sinks and other fixtures to be sure you have found the main valve and that it is working properly. To turn water back on, slowly turn the valve until fully reopened.

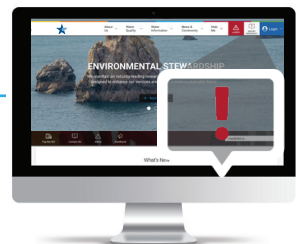
Ball Valve Shut-Off

Gate Valve Shut-Off



### HANG THIS TAG ON YOUR MAIN SHUT OFF VALVE

In the event of an emergency, it may be necessary to turn off the main water valve in your home. It's important that everyone knows where to locate the main water shut-off valve. In many homes, it is located near the water meter. If the water meter is not inside, the shut-off valve is typically located close to where the water pipe enters your home or business; possibly in the basement, in a utility closet or crawl space.



### Did you know you can report a water emergency online?

Customers can now report a water outage, leak, or other water emergencies anytime through Pennsylvania American Water's website using the "Report Emergency" button at the top of our homepage. In addition, if your account is registered with our MyWater customer portal, you can login and directly report the emergency at the affected location or address. This feature is fully automated and will guide you through a quick and easy multistep process to submit the water emergency.





PENNSYLVANIA  
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## SAVE WATER. SAVE MONEY.

Water is a resource that we depend on every day. Using water wisely is always in season. Follow these simple tips. It's good for the environment, and it's good for your bank account. Small changes can equal savings!

### CHECK & FIX LEAKS

Small household leaks can add up to gallons of water lost every day, and not fixing them is like throwing money down the drain. Check your plumbing fixtures and irrigation systems periodically for leaks. And, if you find any, fix them!

### THE METER CAN BE A GREAT TOOL TO CHECK FOR HOUSEHOLD LEAKS

If the water meter is in your home, you can use it to check for leaks. Start by making sure that no one is using water and that all water-using appliances are turned off, including automatic ice makers. Then, check to see what type of water meter you have (dial or digital), and follow these simple steps.

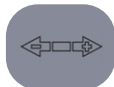
**NOTE:** If the meter is located outside in a meter pit, we ask that you don't open the pit to access the meter. If you believe you have a leak, contact us to assist.

### IF YOU HAVE A DIGITAL METER:



First, activate the screen by shining a light on the face of the meter. There are different types of digital meters, and not all have the same features. Here are examples of features digital meters have that can help check for leaks. Your meter may have one or more of these. Be sure no one is using water in the house first.

#### You may have a leak if:



**Flow Indicator:** If this appears or is flashing (The plus means forward flow).

**NOTE:** The minus means reverse flow, which can indicate a backflow issue (please contact us immediately if a minus appears).



**Leak Indicator:** If this appears or is flashing.

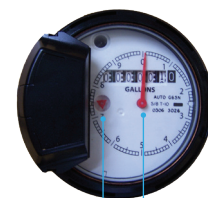
RATE

**Flow Rate:** The average flow rate displays every 12 seconds. If there is a flow rate, water is moving through the meter.

LCD Panel

**LCD Panel:** If the number increases, it may indicate there is a leak.

**IF YOU HAVE A DIAL METER:** Check the low flow indicator on the meter (a red or black triangle). If it is moving, it means that water is passing through the meter and there is a leak(s). If there is no low flow indicator, write down the meter reading shown on the dial and take note of the sweep hand's position. Check the meter in an hour (be sure not to use any water). If the reading or position of the sweep hand changed, it may indicate you have a leak.



Flow Indicator Sweep Hand

### TOILET & FAUCET LEAKS

**Toilet leaks.** Leaky toilets can easily go unnoticed. To check for toilet leaks, remove the lid from your toilet tank, and drop a small amount of food coloring into the tank. Wait 10-15 minutes. If food coloring appears in the bowl, you have a leak. Repairs may be needed or the flapper valve adjusted. (Be sure to flush immediately after the experiment to avoid staining the tank.)

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## LOWER YOUR WATER BILL BY USING WATER WISELY

Follow these simple water-saving tips and start saving today!



### IN THE BATHROOM

- **Take shorter showers.** Bathrooms account for the largest water consumption percentage in homes. Showers alone use five gallons of water per minute. Consider installing water-saving showerheads.
- **Turn off the water while shaving or brushing teeth.** You can save eight gallons of water per day while brushing and 10 gallons per shave.

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- **Wait for a full load of dishes.** This can eliminate one load of dishes per week and save the average family nearly 320 gallons of water.
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- **Keep a pitcher of drinking water in the fridge** instead of letting the tap run until the water is cool.

### IN THE LAUNDRY ROOM

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- **Consider purchasing EnergyStar™ rated washing machines.** They use less water and energy per load.

### EVERY DROP COUNTS!

Size of continuous leak	Gallons wasted per quarter (at 60 psi)
● 1/16"	74,000 gallons
● 1/8"	296,000 gallons
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● 1/4"	1,181,500 gallons

For more tips on how to detect leaks and use water wisely, visit [pennsylvaniaamwater.com](https://pennsylvaniaamwater.com).

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- **No need to water every day.** Instead, only water as needed. Depending on the weather or type of plants/turf, you may find that you only need to water once or twice per week.
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- **Collect and store rainwater** in a rain barrel and use it to water your outdoor plants.
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## HOW MUCH WATER DO YOU USE?

**Every household is different.**

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Below are some examples of the average amount of water you use for typical daily activities:

**Taking a shower**  
2-5 gallons per minute

#### Washing the dishes

- **Dishwasher:** 6-16 gallons per load
- **Handwashing:** 8-27 gallons (depending on how efficient you are when washing)

**Washing clothes**  
25-40 gallons per load

**Flushing the toilet**  
1.6-4 gallons per flush

**Brushing your teeth**  
1-2 gallons per minute

Source: USGS, <https://water.usgs.gov/edu/activity-percapita.php>

## Pennsylvania American Water Reminds Customers to Act Now to Prevent Frozen Pipes Later

**PITTSBURGH, Pa. (Jan. 21, 2022)** – With weather forecasters predicting cold temperatures very soon, Pennsylvania American Water advises homeowners to prepare their homes now to prevent frozen and damaged household pipes. The company recently released a new [Winter Tips video](#) to help customers protect the pipes in their homes.

“Preparation and prevention can help avoid frozen pipes that can burst and result in very costly household damages,” said Pennsylvania American Water Vice President of Operations Diane Holder. “Taking measures now can safeguard your plumbing against the threat of freezes and breaks.”

Property owners are responsible for maintaining the water service line from the curb to the house, as well as any in-home piping. Pennsylvania American Water encourages residents to take the following precautions to reduce the risk of freezing and bursting pipes:

### Take action now:

- Familiarize yourself with areas of your home most susceptible to freezing, such as basements, crawl spaces, unheated rooms and outside walls.
- Eliminate sources of cold air near water lines by repairing broken windows, insulating walls, closing off crawl spaces and eliminating drafts near doors.
- Locate your main water shut-off valve. If a pipe freezes or bursts, shut the water off immediately.
- Protect your pipes and water meter. Wrap exposed pipes with insulation or use electrical heat tracing wire; newspaper or fabric might also work. For outside meters, keep the lid to the meter pit closed tightly and let any snow that falls cover it. Snow acts as insulation, so don't disturb it.

### When temperatures are consistently at or below freezing:

- If you have pipes that are vulnerable to freezing, allow a small trickle of water to run overnight to keep pipes from freezing. The cost of the extra water is low compared to the cost to repair a broken pipe.
- Open cabinet doors to expose pipes to warmer room temperatures to help keep them from freezing.

### If your pipes freeze:

- Shut off the water immediately. Don't attempt to thaw frozen pipes unless the water is shut off. Freezing can often cause unseen cracks in pipes or joints.

- Apply heat to the frozen pipe by warming the air around it, or by applying heat directly to a pipe. You can use a hair dryer, space heater or hot water. Be sure not to leave space heaters unattended.
- Do not use kerosene heaters or open flames to thaw pipes inside your home.
- Once the pipes have thawed, turn the water back on slowly and check for cracks and leaks.

### **When you are away:**

- Have a friend, relative or neighbor regularly check your property to ensure that the heat is working and the pipes have not frozen.
- Also, a freeze alarm can be purchased for less than \$100 and will call a user-selected phone number if the inside temperature drops below 45 degrees.

For more helpful tips, visit Pennsylvania American Water's YouTube channel ([www.YouTube.com/paamwater](http://www.YouTube.com/paamwater)) and check out the Thawing Frozen Pipes video at <https://www.youtube.com/watch?v=oen0kSvqKks&t=10s>.

### **HELP REPORT LEAKS**

Pennsylvania American Water also advises that sub-freezing temperatures can cause water main breaks and unsafe driving conditions. If you see a leak, or your water service is disrupted, please contact the company's customer service center at 1-800-565-7292.

### **CLEAR SNOW NEAR HYDRANTS**

Additionally, the company asks that homeowners help keep fire hydrants clear from snow. By doing so, the public can help firefighters easily locate them and access water quickly, preserving valuable time to potentially save lives and structures. If you have a hydrant on or near your property, please take a few minutes to clear away the snow. If you cannot clear the hydrant, please ask a neighbor or someone else who can do it for you. Remember, quick access to fire hydrants benefits everyone.

### **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 7,000 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 help make sure we keep their lives flowing. For more information, visit [amwater.com](http://amwater.com) and follow American Water on [Twitter](#), [Facebook](#) and [LinkedIn](#).

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Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Quality of Service Water Conservation

FR IX.7

**Pennsylvania-American Water Company**  
**IX. Quality of Service**

7. Provide a discussion of the Company's policy regarding meter requirements, replacements and testing. State if the Company procedures are in compliance with 52 Pa. Code, § 65.8 (b).
- a. Provide meter test records as required in 52 Pa. Code, § 65.8(c) for 50 meters most recently removed from service.
  - b. Provide a discussion of the Company's policy and history of compliance with 52 Pa. Code § 65.9 regarding adjustments of bills for meter error within the last year.

- Answer:** Pennsylvania-American Water Company adheres to 52 Pa Code § 65.8(b) concerning meter requirements, replacements and testing.
- a. Please refer to FR IX.07\_Attachment
  - b. When a customer requests a special test of a meter pursuant to Tariff Rule 6.2, and the meter is found to have an error, the Company adjusts the customer's bill in accordance with 52 Pa. Code § 65.9.

#	Serial Number	Device removal date	Manufacturer	Meter Size	Inspector	Inspection Date	Start Read	End Read	Flow Accuracy
1	N077043730	1/18/2022	Neptune	5/8-METER	ENCARNEF	01/21/2022	2682310.00000	2682330.76000	180.0
2	N070267429	1/11/2022	Neptune	2-METER	SYS_CLD_W1V	11/17/2021	0	9.4	99.80
3	N089349302	1/11/2022	Neptune	5/8-METER	RILEYPJ	01/14/2022	587850.20000	587950.25000	99.7
4	N042647968	1/4/2022	Neptune	5/8-METER	LIVAA	01/07/2022	356443.90000	356453.70000	100.6
5	N092552184	1/4/2022	Neptune	5/8-METER	LIVAA	01/07/2022	410515.80000	410525.30000	100.3
6	N080582171	12/28/2021	Neptune	5/8-METER	RYMANBS	01/20/2022	464.20079	464.30081	100.0
7	N084271867	12/28/2021	Neptune	5/8-METER	LIVAA	01/06/2022	1367276.70000	1367286.60000	100.4
8	N045790803	12/27/2021	Neptune	5/8-METER	LIVAA	01/07/2022	1759359.00000	1759369.00000	101.0
9	N091375769	12/23/2021	Neptune	5/8-METER	LIVAA	01/06/2022	762116.90000	762124.90000	100.2
10	N15074199	12/23/2021	Neptune	5/8-METER	LIVAA	01/06/2022	244792.90000	244802.80000	100.3
11	N042953363	12/17/2021	Neptune	5/8-METER	LIVAA	01/07/2022	561856.70000	561866.20000	100.1
12	N042953478	12/17/2021	Neptune	5/8-METER	LIVAA	01/07/2022	1165949.30000	1165958.80000	100.6
13	N042953483	12/17/2021	Neptune	5/8-METER	LIVAA	01/07/2022	1181227.60000	1181237.30000	100.3
14	N090125050	12/15/2021	Neptune	5/8-METER	LIVAA	12/21/2021	1415823.40000	1415823.40000	96.3
15	N090125053	12/15/2021	Neptune	5/8-METER	LIVAA	12/21/2021	1283123.50000	1283123.50000	98.1
16	N091673735	12/15/2021	Neptune	5/8-METER	RILEYPJ	01/07/2022	147396.34000	147496.73000	100.0
17	N092552453	12/15/2021	Neptune	5/8-METER	LIVAA	01/06/2022	349079.50000	349080.50000	108.4
18	1600032855	12/14/2021	Mueller	5/8-METER	LIVAA	12/29/2021	140693.65000	140703.60000	100.4
19	1600032856	12/14/2021	Mueller	5/8-METER	LIVAA	12/29/2021	133700.56000	133710.62000	100.2
20	1600034239	12/14/2021	Mueller	5/8-METER	LIVAA	12/29/2021	52861.81000	52871.78000	100.0
21	1600034241	12/14/2021	Mueller	5/8-METER	LIVAA	12/29/2021	140482.28000	140492.26000	100.3
22	1600034242	12/14/2021	Mueller	5/8-METER	LIVAA	12/29/2021	177335.12000	177345.12000	100.3
23	N090281305	12/14/2021	Neptune	5/8-METER	LIVAA	12/21/2021	564202.00000	564211.70000	100.2
24	N45244891	12/13/2021	Neptune	5/8-METER	LIVAA	12/21/2021	2004578.00000	2004588.10000	101.3
25	N46581468	12/13/2021	Neptune	5/8-METER	LIVAA	01/11/2022	1688852.50000	1688862.40000	101.4
26	N044042879	12/10/2021	Neptune	5/8-METER	LIVAA	01/06/2022	919218.70000	919228.70000	100.4
27	N045791517	12/10/2021	Neptune	5/8-METER	LIVAA	01/07/2022	1160712.90000	1160722.00000	99.4
28	N045791740	12/10/2021	Neptune	5/8-METER	LIVAA	12/21/2021	6136160.50000	6136170.50000	100.2
29	N045793871	12/10/2021	Neptune	5/8-METER	LIVAA	01/06/2022	1527802.50000	1527811.20000	100.7
30	N085854912	12/10/2021	Neptune	5/8-METER	ENCARNEF	01/05/2022	2480554.19000	2480563.24000	99.7
31	1600033828	12/7/2021	Mueller	5/8-METER	LIVAA	12/29/2021	139098.99000	139109.03000	99.7
32	N081454804	12/6/2021	Neptune	5/8-METER	LIVAA	12/15/2021	1602213.50000	1602223.40000	100.1
33	N091459586	12/6/2021	Neptune	5/8-METER	LIVAA	01/06/2022	459752.00000	459761.00000	99.8
34	N084271651	12/3/2021	Neptune	5/8-METER	LIVAA	12/15/2021	372042.60000	372052.20000	99.3
35	N45301028	12/3/2021	Neptune	5/8-METER	LIVAA	12/15/2021	1078982.50000	1078991.90000	100.7
36	N15074812	12/2/2021	Neptune	5/8-METER	LIVAA	12/06/2021	418242.00000	418242.00000	100.2
37	N045792231	12/1/2021	Neptune	5/8-METER	LIVAA	12/06/2021	484177.40000	484187.10000	100.5
38	N087171531	12/1/2021	Neptune	5/8-METER	LIVAA	12/06/2021	621655.90000	621665.70000	100.8
39	N46583487	12/1/2021	Neptune	5/8-METER	LIVAA	12/06/2021	1251040.80000	1251050.10000	100.2
40	N043174845	11/30/2021	Neptune	5/8-METER	LIVAA	12/15/2021	1212683.70000	1212693.70000	11.1
41	N091561378	11/29/2021	Neptune	5/8-METER	ENCARNEF	11/30/2021	530442.06000	530451.49000	99.6
42	N043602028	11/27/2021	Neptune	5/8-METER	LIVAA	12/15/2021	1031022.10000	1031031.90000	100.4
43	N042434148	11/24/2021	Neptune	5/8-METER	LIVAA	01/07/2022	911431.70000	911441.80000	100.6
44	N090125227	11/24/2021	Neptune	5/8-METER	LIVAA	12/06/2021	718863.80000	718873.30000	99.8
45	N78282148	11/24/2021	Neptune	5/8-METER	LIVAA	12/15/2021	1727577.30000	1727587.30000	101.1
46	N78282215	11/24/2021	Neptune	5/8-METER	LIVAA	12/15/2021	651497.00000	651506.70000	100.7
47	N78282222	11/24/2021	Neptune	5/8-METER	LIVAA	12/15/2021	836415.30000	836425.00000	101.0
48	N78881952	11/24/2021	Neptune	5/8-METER	LIVAA	12/15/2021	1391453.30000	1391463.00000	100.3
49	N089969299	11/20/2021	Neptune	5/8-METER	CAINJM	12/22/2021	499946.64000	500048.08000	99.4
50	N090281422	11/20/2021	Neptune	5/8-METER	LIVAA	12/15/2021	959372.30000	959382.00000	100.3

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR X.1

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

1. Provide a comparative balance sheet for the historic test year-end and the preceding year-end.

**Answer:** Please see FR X.01\_Attachment.

**Pennsylvania American Water Company - Total Company**  
**Comparative Balance Sheet**  
**FRX.1**

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Assets</b>		
Utility Plant In Service	\$7,132,117,145	\$6,715,073,333
Construction Work In Progress	96,767,642	109,536,506
Utility Plant Accumulated Depreciation/Amortization	(1,734,903,890)	(1,594,352,382)
Total Utility Plant Adjustment	<u>10,952,649</u>	<u>11,499,721</u>
Utility property, net of accumulated depreciation	<u>\$5,504,933,547</u>	<u>\$5,241,757,178</u>
Nonutility property, net of accumulated depreciation	688,134	571,999
Total Property, Plant and Equipment	<u>\$5,505,621,681</u>	<u>\$5,242,329,177</u>
Cash and Cash Equivalents	(2,796,867)	(5,442,701)
Accounts Receivable, net	52,304,926	171,426,929
Unbilled Revenues	42,573,330	40,447,983
Materials and Supplies	13,091,105	10,347,124
Other current assets	25,710,466	6,652,710
Total Current Assets	<u>\$130,882,961</u>	<u>\$223,432,045</u>
Regulatory Assets	144,480,936	145,128,229
Goodwill	75,140,177	75,640,177
Operating lease right-of-use assets	238,313	462,191
Other Long Term Assets	997,734	1,280,576
Total Regulatory and Other L/T Assets	<u>\$220,857,159</u>	<u>\$222,511,173</u>
Total Assets	<u>\$5,857,361,801</u>	<u>\$5,688,272,395</u>
<b>Capital &amp; Liabilities</b>		
Common stock	\$21,506,887	\$21,506,887
Paid in Capital	1,416,192,283	1,412,472,000
Retained Earnings	806,548,954	743,617,996
Total Stockholder(s) Equity	<u>\$2,244,248,124</u>	<u>\$2,177,596,882</u>
Total Equity	<u>\$2,244,248,124</u>	<u>\$2,177,596,882</u>
Long Term Debt	1,803,634,851	1,713,405,826
Redeemable Preferred Stock at redemption value	451,500	1,651,500
Total Long-term debt	<u>\$1,804,086,351</u>	<u>\$1,715,057,326</u>
Total Capitalization	<u>\$4,048,334,475</u>	<u>\$3,892,654,207</u>
Short-Term Debt	282,368,383	246,244,089
Current Portion Long-term Debt	4,866,858	70,329,157
Current portion redeemable preferred stock	1,200,000	1,200,000
Accounts Payable	131,808,637	106,045,897
Taxes Accrued	4,286,946	(3,428,504)
Interest Accrued	18,868,812	19,643,061
Other current liabilities	29,735,711	21,690,091
Total Current Liabilities	<u>\$473,135,347</u>	<u>\$461,723,791</u>
Customer Advances for Construction	59,637,251	63,846,350
Deferred Income Taxes	739,173,272	687,027,309
Deferred Investment tax credits	3,971,020	4,204,612
Regulatory liability	300,776,674	343,468,424
Accrued Pension	(18,603,086)	(9,992,798)
Accrued postretirement benefit expense	(18,883,727)	(9,722,927)
Operating lease long-term liabilities	112,485	239,414
Other Deferred Credits	60,529,815	51,821,910
Regulatory & Other Long Term Liabilities	<u>\$1,126,713,704</u>	<u>\$1,130,892,294</u>
Contributions in aid of Construction	209,178,276	203,002,103
Total Capital and Liabilities	<u>\$5,857,361,801</u>	<u>\$5,688,272,395</u>



**Pennsylvania American Water Company - Water Operations**  
**Comparative Balance Sheet**  
**FRX.1**

	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Assets</b>		
Utility Plant In Service	\$5,817,952,542	\$5,492,694,279
Construction Work In Progress	76,512,191	96,548,380
Utility Plant Accumulated Depreciation/Amortization	(1,238,221,888)	(1,136,221,487)
Total Utility Plant Adjustment	11,146,374	11,749,490
Utility property, net of accumulated depreciation	<u>\$4,667,389,219</u>	<u>\$4,464,770,663</u>
Nonutility property, net of accumulated depreciation	688,134	571,999
Total Property, Plant and Equipment	<u>\$4,668,077,353</u>	<u>\$4,465,342,661</u>
Cash and Cash Equivalents	(2,796,867)	(5,442,701)
Accounts Receivable, net	52,305,082	171,427,085
Unbilled Revenues	42,573,330	40,447,983
Materials and Supplies	12,652,989	10,105,875
Other current assets	25,710,466	6,652,710
Total Current Assets	<u>\$130,445,001</u>	<u>\$223,190,951</u>
Regulatory Assets	122,711,139	127,762,686
Goodwill	40,675,926	40,675,926
Operating lease right-of-use assets	238,313	462,191
Other Long Term Assets	997,734	1,280,576
Total Regulatory and Other L/T Assets	<u>\$164,623,111</u>	<u>\$170,181,380</u>
Total Assets	<u>\$4,963,145,465</u>	<u>\$4,858,714,993</u>
<b>Capital &amp; Liabilities</b>		
Common stock	\$21,506,887	\$21,506,887
Paid in Capital	1,416,192,283	1,412,472,000
Retained Earnings	(51,647,537)	(49,315,981)
Total Stockholder(s) Equity	<u>\$1,386,051,632</u>	<u>\$1,384,662,905</u>
Total Equity	<u>\$1,386,051,632</u>	<u>\$1,384,662,905</u>
Long Term Debt	1,803,634,851	1,713,405,826
Redeemable Preferred Stock at redemption value	451,500	1,651,500
Total Long-term debt	<u>\$1,804,086,351</u>	<u>\$1,715,057,326</u>
Total Capitalization	<u>\$3,190,137,984</u>	<u>\$3,099,720,231</u>
Short-Term Debt	282,368,383	246,244,089
Current Portion Long-term Debt	4,866,858	70,329,157
Current portion redeemable preferred stock	1,200,000	1,200,000
Accounts Payable	131,808,592	106,045,852
Taxes Accrued	4,286,946	(3,428,504)
Interest Accrued	18,868,812	19,643,061
Other current liabilities	29,306,655	21,029,422
Total Current Liabilities	<u>\$472,706,246</u>	<u>\$461,063,077</u>
Customer Advances for Construction	58,970,649	63,478,976
Deferred Income Taxes	739,173,272	687,027,309
Deferred Investment tax credits	3,971,020	4,204,612
Regulatory liability	299,377,421	341,541,099
Accrued Pension	(18,603,086)	(9,992,798)
Accrued postretirement benefit expense	(18,883,727)	(9,722,927)
Operating lease long-term liabilities	112,485	239,414
Other Deferred Credits	60,529,815	51,353,265
Regulatory & Other Long Term Liabilities	<u>\$1,124,647,848</u>	<u>\$1,128,128,949</u>
Contributions in aid of Construction	175,653,388	169,802,736
Total Capital and Liabilities	<u>\$4,963,145,465</u>	<u>\$4,858,714,993</u>

**Pennsylvania American Water Company - Wastewater SSS General Operations**  
**Comparative Balance Sheet**

**FRX.1**

	<u>12/31/2021</u>	<u>12/31/2020</u>
Assets		
Utility Plant In Service	\$598,566,213	\$557,563,412
Construction Work In Progress	14,539,517	8,584,624
Utility Plant Accumulated Depreciation/Amortization	(205,928,717)	(183,966,396)
Total Utility Plant Adjustment	(193,725)	(249,769)
Utility property, net of accumulated depreciation	<u>\$406,983,289</u>	<u>\$381,931,872</u>
Total Property, Plant and Equipment	<u>\$406,983,289</u>	<u>\$381,931,872</u>
Accounts Receivable, net	(6,485,617)	(5,277,276)
Materials and Supplies	213,963	87,701
Other current assets	761,350	529,300
Total Current Assets	<u>(\$5,510,305)</u>	<u>(\$4,660,276)</u>
Regulatory Assets	11,331,447	8,467,067
Goodwill	3,456,104	3,456,104
Total Regulatory and Other L/T Assets	<u>\$14,787,551</u>	<u>\$11,923,171</u>
Total Assets	<u><u>\$416,260,535</u></u>	<u><u>\$389,194,767</u></u>
Capital & Liabilities		
Retained Earnings	390,002,976	362,305,659
Total Stockholder(s) Equity	<u>\$390,002,976</u>	<u>\$362,305,659</u>
Total Equity	<u>\$390,002,976</u>	<u>\$362,305,659</u>
Total Capitalization	<u>\$390,002,976</u>	<u>\$362,305,659</u>
Accounts Payable	(2,061,095)	(1,365,723)
Taxes Accrued	158	-
Other current liabilities	223,383	181,010
Total Current Liabilities	<u>(\$1,837,554)</u>	<u>(\$1,184,712)</u>
Customer Advances for Construction	666,602	367,374
Regulatory liability	919,107	1,242,785
Other Deferred Credits	-	468,645
Regulatory & Other Long Term Liabilities	<u>\$1,585,709</u>	<u>\$2,078,804</u>
Contributions in aid of Construction	26,509,405	25,995,016
Total Capital and Liabilities	<u><u>\$416,260,535</u></u>	<u><u>\$389,194,767</u></u>

**Pennsylvania American Water Company - Royersford WW Operations**  
**Comparative Balance Sheet**

**FRX.1**

	<b>12/31/2021</b>	<b>12/31/2020</b>
Assets		
Utility Plant In Service	\$19,403,985	\$0
Construction Work In Progress	368,656	-
Utility Plant Accumulated Depreciation/Amortization	(6,621,912)	-
Utility property, net of accumulated depreciation	<u>\$13,150,729</u>	<u>\$0</u>
Total Property, Plant and Equipment	<u>\$13,150,729</u>	<u>\$0</u>
Accounts Receivable, net	64,252	-
Materials and Supplies	1,757	-
Total Current Assets	<u>\$66,009</u>	<u>\$0</u>
Regulatory Assets	387,965	-
Total Regulatory and Other L/T Assets	<u>\$387,965</u>	<u>\$0</u>
Total Assets	<u><u>\$13,604,703</u></u>	<u><u>\$0</u></u>
Capital & Liabilities		
Retained Earnings	13,586,207	-
Total Stockholder(s) Equity	<u>\$13,586,207</u>	<u>\$0</u>
Total Equity	<u>\$13,586,207</u>	<u>\$0</u>
Total Capitalization	<u>\$13,586,207</u>	<u>\$0</u>
Accounts Payable	10,829	-
Other current liabilities	7,667	-
Total Current Liabilities	<u>\$18,496</u>	<u>\$0</u>
Total Capital and Liabilities	<u><u>\$13,604,703</u></u>	<u><u>\$0</u></u>

**Pennsylvania American Water Company - Wastewater CSS Operations**  
**Comparative Balance Sheet**  
**FRX.1**

	<u>12/31/2021</u>	<u>12/31/2020</u>
Assets		
Utility Plant In Service	\$696,194,405	\$664,815,642
Construction Work In Progress	5,347,278	4,403,502
Utility Plant Accumulated Depreciation/Amortization	(284,131,373)	(274,164,499)
Utility property, net of accumulated depreciation	<u>\$417,410,310</u>	<u>\$395,054,644</u>
Total Property, Plant and Equipment	<u>\$417,410,310</u>	<u>\$395,054,644</u>
Accounts Receivable, net	6,421,210	5,277,120
Materials and Supplies	222,396	153,549
Other current assets	(761,350)	(529,300)
Total Current Assets	<u>\$5,882,256</u>	<u>\$4,901,369</u>
Regulatory Assets	10,050,385	8,898,476
Goodwill	31,008,146	31,508,146
Total Regulatory and Other L/T Assets	<u>\$41,058,532</u>	<u>\$40,406,622</u>
Total Assets	<u>\$464,351,097</u>	<u>\$440,362,636</u>
Capital & Liabilities		
Retained Earnings	454,607,308	430,628,318
Total Stockholder(s) Equity	<u>\$454,607,308</u>	<u>\$430,628,318</u>
Total Equity	<u>\$454,607,308</u>	<u>\$430,628,318</u>
Total Capitalization	<u>\$454,607,308</u>	<u>\$430,628,318</u>
Accounts Payable	2,050,311	1,365,768
Taxes Accrued	(158)	-
Other current liabilities	198,006	479,659
Total Current Liabilities	<u>\$2,248,159</u>	<u>\$1,845,426</u>
Regulatory liability	480,147	684,540
Regulatory & Other Long Term Liabilities	<u>\$480,147</u>	<u>\$684,540</u>
Contributions in aid of Construction	7,015,483	7,204,352
Total Capital and Liabilities	<u>\$464,351,097</u>	<u>\$440,362,636</u>

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Other Investment as of December 31, 2021

FR X.2

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

2. Provide a detail of other Physical Property, Investment in Affiliated Companies and Other Investments.

**Answer:**

<u>Description</u>	<u>Asset Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>	<u>Asset</u>
<b>Account 103 - Property Held for Future Use</b>				
1 Million Gallon Tank - Land	\$45,115	\$0	\$45,115	2931822
Birch Acres Well - Parcel #2	4,919	-	4,919	19772334
Birch Acres Well - Parcel #4	5,549	-	5,549	19772335
Birch Acres Well - Parcel #3 Land Right	1	-	1	19772336
Well #5 - 2,500 sq ft	12,550	-	12,550	129950766
Well	20,000	-	20,000	129951325
Well #4 - 1,845.50 sq ft	9,264	-	9,264	129953663
Land - Pittsburgh	26,975	-	26,975	129963692
Parcel	13,667	-	13,667	129964178
Pennhurst Property - 4.4 acres	46,716	-	46,716	129964747
Interest Privilege Right	1,278	-	1,278	129971680
Parcel	174	-	174	129973779
Well	557	-	557	130079417
Well	925	-	925	130079420
Interest Privilege Right	390	-	390	130079451
140 acres - Pike County, DE Twp	420,000	-	420,000	137011562
<b>Total - Account 103</b>	<b>\$608,082</b>	<b>\$0</b>	<b>\$608,082</b>	

<u>Description</u>	<u>Asset Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>
<b>Account 121 - Non Utility Plant</b>			
Non Utility Plant - Land	\$672,700	\$0	\$672,700
Non Utility Plant - Other	740,277	724,843	15,435
<b>Total - Account 121</b>	<b>\$1,412,977</b>	<b>\$724,843</b>	<b>\$688,134</b>

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission

FR X.3

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

3. Provide the amounts and purpose of Special Cash Accounts as of the historic test-year end.

**Answer:** The Petty Cash Account 134 had a balance of \$0 at the end of the historic test year.

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Notes Receivable, Accounts Receivable from Associated Companies and Other  
 Receivables as of December 31, 2021

FR X.4

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

4. Describe the nature and amounts of notes receivable, accounts receivable from associated companies, and any other receivables, other than customers' accounts, greater than 15% of the total. Limit the explanation to variances greater than \$10,000.

**Answer:**

Please refer to the summary below. Additional detail attached as FR X.04\_Attachment.

**Miscellaneous Receivables (Total Company)**

<b>Account/Description</b>	<b>Amount</b>	<b>% of Total</b>
14510000 A/R Assoc Cos - Miscellaneous	\$4,972	0.07%
14510100 A/R Assoc Cos - Reconciliation Account	79,874	1.20%
14511001 A/R Assoc Cos - Service Company Bill	1,705,161	25.65%
<b>Sub-Total A/R Assoc Cos</b>	<b>\$1,790,008</b>	<b>26.93%</b>
14610000 Misc A/R - Reconciliation Account	\$193,537	2.91%
14611000 Misc A/R - Manual	521,317	7.84%
14611200 Misc A/R - Retro Insurance	3,589,198	54.0%
14611500 Misc A/R - Medicare Subsidy	552,586	8.31%
14613000 Misc A/R - Employees	568	0.01%
<b>Sub-Total Misc A/R</b>	<b>\$4,857,207</b>	<b>73.07%</b>
14620000 Misc Rec - Allow for Uncollectible Accts	\$0	0.0%
<b>Total Miscellaneous Receivables</b>	<b>\$6,647,215</b>	<b>100.0%</b>

**Pennsylvania-American Water Company - A/R Associated Companies - Service Company Bill  
Balance Summary as of December 31, 2021**

<b>Description</b>	<b>Amount</b>
Service Company bill	\$1,705,161
<b>Total</b>	<b><u>1,705,161</u></b>

**Pennsylvania-American Water Company - Miscellaneous A/R Retro Insurance  
Balance Summary as of December 31, 2021**

<b>Description</b>	<b>Amount</b>
Insurance Reserve balance	\$3,589,198
<b>Total</b>	<b><u>3,589,198</u></b>



Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Uncollectibles as of December 31, 2021

FR X.5

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

5. Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written-off in each of the last three years.

**Answer:**

Accumulated Reserve – Uncollectible Accounts (Total Company) \$30,271,998

The allowance for doubtful accounts is calculated based upon an uncollectible percentage of sales method coupled with an allowance for customer account balances, which have aged over 150 days. Accounts are typically written off once they age to 150 days. The percentage used for the sales method is determined annually by the Accounting Manager and approved by the Director of Accounting. The percentage factor is reviewed annually but may be updated more frequently if an adjustment is needed (i.e. change in economic conditions). Discretionary adjustments are manual changes to remove or add specific customer accounts to/from the doubtful accounts report. Discretionary adjustments should only be made if there is a reasonable expectation that payments will be received or not received.

Calculation of the total reserve for the current month.

- A. Obtain total customer revenue (billed and unbilled) for the past 5 months by individual entity
- B. Multiply A by the % factor approved
- C. Obtain the Account balances > 150 days by state. (Aging reports generated at month end)
- D. Obtain any Approved discretionary adjustments.
- E. Total reserve = B + C + D

	Total Company		
	Year-end 2019	Year-end 2020	Year-end 2021
Accrued Expense	\$10,677,158	\$10,158,122	\$9,381,980
Net Charge Offs	\$8,423,765	\$4,905,724	\$8,632,107

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Prepayments

FR X.6

**Pennsylvania-American Water Company**

**X. Balance Sheet**

6. Provide a list of prepayments and give an explanation of special prepayments.

**Answer:**

<b>(Total Company)</b>	
<b>Prepayments</b>	<b>12/31/2021</b>
<b>Account/Description</b>	<b>Balance</b>
16410000 Other Deposits	20,100,327
16510000 Prepaid Taxes	1,100,037
16520000 Prepaid Insurance	63,788
16530000 Prepaid PUC/PSC Assessment	2,525,243
16550000 Prepaid Other	732,647
16550010 Prepaid Other – Global	247,778
16611000 Reg Asset-OCA tax	940,647
<b>Total</b>	<b><u>25,710,467</u></b>

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Significant Items in Current Assets

FR X.7

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

7. Break down and explain in detail any significant items, greater than 15% of the total, in the current assets account listed on the balance sheet. Limit the explanation to variances greater than \$10,000.

**Answer:**

<b>(Total Company)</b>	<b>12/31/2021</b>	
<b>Current Assets</b>	<b>Balance</b>	<b>% of Total</b>
Cash and Cash Equivalents	(\$2,796,867)	-2%
Accounts Receivable, net	52,304,926	40% See Detail Below
Unbilled Revenues	42,573,330	33%
Materials and Supplies	13,091,105	10% See Detail Below
Other current assets	25,710,466	20% See Detail Below
<b>Total Current Assets</b>	<b>\$130,882,961</b>	<b>100%</b>
<b>Accounts Receivable, net</b>		
Customer accounts receivable	75,929,710	
Accounts Receivable Assoc Co's	1,790,008	
Miscellaneous Receivables	4,857,207	
Allowance for Uncollectible Accounts	(30,271,998)	
Sub-Total	52,304,926	
<b>Materials and Supplies</b>		
Plant Material	10,762,571	
Chemicals	2,218,671	
Other Materials & Supplies	109,863	
Sub-Total	13,091,105	
<b>Other current assets</b>		
Other Specials Deposits	20,100,327	
Prepaid Taxes	1,100,037	
Prepaid Insurance	63,788	
Prepaid PUC/PSC Assessments	2,525,243	
Prepaid Other	732,647	
Prepaid Other - Global	247,778	
Reg Asset - Other Current Asset Tax	940,647	
Sub-Total	25,710,466	

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Deferred Assets as of December 31, 2021

FR X.8

**Pennsylvania-American Water Company****X. Balance Sheet**

8. Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying:
- Origin of these accounts.
  - Probable changes to this account in the near future.
  - Amortization of these accounts currently charged to operations or to be charged in the near future.

**Answer:****Deferred Assets (Total Company)**

<b>Account Description</b>	<b>12/31/2021 Balance</b>	<b>2021 New Charges</b>	<b>2021 Expense Amortization</b>	<b>Account Charged</b>
Deferred Rate Proceedings	1,992,128	115,142	(861,050)	18620000
Deferred Purchase Prem Rec Thru Rat	167,032		(120,742)	18650000
Cost of Removal	83,474,525			18680000
Cost of Removal-RWIP	7,629,986			18680100
Post In-Service AFUDC	164,949		(135,915)	18680134
Post In-Service Depreciation	257,181		(123,811)	18680135
Cost of Service Study	160,251		(26,709)	18680132
Deferred Acquisition Costs	9,225,086	1,916,449	(263,489)	18680162
Debt Call Premium	11,619,054	1,197,403	(1,760,367)	18680218
COVID-19 Deferral	10,762,797	(191,157)		18680228
Lead Service Line Costs	229,119	(13,579)	(23,122)	18689900
PA Stormwater Rate Studies	20,000	20,000		18689900
Safe Drinking Water Annual Fee	1,171,833	7,000	(515,167)	18689900
<b>Total</b>	<b>\$126,873,941</b>			

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Accounts Payable to Associated Companies as of December 31, 2021

FR X.9

**Pennsylvania-American Water Company**

**X. Balance Sheet**

9. Explain the nature of accounts payable to associated companies. Provide a breakdown by category.

**Answer:** The Company has four accounts payable to associated companies accounts. The first account, 23410100, is a clearing account associated with receivables and disbursements of Pennsylvania American that are handled by American Water Capital Corporation. The second account, 23510000, would include accounts payable to internal trading partners such as American Water Capital Corporation for short term debt, or American Water Works company for accrued federal income taxes. The third and fourth accounts, 23520000 & 23520001 (A/P Service Co Bill), net, represents the balance Pennsylvania American owes AWWSC for support services.

Accounts Payable to Associated Companies  
 (Total Company)

<u>Account/Description</u>	<u>Amount</u>
23410100 A/P Intercompany - Reconciliation Account	\$2,617,643
23510000 A/P Associated Companies	2,771,414
23520000 A/P Associated Companies - Service Co Bill	(6,088,181)
23520001 A/P Associated Companies - Service Co Bill	10,066,245

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Deferred Credits as of December 31, 2021

FR X.10

**Pennsylvania-American Water Company**

**X. Balance Sheet**

10. Provide a breakdown and explanation of other deferred credits as to their origin and disposition policy, for example, amortization.

**Answer:**

**Deferred Credits (Total Company)**

<b>Account/Description</b>	<b>12/31/2021 Balance</b>	<b>2021 New Charges</b>	<b>2021 Expense Amortization</b>	<b>Account Charged</b>
Tax Cuts & Job Act	(16,888,517)	(46,610)	7,430,948	25632300
Pension Tracker	(8,874,534)		1,479,089	25633000
Service Company Pension	(2,875,972)		479,329	25633200
Gain on Acquisition	(1,071,509)		211,591	25633700
COVID-19 Deferral	(1,923,745)	(935,075)		25636000
Equipment Discount	(887,518)	(912,901)	25,383	25689900
<b>Total</b>	<b>(\$32,521,796)</b>			

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Funding of Reserves

FR X.11

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

11. Provide an explanation and method of funding of any reserves, other than depreciation and bad debt appearing on historic balance sheet.

**Answer:** The Company maintains no reserves, other than depreciation and bad debt, appearing on historic balance sheet.

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Unappropriated Retained Earnings as of December 31, 2021

FR X.12

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

12. Provide an analysis of unappropriated retained earnings for the historic test year and two preceding years.

**Answer:**

Total Company

Unappropriated Retained Earnings	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Balance at Beginning of Period	\$743,617,996	\$692,744,399	\$638,735,089
Add:			
Net Income for Period	228,690,398	197,159,529	186,733,631
Cumulative Effect of Change in Accounting Principle	0	0	(127,994)
Deduct:			
Preferred Stock Dividends	0	0	0
Declaration of Common Stock Dividends	165,759,440	146,285,932	132,599,731
Adjustment			3,404
Balance at the end of Period	\$806,548,954	\$743,617,996	\$692,744,399



Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Advances to Parent

FR X.13

**Pennsylvania-American Water Company**  
**X. Balance Sheet**

13. Describe the purpose of any advances made by the Company to its parent corporation and describe all terms and conditions associated with such advances, including an estimate of future advances or repayments that are expected to occur.

**Answer:** The Company made no advances to its parent corporation.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Monthly Balance Sheet and Income Statement

FR XI.1

**Pennsylvania-American Water Company**  
**XI. Other Data**

1. Provide the Company's monthly balance sheets and income statements for each month of the historic and future test year.

**Answer:** Please see FR XI.01\_Attachment.

**Pennsylvania-American Water Company - Total Company**  
**FR XI.01 Balance Sheet**

	<b>1/31/2021</b>	<b>2/28/2021</b>	<b>3/31/2021</b>	<b>4/30/2021</b>
<b>Assets</b>				
Utility Plant In Service	\$6,727,149,770	\$6,737,187,557	\$6,750,932,317	\$6,817,306,530
Construction Work In Progress	\$116,791,523	\$128,138,246	\$130,310,049	\$133,639,610
Utility Plant Accumulated Depreciation/Amortization	(\$1,606,426,601)	(\$1,616,888,039)	(\$1,624,062,682)	(\$1,677,535,384)
Total Utility Plant Adjustment	\$11,449,462	\$11,399,202	\$11,348,942	\$11,298,683
Utility property, net of accumulated depreciation	\$5,248,964,154	\$5,259,836,966	\$5,268,528,627	\$5,284,709,439
Nonutility property, net of accumulated depreciation	\$571,381	\$570,764	\$562,602	\$577,073
Total Property, Plant and Equipment	\$5,249,535,535	\$5,260,407,730	\$5,269,091,229	\$5,285,286,512
Cash and Cash Equivalents	(\$6,848,814)	(\$1,902,791)	(\$837,137)	(\$1,612,163)
Restricted Funds Current				
Accounts Receivable, net	\$171,098,340	\$169,947,403	\$52,818,440	\$54,803,621
Unbilled Revenues	\$34,292,955	\$33,944,691	\$39,896,270	\$37,294,635
Materials and Supplies	\$10,690,650	\$10,943,699	\$11,019,670	\$11,377,072
Other current assets	\$10,816,742	\$9,496,049	\$12,589,948	\$31,780,619
Total Current Assets	\$220,049,873	\$222,429,051	\$115,487,191	\$133,643,784
Regulatory Assets	\$293,616,654	\$294,156,475	\$149,459,816	\$297,896,542
Goodwill	\$75,140,177	\$75,140,177	\$75,140,177	\$75,140,177
Operating lease right-of-use assets	\$443,227	\$424,283	\$393,775	\$376,687
Other Long Term Assets	\$1,257,243	\$1,233,908	\$1,210,111	\$1,186,778
Total Regulatory and Other L/T Assets	\$370,457,300	\$370,954,842	\$226,203,879	\$374,600,183
<b>Total Assets</b>	<b>\$5,840,042,708</b>	<b>\$5,853,791,623</b>	<b>\$5,610,782,299</b>	<b>\$5,793,530,478</b>
<b>Capital &amp; Liabilities</b>				
Common stock	\$21,506,887	\$21,506,887	\$21,506,887	\$21,506,887
Paid in Capital	\$1,412,472,000	\$1,412,515,775	\$1,412,556,160	\$1,412,556,160
Retained Earnings	\$756,672,776	\$774,021,318	\$759,907,681	\$777,380,448
Total Stockholder(s) Equity	\$2,190,651,662	\$2,208,043,980	\$2,193,970,727	\$2,211,443,494
<b>Total Equity</b>	<b>\$2,190,651,662</b>	<b>\$2,208,043,980</b>	<b>\$2,193,970,727</b>	<b>\$2,211,443,494</b>
Long Term Debt	\$1,712,981,297	\$1,712,555,956	\$1,712,130,321	\$1,711,741,519
Redeemable Preferred Stock at redemption value	\$451,500	\$451,500	\$451,500	\$451,500
Total Long-term debt	\$1,713,432,797	\$1,713,007,456	\$1,712,581,821	\$1,712,193,019
<b>Total Capitalization</b>	<b>\$3,904,084,459</b>	<b>\$3,921,051,436</b>	<b>\$3,906,552,548</b>	<b>\$3,923,636,513</b>
Short-Term Debt	\$274,184,292	\$257,381,260	\$188,565,960	\$199,548,848
Current Portion Long-term Debt	\$50,337,067	\$50,345,582	\$50,354,166	\$50,324,575
Current portion redeemable preferred stock	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Accounts Payable	\$89,871,679	\$90,479,987	\$89,942,227	\$94,104,165
Taxes Accrued	(\$8,645,977)	(\$2,034,373)	\$3,058,959	\$1,867,324
Interest Accrued	\$24,714,983	\$30,331,960	\$14,084,544	\$17,596,454
Other current liabilities	\$22,723,083	\$21,377,657	\$22,495,994	\$21,764,878
Total Current Liabilities	\$454,385,126	\$449,082,073	\$369,701,850	\$386,406,243
Customer Advances for Construction	\$63,292,595	\$60,867,030	\$60,764,007	\$62,590,527
Deferred Income Taxes	\$692,135,388	\$697,396,785	\$701,004,812	\$707,245,889
Deferred Investment tax credits	\$4,185,146	\$4,165,680	\$4,146,214	\$4,126,748
Regulatory liability	\$487,554,312	\$486,785,519	\$336,757,515	\$478,564,374
Accrued Pension	(\$10,189,822)	(\$11,896,296)	(\$12,093,320)	(\$12,290,344)
Accrued postretirement benefit expense	(\$10,419,675)	(\$11,116,423)	(\$11,813,171)	(\$12,509,919)
Operating lease long-term liabilities	\$193,278	\$185,323	\$177,669	\$170,108
Other Deferred Credits	\$51,955,423	\$51,961,631	\$49,856,614	\$49,827,825
Regulatory & Other Long Term Liabilities	\$1,278,706,644	\$1,278,349,249	\$1,128,800,340	\$1,277,725,208
Contributions in aid of Construction	\$202,866,479	\$205,308,865	\$205,727,560	\$205,762,514
<b>Total Capital and Liabilities</b>	<b>\$5,840,042,708</b>	<b>\$5,853,791,623</b>	<b>\$5,610,782,299</b>	<b>\$5,793,530,478</b>

**Pennsylvania-American Water Company - Total Company**  
**FR XI.01 Balance Sheet**

	<b>5/31/2021</b>	<b>6/30/2021</b>	<b>7/31/2021</b>	<b>8/31/2021</b>
<b>Assets</b>				
Utility Plant In Service	\$6,851,193,051	\$6,844,523,359	\$6,860,993,098	\$6,898,467,473
Construction Work In Progress	\$140,664,883	\$152,311,960	\$160,529,857	\$154,575,971
Utility Plant Accumulated Depreciation/Amortization	(\$1,686,926,196)	(\$1,674,164,179)	(\$1,682,439,084)	(\$1,695,798,043)
Total Utility Plant Adjustment	\$11,308,066	\$11,257,292	\$11,206,519	\$11,155,745
Utility property, net of accumulated depreciation	\$5,316,239,805	\$5,333,928,432	\$5,350,290,389	\$5,368,401,145
Nonutility property, net of accumulated depreciation	\$576,456	\$575,838	\$575,221	\$574,603
Total Property, Plant and Equipment	\$5,316,816,260	\$5,334,504,270	\$5,350,865,610	\$5,368,975,749
Cash and Cash Equivalents	(\$2,539,781)	(\$4,880,284)	(\$1,588,348)	(\$3,015,324)
Restricted Funds Current				
Accounts Receivable, net	\$59,661,273	\$56,654,533	\$57,649,093	\$51,878,558
Unbilled Revenues	\$41,246,869	\$44,634,489	\$43,602,405	\$43,867,712
Materials and Supplies	\$11,263,397	\$11,103,685	\$11,410,673	\$11,426,450
Other current assets	\$29,075,616	\$31,460,029	\$29,256,184	\$28,137,236
Total Current Assets	\$138,707,373	\$138,972,453	\$140,330,007	\$132,294,633
Regulatory Assets	\$299,403,983	\$152,531,411	\$304,523,671	\$305,839,858
Goodwill	\$75,140,177	\$75,140,177	\$75,140,177	\$75,140,177
Operating lease right-of-use assets	\$359,545	\$342,354	\$325,108	\$307,813
Other Long Term Assets	\$1,163,289	\$1,139,954	\$1,114,408	\$1,091,073
Total Regulatory and Other L/T Assets	\$376,066,994	\$229,153,896	\$381,103,364	\$382,378,920
<b>Total Assets</b>	<b>\$5,831,590,627</b>	<b>\$5,702,630,618</b>	<b>\$5,872,298,980</b>	<b>\$5,883,649,302</b>
<b>Capital &amp; Liabilities</b>				
Common stock	\$21,506,887	\$21,506,887	\$21,506,887	\$21,506,887
Paid in Capital	\$1,412,614,308	\$1,412,677,332	\$1,412,677,332	\$1,412,747,760
Retained Earnings	\$799,340,037	\$782,565,889	\$805,469,827	\$827,644,629
Total Stockholder(s) Equity	\$2,233,461,232	\$2,216,750,107	\$2,239,654,046	\$2,261,899,275
<b>Total Equity</b>	<b>\$2,233,461,232</b>	<b>\$2,216,750,107</b>	<b>\$2,239,654,046</b>	<b>\$2,261,899,275</b>
Long Term Debt	\$1,758,716,132	\$1,805,892,231	\$1,805,507,062	\$1,805,118,522
Redeemable Preferred Stock at redemption value	\$451,500	\$451,500	\$451,500	\$451,500
Total Long-term debt	\$1,759,167,632	\$1,806,343,731	\$1,805,958,562	\$1,805,570,022
<b>Total Capitalization</b>	<b>\$3,992,628,864</b>	<b>\$4,023,093,839</b>	<b>\$4,045,612,607</b>	<b>\$4,067,469,297</b>
Short-Term Debt	\$155,965,778	\$189,654,182	\$181,596,080	\$158,613,723
Current Portion Long-term Debt	\$50,294,951	\$5,129,611	\$5,096,190	\$5,065,595
Current portion redeemable preferred stock	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Accounts Payable	\$100,209,636	\$100,672,557	\$99,980,124	\$104,454,433
Taxes Accrued	\$5,937,044	\$748,944	\$5,303,298	\$8,335,213
Interest Accrued	\$19,989,787	\$18,905,167	\$24,893,952	\$30,511,795
Other current liabilities	\$22,742,398	\$25,852,577	\$23,041,202	\$22,359,335
Total Current Liabilities	\$356,339,593	\$342,163,036	\$341,110,846	\$330,540,094
Customer Advances for Construction	\$61,562,094	\$60,921,588	\$60,449,730	\$60,158,245
Deferred Income Taxes	\$712,176,455	\$715,305,707	\$720,990,562	\$726,680,502
Deferred Investment tax credits	\$4,107,282	\$4,087,816	\$4,068,350	\$4,048,884
Regulatory liability	\$475,452,148	\$325,435,157	\$468,943,002	\$465,666,082
Accrued Pension	(\$13,996,818)	(\$14,193,842)	(\$14,390,866)	(\$16,201,440)
Accrued postretirement benefit expense	(\$13,294,049)	(\$13,990,797)	(\$15,264,045)	(\$15,960,793)
Operating lease long-term liabilities	\$162,643	\$155,244	\$147,915	\$140,564
Other Deferred Credits	\$49,813,062	\$52,613,328	\$52,588,248	\$52,716,440
Regulatory & Other Long Term Liabilities	\$1,275,982,817	\$1,130,334,201	\$1,277,532,895	\$1,277,248,484
Contributions in aid of Construction	\$206,639,353	\$207,039,543	\$208,042,632	\$208,391,427
<b>Total Capital and Liabilities</b>	<b>\$5,831,590,627</b>	<b>\$5,702,630,618</b>	<b>\$5,872,298,980</b>	<b>\$5,883,649,302</b>

**Pennsylvania-American Water Company - Total Company**  
**FR XI.01 Balance Sheet**

	<b>9/30/2021</b>	<b>10/31/2021</b>	<b>11/30/2021</b>	<b>12/31/2021</b>
<b>Assets</b>				
Utility Plant In Service	\$6,921,107,345	\$6,935,052,509	\$6,998,478,939	\$7,132,117,145
Construction Work In Progress	\$156,324,075	\$171,686,959	\$169,887,548	\$96,767,642
Utility Plant Accumulated Depreciation/Amortization	(\$1,700,546,413)	(\$1,708,231,612)	(\$1,717,279,282)	(\$1,734,903,890)
Total Utility Plant Adjustment	\$11,104,971	\$11,054,197	\$11,003,423	\$10,952,649
Utility property, net of accumulated depreciation	\$5,387,989,977	\$5,409,562,054	\$5,462,090,628	\$5,504,933,547
Nonutility property, net of accumulated depreciation	\$573,986	\$689,369	\$688,752	\$688,134
Total Property, Plant and Equipment	\$5,388,563,963	\$5,410,251,423	\$5,462,779,380	\$5,505,621,681
Cash and Cash Equivalents	(\$2,411,474)	(\$2,759,873)	(\$3,572,808)	(\$2,796,867)
Restricted Funds Current				
Accounts Receivable, net	\$57,116,324	\$56,213,901	\$47,578,182	\$52,304,926
Unbilled Revenues	\$39,496,923	\$38,991,372	\$41,983,818	\$42,573,330
Materials and Supplies	\$11,640,717	\$11,831,555	\$12,619,759	\$13,091,105
Other current assets	\$29,363,761	\$28,568,562	\$25,938,230	\$25,710,466
Total Current Assets	\$135,206,250	\$132,845,518	\$124,547,182	\$130,882,961
Regulatory Assets	\$144,578,495	\$296,113,164	\$296,869,095	\$144,480,936
Goodwill	\$75,140,177	\$75,140,177	\$75,140,177	\$75,140,177
Operating lease right-of-use assets	\$290,465	\$273,063	\$255,715	\$238,313
Other Long Term Assets	\$1,067,738	\$1,044,403	\$1,021,070	\$997,734
Total Regulatory and Other L/T Assets	\$221,076,875	\$372,570,806	\$373,286,056	\$220,857,159
Total Assets	\$5,744,847,089	\$5,915,667,747	\$5,960,612,619	\$5,857,361,801
<b>Capital &amp; Liabilities</b>				
Common stock	\$21,506,887	\$21,506,887	\$21,506,887	\$21,506,887
Paid in Capital	\$1,412,758,791	\$1,412,758,791	\$1,412,818,206	\$1,416,192,283
Retained Earnings	\$791,819,280	\$810,826,675	\$828,979,526	\$806,548,954
Total Stockholder(s) Equity	\$2,226,084,957	\$2,245,092,353	\$2,263,304,619	\$2,244,248,124
Total Equity	\$2,226,084,957	\$2,245,092,353	\$2,263,304,619	\$2,244,248,124
Long Term Debt	\$1,804,736,659	\$1,804,370,223	\$1,804,002,628	\$1,803,634,851
Redeemable Preferred Stock at redemption value	\$451,500	\$451,500	\$451,500	\$451,500
Total Long-term debt	\$1,805,188,159	\$1,804,821,723	\$1,804,454,128	\$1,804,086,351
Total Capitalization	\$4,031,273,116	\$4,049,914,076	\$4,067,758,746	\$4,048,334,475
Short-Term Debt	\$228,677,150	\$222,649,023	\$231,133,735	\$282,368,383
Current Portion Long-term Debt	\$5,027,530	\$4,973,778	\$4,919,857	\$4,866,858
Current portion redeemable preferred stock	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Accounts Payable	\$102,595,950	\$104,415,538	\$117,849,824	\$131,808,637
Taxes Accrued	(\$6,493,718)	(\$4,204,386)	(\$1,828,290)	\$4,286,946
Interest Accrued	\$14,269,356	\$17,782,834	\$20,109,229	\$18,868,812
Other current liabilities	\$25,792,823	\$26,612,583	\$27,620,619	\$29,735,711
Total Current Liabilities	\$371,069,089	\$373,429,370	\$401,004,974	\$473,135,347
Customer Advances for Construction	\$60,078,544	\$59,483,606	\$59,826,123	\$59,637,251
Deferred Income Taxes	\$729,623,181	\$735,285,920	\$740,488,431	\$739,173,272
Deferred Investment tax credits	\$4,029,418	\$4,009,952	\$3,990,486	\$3,971,020
Regulatory liability	\$314,146,811	\$459,114,860	\$455,997,122	\$300,776,674
Accrued Pension	(\$16,398,464)	(\$16,595,488)	(\$18,406,062)	(\$18,603,086)
Accrued postretirement benefit expense	(\$16,657,541)	(\$17,399,603)	(\$18,096,351)	(\$18,883,727)
Operating lease long-term liabilities	\$133,190	\$126,128	\$119,118	\$112,485
Other Deferred Credits	\$58,486,690	\$58,477,039	\$58,385,639	\$60,529,815
Regulatory & Other Long Term Liabilities	\$1,133,441,828	\$1,282,502,413	\$1,282,304,506	\$1,126,713,704
Contributions in aid of Construction	\$209,063,055	\$209,821,888	\$209,544,392	\$209,178,276
Total Capital and Liabilities	\$5,744,847,089	\$5,915,667,747	\$5,960,612,619	\$5,857,361,801

**Pennsylvania-American Water Company - Total Company**  
**FR XI.01 Balance Sheet**

	<u>1/31/2022</u>	<u>2/28/2022</u>
<b>Assets</b>		
Utility Plant In Service	\$7,145,788,353	\$7,164,305,485
Construction Work In Progress	\$101,754,374	\$102,766,780
Utility Plant Accumulated Depreciation/Amortization	(\$1,743,935,582)	(\$1,750,689,211)
Total Utility Plant Adjustment	<u>\$10,901,876</u>	<u>\$10,851,102</u>
Utility property, net of accumulated depreciation	<u>\$5,514,509,020</u>	<u>\$5,527,234,156</u>
Nonutility property, net of accumulated depreciation	<u>\$687,517</u>	<u>\$686,900</u>
Total Property, Plant and Equipment	<u>\$5,515,196,537</u>	<u>\$5,527,921,055</u>
Cash and Cash Equivalents	(\$2,527,113)	(\$2,025,360)
Restricted Funds Current		
Accounts Receivable, net	\$55,345,779	\$58,644,983
Unbilled Revenues	\$41,336,486	\$39,940,831
Materials and Supplies	\$14,182,096	\$17,114,399
Other current assets	<u>\$25,857,508</u>	<u>\$27,091,950</u>
Total Current Assets	<u>\$134,194,756</u>	<u>\$140,766,804</u>
Regulatory Assets	\$295,992,820	\$296,477,096
Goodwill	\$75,140,177	\$75,140,177
Operating lease right-of-use assets	\$420,480	\$401,814
Other Long Term Assets	<u>\$974,400</u>	<u>\$951,065</u>
Total Regulatory and Other L/T Assets	<u>\$372,527,877</u>	<u>\$372,970,152</u>
<b>Total Assets</b>	<u><u>\$6,021,919,170</u></u>	<u><u>\$6,041,658,011</u></u>
<b>Capital &amp; Liabilities</b>		
Common stock	\$21,506,887	\$21,506,887
Paid in Capital	\$1,416,192,283	\$1,416,241,333
Retained Earnings	<u>\$824,278,267</u>	<u>\$841,611,716</u>
Total Stockholder(s) Equity	<u>\$2,261,977,436</u>	<u>\$2,279,359,935</u>
<b>Total Equity</b>	<u><u>\$2,261,977,436</u></u>	<u><u>\$2,279,359,935</u></u>
Long Term Debt	\$1,803,272,961	\$1,802,921,599
Redeemable Preferred Stock at redemption value	<u>\$451,500</u>	<u>\$451,500</u>
Total Long-term debt	<u>\$1,803,724,461</u>	<u>\$1,803,373,099</u>
<b>Total Capitalization</b>	<u><u>\$4,065,701,897</u></u>	<u><u>\$4,082,733,034</u></u>
Short-Term Debt	\$298,661,081	\$298,116,374
Current Portion Long-term Debt	\$4,806,638	\$4,735,078
Current portion redeemable preferred stock	\$0	\$0
Accounts Payable	\$103,381,792	\$99,747,060
Taxes Accrued	\$6,219,028	\$7,426,087
Interest Accrued	\$24,853,407	\$30,466,507
Other current liabilities	<u>\$32,921,531</u>	<u>\$32,651,714</u>
Total Current Liabilities	<u>\$470,843,476</u>	<u>\$473,142,820</u>
Customer Advances for Construction	\$59,601,361	\$59,276,309
Deferred Income Taxes	\$743,690,755	\$750,051,471
Deferred Investment tax credits	\$3,951,554	\$3,932,088
Regulatory liability	\$446,153,201	\$442,894,925
Accrued Pension	(\$18,933,396)	(\$20,963,831)
Accrued postretirement benefit expense	(\$19,637,913)	(\$20,392,099)
Operating lease long-term liabilities	\$182,529	\$172,333
Other Deferred Credits	<u>\$60,516,116</u>	<u>\$60,527,056</u>
Regulatory & Other Long Term Liabilities	<u>\$1,275,524,206</u>	<u>\$1,275,498,252</u>
Contributions in aid of Construction	\$209,849,590	\$210,283,905
<b>Total Capital and Liabilities</b>	<u><u>\$6,021,919,170</u></u>	<u><u>\$6,041,658,011</u></u>

Pennsylvania American Water Company  
FR XI.01 Income Statement  
Total Company

	Jan 2021	Feb 2021	Mar 2021	Apr 2021
<b>OPERATING REVENUE</b>				
Water revenues	\$50,862,764	\$54,087,855	\$57,165,912	\$54,966,180
Sewer revenues	5,719,358	6,789,464	6,888,128	6,790,903
Other operating revenues	1,382,598	1,214,098	1,289,793	1,227,255
Operating revenues	\$57,964,721	\$62,091,417	\$65,343,833	\$62,984,337
<b>OPERATIONS &amp; MAINTENANCE EXPENSE</b>				
Purchased water	\$309,235	\$254,953	\$217,455	\$270,358
Fuel and power	1,275,607	1,212,398	1,397,864	1,154,615
Chemicals	868,067	794,517	1,011,478	943,708
Waste Disposal	510,262	443,237	458,474	472,462
Total Production Costs	\$2,963,172	\$2,705,105	\$3,085,271	\$2,841,143
Salaries and Wages	\$5,095,271	\$4,841,528	\$5,293,930	\$5,067,099
Pensions	(313,276)	(387,389)	(430,643)	(415,859)
Group insurances	292,828	161,375	228,834	202,211
Other benefits	371,144	388,510	370,114	364,285
Total employee related	\$5,445,968	\$5,004,023	\$5,462,235	\$5,217,736
Service Company costs	\$4,827,935	\$4,130,279	\$5,097,299	\$4,697,258
Contracted Services	\$401,075	\$1,640,793	\$547,049	\$391,569
Building maintenance and services	442,844	517,118	477,709	293,578
Telecommunication expenses	425,355	353,698	291,069	339,308
Postage, printing and stationery	5,106	4,637	15,470	12,160
Office supplies and services	196,310	149,829	209,416	175,841
Advertising & marketing expenses	-	-	-	-
Employee related expense travel & entertainment	64,865	121,239	101,923	11,562
Miscellaneous expenses	395,051	284,112	530,222	468,362
Rents	11,355	33,158	26,485	38,304
Transportation	386,265	340,900	291,545	276,729
Operating supplies and services	\$2,328,226	\$3,445,485	\$2,490,889	\$2,007,412
Uncollectible Accounts Exp	\$993,574	\$796,140	\$745,981	\$491,985
Customer accounting other	85,280	34,207	334,303	154,525
Regulatory Expense	40,231	42,716	125,422	83,165
Insurance other than group	1,282,990	1,352,514	1,875,888	1,335,715
Maintenance service & supplies	529,673	1,102,717	702,641	941,401
Total operations and maintenance	\$18,497,048	\$18,613,186	\$19,919,928	\$17,770,339
Depreciation	\$11,455,502	\$12,057,621	\$11,929,155	\$11,902,368
Amortization	86,223	110,018	124,146	123,206
Removal Costs	1,878,911	1,878,911	1,890,045	1,882,622
Depreciation and Amortization	\$13,420,636	\$14,046,550	\$13,943,346	\$13,908,196
General Taxes	\$1,382,996	\$1,252,174	\$1,194,928	\$1,201,929
Loss (gain) on sale of assets	(47,889)	(19,101)	(17,225)	(19,101)
Total operating expenses, net	\$33,252,792	\$33,892,808	\$35,040,977	\$32,861,363
Operating income (loss)	\$24,711,929	\$28,198,609	\$30,302,857	\$30,122,974
<b>OTHER INCOME (EXPENSES)</b>				
Interest Income	(\$2)	(\$37,962)	\$0	(\$2)
Interest on Long Term Debt	6,340,619	6,262,295	6,258,492	6,259,487
Interest on Short Term Debt	116,113	99,591	73,393	26,183
Other Interest Expense	(22,452)	(77,726)	(209,146)	(79,875)
Interest net (Income)/Expense	\$6,434,278	\$6,246,198	\$6,122,740	\$6,205,793
Nonoperating benefit costs, net	\$0	\$0	\$0	\$0
AFUDC Equity Income/(Expense)	(202,385)	1,518	(75,528)	17
AFUDC Debt Income/(Expense)	(99,631)	(18,423)	(9,949)	(15,423)
Amortization of Debt Expense (Income)/Expense	139,536	139,382	139,382	139,352
Other Net Income/(Expense)	234,626	33,940	122,616	159,823
il: Other miscellaneous income				
Total other Income/(Expense)	(\$6,506,424)	(\$6,402,615)	(\$6,299,261)	(\$6,489,561)
il: Other miscellaneous deductions				
Income (loss) before income taxes	\$18,205,505	\$21,795,993	\$24,003,596	\$23,633,413
Provision for Income Taxes	\$5,150,725	\$4,447,452	\$1,360,009	\$6,160,646
Income (loss) from continuing operations	13,054,781	17,348,542	22,643,587	17,472,767
Income (loss) from discontinued operations net of tax				
Net Income (loss)	13,054,781	17,348,542	22,643,587	17,472,767
Preferred dividend declared				
Net income attributable to non-controlling interest				
Net income available to common stockholders	13,054,781	17,348,542	22,643,587	17,472,767
Common dividends	-	-	36,757,224	-
Current Year Retained Earnings	\$13,054,781	\$17,348,542	(\$14,113,637)	\$17,472,767

Pennsylvania American Water Company  
FR XI.01 Income Statement  
Total Company

	May 2021	Jun 2021	Jul 2021	Aug 2021
<b>OPERATING REVENUE</b>				
Water revenues	\$59,941,680	\$61,498,885	\$60,776,772	\$60,651,473
Sewer revenues	6,940,542	7,571,128	7,159,743	7,044,430
Other operating revenues	817,909	1,156,280	1,074,014	1,140,527
Operating revenues	\$67,700,131	\$70,226,294	\$69,010,529	\$68,836,430
<b>OPERATIONS &amp; MAINTENANCE EXPENSE</b>				
Purchased water	\$233,791	\$230,651	\$221,058	\$310,391
Fuel and power	1,180,776	1,202,243	1,311,037	1,486,577
Chemicals	853,358	1,124,424	1,157,026	1,171,550
Waste Disposal	418,647	549,754	487,020	247,028
Total Production Costs	\$2,686,571	\$3,107,072	\$3,176,142	\$3,215,546
Salaries and Wages	\$5,132,714	\$5,489,345	\$5,346,210	\$5,275,201
Pensions	(391,118)	(403,959)	(424,153)	(407,747)
Group insurances	207,647	225,037	204,992	212,889
Other benefits	432,785	380,286	370,761	444,408
Total employee related	\$5,382,028	\$5,690,709	\$5,497,810	\$5,524,751
Service Company costs	\$4,286,574	\$5,059,311	\$3,806,315	\$4,330,528
Contracted Services	\$715,905	\$982,426	\$708,066	\$618,310
Building maintenance and services	380,037	389,084	442,077	355,459
Telecommunication expenses	340,467	351,106	227,793	495,844
Postage, printing and stationery	25,475	20,657	13,355	17,924
Office supplies and services	155,944	153,444	277,818	132,700
Advertising & marketing expenses	-	-	-	-
Employee related expense travel & entertainment	268,003	140,156	140,059	102,664
Miscellaneous expenses	427,778	503,214	366,040	514,635
Rents	28,897	23,188	27,460	23,365
Transportation	242,092	357,437	252,493	360,030
Operating supplies and services	\$2,584,600	\$2,920,711	\$2,455,161	\$2,620,931
Uncollectible Accounts Exp	\$758,788	\$832,425	\$846,299	\$1,241,168
Customer accounting other	153,313	157,319	173,639	176,907
Regulatory Expense	78,000	80,220	97,810	81,248
Insurance other than group	1,281,754	1,349,637	1,333,657	1,147,954
Maintenance service & supplies	765,152	697,785	818,036	763,974
Total operations and maintenance	\$17,976,780	\$19,895,189	\$18,204,869	\$19,103,007
Depreciation	\$11,994,496	\$12,217,173	\$11,871,023	\$11,906,032
Amortization	121,041	119,498	119,498	119,498
Removal Costs	1,882,622	1,882,622	1,882,622	1,882,622
Depreciation and Amortization	\$13,998,159	\$14,219,293	\$13,873,143	\$13,908,152
General Taxes	\$1,203,666	\$1,238,538	\$1,216,618	\$1,218,754
Loss (gain) on sale of assets	(19,101)	(22,142)	(19,101)	(19,101)
Total operating expenses, net	\$33,159,504	\$35,330,878	\$33,275,529	\$34,210,812
Operating income (loss)	\$34,540,627	\$34,895,415	\$35,735,000	\$34,625,618
<b>OTHER INCOME (EXPENSES)</b>				
Interest Income	\$0	\$0	(\$1)	\$0
Interest on Long Term Debt	6,331,047	6,322,769	6,271,232	6,270,439
Interest on Short Term Debt	37,625	17,434	19,933	18,543
Other Interest Expense	(79,875)	(205,256)	(79,875)	(79,875)
Interest net (Income)/Expense	\$6,288,798	\$6,134,947	\$6,211,288	\$6,209,107
Nonoperating benefit costs, net	\$0	\$0	\$0	\$0
AFUDC Equity Income/(Expense)	0	(7,890)	51,193	0
AFUDC Debt Income/(Expense)	(15,695)	(21,892)	17,478	(13,719)
Amortization of Debt Expense (Income)/Expense	139,352	146,621	143,259	143,259
Other Net Income/(Expense)	232,946	54,559	107,248	89,084
il: Other miscellaneous income				
Total other Income/(Expense)	(\$6,645,400)	(\$6,306,345)	(\$6,530,466)	(\$6,427,731)
il: Other miscellaneous deductions				
Income (loss) before income taxes	\$27,895,227	\$28,589,070	\$29,204,534	\$28,197,887
Provision for Income Taxes	\$5,935,638	\$5,516,823	\$6,300,596	\$6,023,086
Income (loss) from continuing operations	21,959,589	23,072,247	22,903,939	22,174,801
Income (loss) from discontinued operations net of tax				
Net Income (loss)	21,959,589	23,072,247	22,903,939	22,174,801
Preferred dividend declared				
Net income attributable to non-controlling interest				
Net income available to common stockholders	21,959,589	23,072,247	22,903,939	22,174,801
Common dividends	-	39,846,395	-	-
Current Year Retained Earnings	\$21,959,589	(\$16,774,148)	\$22,903,939	\$22,174,801



Pennsylvania American Water Company  
FR XI.01 Income Statement  
Total Company

	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Total 2021
<b>OPERATING REVENUE</b>					
Water revenues	\$56,900,191	\$56,827,864	\$55,350,690	\$55,266,966	\$684,297,234
Sewer revenues	6,429,016	6,876,128	6,954,212	6,682,112	81,845,164
Other operating revenues	(8,357,855)	851,008	837,504	789,519	3,422,651
<b>Operating revenues</b>	<b>\$54,971,352</b>	<b>\$64,555,000</b>	<b>\$63,142,407</b>	<b>\$62,738,597</b>	<b>\$769,565,048</b>
<b>OPERATIONS &amp; MAINTENANCE EXPENSE</b>					
Purchased water	\$255,276	\$240,239	\$283,477	\$197,281	\$3,024,165
Fuel and power	1,273,517	1,225,728	1,234,766	1,354,755	15,309,883
Chemicals	1,266,035	1,115,442	1,032,278	964,603	12,302,485
Waste Disposal	472,728	502,712	338,363	447,663	5,348,351
<b>Total Production Costs</b>	<b>\$3,267,555</b>	<b>\$3,084,120</b>	<b>\$2,888,884</b>	<b>\$2,964,302</b>	<b>\$35,984,883</b>
Salaries and Wages	\$5,437,794	\$5,138,711	\$5,186,978	\$5,971,423	\$63,276,203
Pensions	(409,323)	(404,701)	(415,008)	(421,626)	(4,824,802)
Group insurances	207,503	133,232	248,841	(331,849)	1,993,540
Other benefits	414,765	347,796	435,357	461,562	4,781,774
<b>Total employee related</b>	<b>\$5,650,740</b>	<b>\$5,215,038</b>	<b>\$5,456,168</b>	<b>\$5,679,509</b>	<b>\$65,226,715</b>
Service Company costs	\$5,862,194	\$4,503,932	\$3,890,361	\$5,437,273	\$55,929,261
Contracted Services	\$656,172	\$940,956	\$632,161	\$749,447	\$8,983,928
Building maintenance and services	441,853	528,798	550,544	584,848	5,403,950
Telecommunication expenses	398,558	425,693	393,669	413,530	4,456,091
Postage, printing and stationery	14,289	22,298	13,564	18,285	183,221
Office supplies and services	154,929	217,091	191,555	207,134	2,222,013
Advertising & marketing expenses	-	-	-	-	-
Employee related expense travel & entertainment	133,056	87,115	264,086	(39,448)	1,395,281
Miscellaneous expenses	571,727	501,704	797,953	607,339	5,968,137
Rents	42,961	28,187	37,381	30,492	351,232
Transportation	266,753	362,842	328,102	294,867	3,760,057
<b>Operating supplies and services</b>	<b>\$2,680,298</b>	<b>\$3,114,685</b>	<b>\$3,209,015</b>	<b>\$2,866,495</b>	<b>\$32,723,908</b>
Uncollectible Accounts Exp	\$128,225	\$943,797	\$755,407	\$834,825	\$9,368,615
Customer accounting other	159,156	172,791	208,707	138,505	1,948,651
Regulatory Expense	80,035	111,755	80,035	80,035	980,673
Insurance other than group	1,339,022	1,332,368	1,326,969	(1,033,299)	13,925,167
Maintenance service & supplies	1,152,850	929,213	738,682	1,088,453	10,230,578
<b>Total operations and maintenance</b>	<b>\$20,320,076</b>	<b>\$19,407,700</b>	<b>\$18,554,227</b>	<b>\$18,056,099</b>	<b>\$226,318,450</b>
Depreciation	\$11,970,759	\$11,804,482	\$11,998,088	\$12,124,883	\$143,231,583
Amortization	119,498	119,498	119,498	120,102	1,401,724
Removal Costs	1,882,622	1,882,622	1,882,622	1,882,622	22,591,466
<b>Depreciation and Amortization</b>	<b>\$13,972,880</b>	<b>\$13,806,603</b>	<b>\$14,000,209</b>	<b>\$14,127,607</b>	<b>\$167,224,773</b>
General Taxes	\$1,211,657	\$1,203,853	\$1,279,221	\$1,316,841	\$14,921,176
Loss (gain) on sale of assets	(19,101)	249,933	(14,540)	13,952	47,481
<b>Total operating expenses, net</b>	<b>\$35,485,512</b>	<b>\$34,668,088</b>	<b>\$33,819,117</b>	<b>\$33,514,499</b>	<b>\$408,511,880</b>
<b>Operating income (loss)</b>	<b>\$19,485,840</b>	<b>\$29,886,912</b>	<b>\$29,323,290</b>	<b>\$29,224,098</b>	<b>\$361,053,168</b>
<b>OTHER INCOME (EXPENSES)</b>					
Interest Income	\$0	\$0	(\$2)	\$2	(\$37,967)
Interest on Long Term Debt	6,270,179	6,268,850	6,270,808	6,269,472	75,395,689
Interest on Short Term Debt	19,251	23,100	25,928	37,732	514,826
Other Interest Expense	1,070,823	(107,815)	(107,443)	(106,803)	(85,315)
<b>Interest net (Income)/Expense</b>	<b>\$7,360,253</b>	<b>\$6,184,135</b>	<b>\$6,189,292</b>	<b>\$6,200,403</b>	<b>\$75,787,232</b>
Nonoperating benefit costs, net	\$0	\$0	\$0	\$0	\$0
AFUDC Equity Income/(Expense)	(6,833)	1	498	(9,723)	(249,131)
AFUDC Debt Income/(Expense)	(21,342)	(14,083)	(11,941)	(11,712)	(236,333)
Amortization of Debt Expense (Income)/Expense	143,259	143,259	143,259	143,259	1,703,177
<b>Other Net Income/(Expense)</b>	<b>(88,301)</b>	<b>(165,419)</b>	<b>415,455</b>	<b>(6,436)</b>	<b>1,190,142</b>
il: Other miscellaneous income					
<b>Total other Income/(Expense)</b>	<b>(\$7,387,036)</b>	<b>(\$6,147,894)</b>	<b>(\$6,736,563)</b>	<b>(\$6,315,791)</b>	<b>(\$78,195,087)</b>
il: Other miscellaneous deductions					
<b>Income (loss) before income taxes</b>	<b>\$12,098,804</b>	<b>\$23,739,018</b>	<b>\$22,586,727</b>	<b>\$22,908,306</b>	<b>\$282,858,081</b>
Provision for Income Taxes	\$960,934	\$4,731,623	\$4,433,876	\$3,146,277	\$54,167,683
Income (loss) from continuing operations	11,137,870	19,007,396	18,152,851	19,762,029	228,690,398
Income (loss) from discontinued operations net of tax					
<b>Net Income (loss)</b>	<b>11,137,870</b>	<b>19,007,396</b>	<b>18,152,851</b>	<b>19,762,029</b>	<b>228,690,398</b>
Preferred dividend declared					-
Net income attributable to non-controlling interest					
Net income available to common stockholders	11,137,870	19,007,396	18,152,851	19,762,029	228,690,398
Common dividends	46,963,219	-	-	42,192,601	165,759,440
<b>Current Year Retained Earnings</b>	<b>(\$35,825,349)</b>	<b>\$19,007,396</b>	<b>\$18,152,851</b>	<b>(\$22,430,572)</b>	<b>\$62,930,959</b>

Pennsylvania American Water Company  
FR XI.01 Income Statement  
Total Company

	Jan 2022	Feb 2022	Total 2022
<b>OPERATING REVENUE</b>			
Water revenues	\$55,566,584	\$55,346,054	\$110,912,639
Sewer revenues	7,526,080	6,852,259	14,378,339
Other operating revenues	808,124	803,199	1,611,323
<b>Operating revenues</b>	<b>\$63,900,788</b>	<b>\$63,001,512</b>	<b>\$126,902,301</b>
<b>OPERATIONS &amp; MAINTENANCE EXPENSE</b>			
Purchased water	\$236,560	\$345,307	\$581,867
Fuel and power	1,434,667	1,286,259	2,720,926
Chemicals	932,049	1,132,627	2,064,676
Waste Disposal	477,421	484,641	962,062
<b>Total Production Costs</b>	<b>\$3,080,697</b>	<b>\$3,248,835</b>	<b>\$6,329,532</b>
Salaries and Wages	\$5,585,640	\$5,011,470	\$10,597,109
Pensions	(631,069)	(659,633)	(1,290,702)
Group insurances	270,807	172,444	443,251
Other benefits	385,354	397,116	782,470
<b>Total employee related</b>	<b>\$5,610,731</b>	<b>\$4,921,397</b>	<b>\$10,532,129</b>
Service Company costs	\$4,502,786	\$4,695,498	\$9,198,284
Contracted Services	\$583,058	\$672,699	\$1,255,758
Building maintenance and services	631,346	574,813	1,206,159
Telecommunication expenses	399,624	358,931	758,555
Postage, printing and stationery	8,611	22,319	30,930
Office supplies and services	175,592	222,173	397,765
Advertising & marketing expenses	-	-	-
Employee related expense travel & entertainment	58,323	63,500	121,823
Miscellaneous expenses	347,284	1,017,427	1,364,711
Rents	(2,213)	27,977	25,764
Transportation	227,638	649,035	876,673
<b>Operating supplies and services</b>	<b>\$2,429,264</b>	<b>\$3,608,873</b>	<b>\$6,038,137</b>
Uncollectible Accounts Exp	\$882,150	\$706,858	\$1,589,008
Customer accounting other	171,238	158,199	329,437
Regulatory Expense	150,082	150,401	300,483
Insurance other than group	1,347,728	1,392,674	2,740,402
Maintenance service & supplies	827,135	882,570	1,709,705
<b>Total operations and maintenance</b>	<b>\$19,001,812</b>	<b>\$19,765,305</b>	<b>\$38,767,117</b>
Depreciation	\$12,502,013	\$12,092,739	\$24,594,752
Amortization	95,077	96,284	191,361
Removal Costs	1,975,220	1,975,220	3,950,440
<b>Depreciation and Amortization</b>	<b>\$14,572,310</b>	<b>\$14,164,243</b>	<b>\$28,736,553</b>
General Taxes	\$1,418,028	\$1,359,776	\$2,777,804
Loss (gain) on sale of assets	(14,540)	(14,540)	(29,080)
<b>Total operating expenses, net</b>	<b>\$34,977,610</b>	<b>\$35,274,784</b>	<b>\$70,252,394</b>
<b>Operating income (loss)</b>	<b>\$28,923,178</b>	<b>\$27,726,728</b>	<b>\$56,649,906</b>
<b>OTHER INCOME (EXPENSES)</b>			
Interest Income	(\$1)	\$0	(\$1)
Interest on Long Term Debt	6,264,134	6,263,126	12,527,260
Interest on Short Term Debt	234,995	(191,655)	43,340
Other Interest Expense	(110,729)	(107,632)	(218,361)
<b>Interest net (Income)/Expense</b>	<b>\$6,388,398</b>	<b>\$5,963,840</b>	<b>\$12,352,238</b>
Nonoperating benefit costs, net	\$0	\$0	\$0
AFUDC Equity Income/(Expense)	722	2	724
AFUDC Debt Income/(Expense)	(10,839)	(12,611)	(\$23,450)
Amortization of Debt Expense (Income)/Expense	143,259	143,259	\$286,518
Other Net Income/(Expense)	68,998	(263,026)	(194,028)
il: Other miscellaneous income	5,544	(326,481)	
<b>Total other Income/(Expense)</b>	<b>(\$6,590,538)</b>	<b>(\$5,831,463)</b>	<b>(\$12,422,001)</b>
il: Other miscellaneous deductions	53,359	53,359	
<b>Income (loss) before income taxes</b>	<b>\$22,332,641</b>	<b>\$21,895,265</b>	<b>\$44,227,906</b>
Provision for Income Taxes	\$4,603,328	\$4,561,816	\$9,165,144
<b>Income (loss) from continuing operations</b>	<b>17,729,313</b>	<b>17,333,449</b>	<b>35,062,762</b>
<b>Income (loss) from discontinued operations net of tax</b>	<b>(15,612)</b>	<b>488</b>	
<b>Net Income (loss)</b>	<b>17,729,313</b>	<b>17,333,449</b>	<b>35,062,762</b>
Preferred dividend declared	-	-	\$0
<b>Net income attributable to non-controlling interest</b>			
Net income available to common stockholders	17,729,313	17,333,449	35,062,762
Common dividends	-	-	-
<b>Current Year Retained Earnings</b>	<b>24417,729,313</b>	<b>\$17,333,449</b>	<b>\$35,062,762</b>
	0	0	

Pennsylvania American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Internal and Independent Audit Reports

FR XI.2

**Pennsylvania American Water Company**  
**XI. Other Data**

2. Supply a copy of internal and independent audit reports of the historic test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

**Answer:** Please refer to FR VII.15 for the 2019 and 2020 audited Financial Statements.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Budget Variance Reports

FR XI.3

**Pennsylvania-American Water Company**  
**XI. Other Data**

3. Provide all monthly or quarterly, or both, budget variance reports to management or the Board of Directors, or both, submitted during the past year. Please provide the most recent detailed budget variance report which the Company compiled, and update as additional reports are issued.

**Answer:** Please see FR XI.03\_Attachment which includes reports that are provided to the Board of Directors each quarter.

**Pennsylvania-American Water Company**  
**FR XI.3**

**Financial Performance**

**YTD Results - Actual to Plan March 31, 2021**

<b>(Dollars in thousands)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating revenues</b>	\$185,400	\$181,018	\$4,382
<b>Operating expenses</b>			
Total operation and maintenance	61,708	59,763	(1,945)
Depreciation and Amortization	41,357	37,827	(3,530)
General taxes	3,830	3,457	(373)
Loss (gain) on sale of assets	(84)	(49)	35
<b>Total operating expenses, net</b>	106,810	100,998	(5,812)
<b>Operating income (loss)</b>	78,590	80,020	(1,430)
<b>Other income (deductions)</b>			
Interest, net	18,803	18,871	67
Nonoperating benefit costs, net	(4,624)	(2,408)	2,216
AFUDC	404	520	(116)
Amortization of debt expense	419	401	(18)
Other Net	(391)	(213)	(178)
<b>Total other income (expenses)</b>	(14,585)	(16,556)	1,971
Income (loss) before income taxes	64,005	63,464	541
Provision for income taxes	12,486	14,048	1,562
<b>Net income (loss)</b>	\$51,519	\$49,416	\$2,103

**Pennsylvania-American Water Company**  
**FR XI.3**

**Financial Performance**

**YTD Results - Actual to Plan June 30, 2021**

<b>(Dollars in thousands)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating revenues</b>	\$386,311	\$374,282	\$12,029
<b>Operating expenses</b>			
Total operation and maintenance	122,044	120,417	(1,627)
Depreciation and Amortization	83,413	75,156	(8,257)
General taxes	7,474	6,755	(719)
Loss (gain) on sale of assets	(145)	(106)	39
<b>Total operating expenses, net</b>	212,786	202,222	(10,564)
<b>Operating income (loss)</b>	173,525	172,060	1,465
<b>Other income (deductions)</b>			
Interest, net	(37,433)	(37,878)	445
Nonoperating benefit costs, net	9,248	4,816	4,433
AFUDC	465	1,378	(912)
Amortization of debt expense	(844)	(814)	(30)
Other Net	(839)	(426)	(413)
<b>Total other income (expenses)</b>	(29,402)	(32,924)	3,522
Income (loss) before income taxes	144,123	139,136	4,987
Provision for income taxes	28,571	29,159	588
<b>Net income (loss)</b>	\$115,552	\$109,977	\$5,575

**Pennsylvania-American Water Company**  
**FR XI.3**

**Financial Performance**

**YTD Results - Actual to Plan September 30, 2021**

<b>(Dollars in thousands)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating revenues</b>	\$579,129	\$574,997	\$4,132
<b>Operating expenses</b>			
Total operation and maintenance	184,365	183,101	(1,264)
Depreciation and Amortization	125,097	112,903	(12,194)
General taxes	11,121	10,069	(1,052)
Loss (gain) on sale of assets	(202)	(2,650)	(2,448)
<b>Total operating expenses, net</b>	320,381	303,423	(16,958)
<b>Operating income (loss)</b>	258,748	271,574	(12,826)
<b>Other income (deductions)</b>			
Interest, net	(57,213)	(57,042)	(171)
Nonoperating benefit costs, net	13,871	7,223	6,648
AFUDC	439	2,317	(1,878)
Amortization of debt expense	(1,273)	(1,239)	(34)
Other Net	(947)	(639)	(308)
<b>Total other income (expenses)</b>	(45,123)	(49,380)	4,257
Income (loss) before income taxes	213,625	222,194	(8,569)
Provision for income taxes	41,856	46,442	4,586
<b>Net income (loss)</b>	\$171,769	\$175,752	(\$3,983)

**Pennsylvania-American Water Company**  
**FR XI.3**

**Financial Performance**

**YTD Results - Actual to Plan December 31, 2021**

<b>(Dollars in thousands)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>
			<b>Favorable (Unfavorable)</b>
<b>Operating revenues</b>	\$769,565	\$765,254	\$4,311
<b>Operating expenses</b>			
Total operation and maintenance	245,076	244,950	(126)
Depreciation and Amortization	166,962	151,078	(15,884)
General taxes	14,921	13,351	(1,570)
Loss (gain) on sale of assets	47	(5,186)	(5,233)
<b>Total operating expenses, net</b>	<b>427,007</b>	<b>404,194</b>	<b>(22,813)</b>
<b>Operating income (loss)</b>	<b>342,558</b>	<b>361,060</b>	<b>(18,502)</b>
<b>Other income (deductions)</b>			
Interest, net	(75,787)	(76,245)	458
Nonoperating benefit costs, net	18,495	9,631	8,864
AFUDC	485	3,048	(2,563)
Amortization of debt expense	(1,703)	(1,671)	(32)
Other Net	(1,190)	(844)	(346)
<b>Total other income (expenses)</b>	<b>(59,700)</b>	<b>(66,082)</b>	<b>6,382</b>
Income (loss) before income taxes	282,858	294,978	(12,120)
Provision for income taxes	54,168	60,610	6,442
<b>Net income (loss)</b>	<b>\$228,690</b>	<b>\$234,368</b>	<b>(\$5,678)</b>



Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Operating and Capital Budgets

FR XI.4

**Pennsylvania-American Water Company**  
**XI. Other Data**

4. Provide a copy of the Company's most recent operating and capital budgets.

**Answer:** Please see FR VII.8.

Pennsylvania-American Water Company  
 Data Requirements of the Pennsylvania Public Utility Commission  
 Other Data Unaccounted For Water

FR XI.5

**Pennsylvania-American Water Company**  
**XI. Other Data**

5. Provide a schedule that shows the percentage of unaccounted for water for the test year and two prior years. Describe how this amount was determined and explain any steps taken to reduce unaccounted for water. Provide a similar analysis of infiltration for wastewater utilities.

Answer:

**Pennsylvania-American Water Company - Water Operations**

<b>Pennsylvania American Water (1,000 gallons)</b>						
<b>Water</b>	<b>2019</b>		<b>2020</b>		<b>2021</b>	
System Delivery	70,704,310	100.0%	69,193,957	100.0%	69,973,424	100.0%
Sales	44,607,787	63.1%	44,938,174	64.9%	44,851,160	64.1%
Non-Revenue Use	12,194,493	17.2%	9,905,936	14.3%	12,849,089	18.4%
Unaccounted - for Water	13,902,030	19.7%	14,349,847	20.8%	12,273,175	17.5%

System delivery is the amount of water delivered to the distribution system from water treatment plants and/or wells. Each source of supply has a system delivery meter which measures water delivered to the distribution system. The sales number is the water delivered to customers measured by meters at each premises. The non-revenue use volume is a combination of water used by the company or public entities which are not billed for revenue, estimated identified leakage lost on repaired leaks, and the unavoidable leakage as calculated by standard International Water Association and American Water Works Association methods.

The Pennsylvania American Water management team employs a Non-Revenue Water action plan, which includes industry best practices to reduce lost water. The following best practices are implemented and tracked:

Leak Survey – Manual and Logger  
 Leak Correlations  
 Un-Metered Fire Services Checked for Leakage  
 Right of Ways Checked for Leakage  
 River/Stream Crossings Checked for Leakage  
 Retirement of Parallel Mains and Service Changeover  
 Replacement of Aged and High Break Rate Mains (DSIC program)  
 Replacement of Leaking Services  
 Replacement of Regulatory Periodic Meter Changes  
 Customer Large Meter Testing  
 System Delivery Meter Testing/Monitoring  
 Training in NRW and Water Loss Practices  
 Large Meter Usage Variance Report  
 Large Meter Replacement Program  
 Average Bill Days Report  
 Leak on Owners Side (Service Line) Program  
 Non-Revenue Water Productivity Report (Rolling 12)  
 Hydrant Program  
 Sales to System Delivery Report w/ District graphs  
 SCADA Programming of Night Flow Averages  
 Theft of Service Policy  
 AWWA /IWA District Water Audits

### **Pennsylvania-American Water Company - Wastewater Operations**

Answer:

#### **Pennsylvania American Water (1,000 gallons)**

<b>Wastewater - Sanitary Sewer Systems</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Customer Flows	1,967,834	2,854,495	2,353,187
I & I	827,103	1,849,511	2,204,120
Total Plant Flows	2,794,937	4,704,006	4,557,307
Number of Customers	34,544	35,062	39,629

<b>Wastewater - Combined Sewer Systems</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Customer Flows	3,201,941	3,411,463	3,406,074
Permitted Stormwater and I&I	6,072,494	5,838,666	6,136,273
Total Plant Flows	9,274,435	9,250,129	9,542,347
Number of Customers	39,810	42,415	42,348

Infiltration and Inflow (“I&I”) is not measured in a manner where data can be reliably presented. Estimated data based on peaking factors during wet weather flow and/or measured I&I events is presented above. I&I is measured as part of a system evaluation study episodically not consistently for all systems across the state. It would be extremely expensive and not worth the cost to consistently measure I&I. Incoming flows at the wastewater treatment plants are measured and a comparison of dry weather flow and wet weather flow is available as an indicator of estimated I&I. Using I&I as an indicator for all systems is further complicated as several of the Company systems are Combined Sanitary and Stormwater Systems (“CSS”). For these systems, the flow is intended to be a combination of sanitary sewerage and stormwater. I&I is also present in these systems. The Company treats these CSS systems the same as other sanitary systems, and conducts an evaluation of the system and repairing or rehabilitating pipe as required.

I&I reduction efforts involve inspection and rehabilitation/replacement of components of the gravity collection system, including manholes, sewer mains, and lateral connections. In conjunction with closed circuit television (CCTV) inspection of sewer mains, defects are graded using a NASSCO Pipeline Assessment and Certification Program (PACP) system. Rehabilitation and replacement work is subsequently prioritized to address the most critical deficiencies. In larger collection systems, the collection system is segmented into sub-sheds for evaluation and prioritization. In some instances, hydrologic evaluations will be undertaken to quantify rainfall induced I&I on a sub-shed basis, for use in prioritizing future improvement activity. In 2021, the Company replaced, rehabilitated or relined 68,360 linear feet of gravity mains across Pennsylvania. This total constitutes approximately 1.5% of the total gravity main in the Company systems.

Pennsylvania-American Water Company  
Data Requirements of the Pennsylvania Public Utility Commission  
Other Data Corporate History

FR XI.6

**Pennsylvania-American Water Company**  
**XI. Other Data**

6. Provide a corporate history (include the dates of original incorporation, subsequent mergers or acquisitions, or both). Indicate all counties and cities and other governmental subdivisions to which service is provided, including service areas outside the state, and the total population in the area served.

**Answer:** Please refer to FR XI.06\_Attachment for a summary of corporate history.

## PENNSYLVANIA-AMERICAN WATER COMPANY

Pennsylvania-American Water Company, an investor-owned water company, with corporate offices at 852 Wesley Drive, Mechanicsburg, is a subsidiary of American Water Works Company, Inc. On February 1, 1989, the then-existing Pennsylvania-American Water Company (the result of the January 1, 1987 merger of Riverton Consolidated Water Company with and into Keystone Water Company) was merged with and into Western Pennsylvania Water Company, and the name of the surviving corporation was changed to Pennsylvania-American Water Company. A brief summary of each of the three predecessor companies follows.

Riverton Consolidated Water Company was formed by the merger and consolidation of six operating water companies in 1904. It subsequently acquired seven additional systems, and at the time of its merger with Keystone, supplied water to 12 municipalities on the Harrisburg west shore, Cumberland County, and Fairview Township in York County.

Keystone Water Company resulted from the 1973 merger of 14 companies with and into White Deer Mountain Water Company. The Company later acquired four systems. It provided water service in 14 eastern Pennsylvania counties through the following distribution systems: Abington, Bangor, Berwick, Frackville, Hallstead, Hershey/Palmyra, Montrose, Moshannon Valley, Norristown, Northumberland, Susquehanna, Thompson, White Deer (Milton), and Yardley.

Western Pennsylvania Water Company was the product of the merger of 16 water companies with and into South Pittsburgh Water Company at various times from 1970 to 1973. WPW added seven water distribution systems, extending its service territory into portions of 12 western Pennsylvania counties. The company operated through the following district offices: Butler, Clarion, Connellsville, Ellwood, Indiana, Kane, Kittanning, McDonald, Mon Valley, New Castle, Pittsburgh, Punxsutawney, Uniontown, Warren, and Washington.

After the merger of Riverton and Keystone in 1987, the former Pennsylvania-American Water Company purchased five systems: Red Land Water Company in York County, Campbelltown Water Company in Lebanon County, and three systems in the Moshannon Valley area, Clearfield County - Woodland-Bigler Area Authority, Allport Water Authority, and Graham Water Association.

Since the merger of the former Pennsylvania-American Water Company (Riverton and Keystone) into Western Pennsylvania Water Company on February 1, 1989, the Company has acquired the following water and wastewater systems: Smith Township Municipal Authority system (Washington County, February 27, 1989); Abington Township system (Lackawanna County, August 5, 1989); Summit Township Municipal Authority system (Butler County, August 31, 1993); Skyline Water Company (Dauphin County, December 2, 1993); Gregg Township Municipal Authority system (Union County, April 25, 1994); P-F Area Water Association system (Washington County, October 1, 1994); Country Place Water Company, Inc. and Country Place Waste Treatment Company, Inc. (Monroe County, June 30, 1995); Hickory Water Company, Pocono Farms East Water Company, Inc., and Silver Water Company (Monroe and Pike Counties, December 21, 1995); the water utility assets of Pennsylvania Gas and

Water Company (Lackawanna, Luzerne, Susquehanna and Wayne Counties, February 16, 1996); the Municipal Authority of the Township of Morris system (Clearfield County, April 24, 1996); Westford Water Company (Dauphin County, August 2, 1996); Lackawanna County Water System at Montage (Lackawanna County, April 11, 1997); Clarion Township General Authority (Clarion County, January 28, 1998); Fairview Water Company, National Utilities, Inc.-Pocono Division, and Pocono Mountains Industrial Park Authority (Monroe County, May 7, 1998); Coolbaugh Township-Fire System (Monroe County, July 28, 1998); Greene Valley Water Company (Lackawanna County, August 28, 1998); Franklin Manor Utilities, Ltd. (Washington County, September 22, 1998); Taylor Township (Lawrence County, December 21, 1998); Evansburg Water Company (Montgomery County, December 30, 1998); Applewold Borough (Armstrong County, March 26, 1999); Cedar Grove Water Association (Washington County, July 8, 1999); Independence Township Municipal Authority (Washington County, July 8, 1999); Koppel Borough (Beaver County, November 5, 1999); Center Township (Butler County, December 30, 1999); Strattanville Borough (Clarion County, April 6, 2000); Franklin Township Municipal Authority (Beaver County, August 30, 2000); Elk Forest Estates (Wayne County, November 18, 2000); T.O.W. Associates (Butler County, February 13, 2001); City of Coatesville Authority (Chester and Lancaster Counties, March 22, 2001); Fox Knoll Water Company (Chester County, April 26, 2001); Butler Township Area Water and Sewer Authority (Butler County, April 27, 2001); Citizens Utilities Water Company of Pennsylvania (Adams, Berks, Chester, Monroe, Montgomery and Northampton Counties, January 15, 2002); LP Water & Sewer Company (Monroe and Pike Counties, April 3, 2002); Mid-Monroe Water Company (Monroe County, August 23, 2002); West Decatur Authority (Clearfield County, March 31, 2003); Rustic Acres Water Association (Pike County, September 30, 2003); Sandy Ridge Water Authority (Center County, October 14, 2003); Connoquenessing Borough Authority (Butler County, October 23, 2003); Skytop Water Company (Luzerne County, December 3, 2003); Sligo Borough Authority (Clarion County, August 31, 2004); Snowshoe at Mt. Pocono Condominiums, Inc. (Monroe County, February 24, 2005); Shippenville Municipal Authority (Clarion County, March 31, 2005); Blue Mountain Lake Associates, L.P. (Monroe County, October 31, 2005); East Fallowfield Township (Chester County, December 22, 2005); Stillwater Lakes Water Corporation (Monroe County, January 17, 2006); Winona Lakes Utilities, Inc. (Monroe and Pike Counties, January 26, 2006); Saville Rustin Water Company, Inc./Pine Ridge Community Association, Inc. (Pike County, March 29, 2006); Lexington Woods Corporation (Monroe County, July 24, 2006); Community Association of Pocono Farms, Incorporated (Monroe County, July 31, 2006); Redstone Water Company (Fayette and Washington Counties, March 20, 2007); Mountain Top Estates Property Owners Association (Monroe County, May 30, 2008); Claysville-Donegal Joint Municipal Authority (Washington County, July 31, 2008); Three Lane Utilities, Inc. (Pike County, September 10, 2008); Clarion Area Authority (Clarion County, October 30, 2008); Boggs Township (Centre County, September 10, 2009); Amwell Township Water Authority (Washington County, September 23, 2009); Wallaceton Municipal Authority (Clearfield County, October 1, 2009); Saxonburg Area Authority (Butler County, October 28, 2009); Nittany Water Company (Centre and Clinton Counties, February 3, 2010); Sutton Hills Homeowners Association (Luzerne County, May 5, 2010); Birch Acres Water Works, Inc. (Monroe County, December 7, 2010); Helen Norella and Louis & Isabelle Norella (Lackawanna County, October 5, 2011); Wildcat Park Corporation (Schuylkill County, November 17, 2011); Estate of George Spangenberg d/b/a Lake Spangenberg Water Company (Lackawanna County, May 3, 2012); North Fayette County Municipal Authority-Balsinger Public Water System and Springfield Pike Public Water System

(Fayette County, October 4, 2012); All Seasons Water Company (Pike County, December 20, 2012); Ha Ra Corporation-Fernwood Community Water System (Monroe County, December 31, 2012); Olwen Heights Water Service Company, Inc. (Lackawanna County, February 4, 2013); Indian Rocks Water Association (Wayne County, March 13, 2013); Koppel Borough (Beaver County, May 31, 2013); Pocono Mountain Lake Forest Community Association (Pike County, July 22, 2013); Clean Treatment Sewage Company (Pike County, August 21, 2013); Franklin Township Municipal Authority (Adams County, August 29, 2013); Berry Hollow Water Company (Northampton County, April 3, 2014); Scott Township (Lackawanna County, May 22, 2014); Paint-Elk Joint Sewer Authority (Clarion County, July 31, 2014); Hamiltonban Township Municipal Authority (Adams County, November 3, 2014); Abbey Woods Homeowners Association (Butler County, July 14, 2015); Shippenville Borough (Clarion County, August 4, 2015); Paint Township Municipal Water Authority (Clarion County, October 15, 2015); McEwensville Municipal Authority (Northumberland County, October 21, 2015); Fairview Township (York County, December 22, 2015); Borough of New Cumberland (Cumberland County, October 31, 2016); Sewer Authority of the City of Scranton (Lackawanna County, December 29, 2016); The Municipal Authority of the City of McKeesport (Allegheny County, December 18, 2017); Township of Sadsbury (Chester County, March 6, 2019); Municipal Authority of the Borough of Turbotville (Northumberland County, July 23, 2019); Borough of Turbotville (Northumberland County, July 23, 2019); Steelton Borough Authority (Dauphin County, October 9, 2019); Township of Exeter (Berks County, October 24, 2019); Kane Borough Authority (McKean County, October 13, 2020); Winola Water Company (Wyoming County, December 17, 2020); Delaware Sewer Company (Pike County, May 13, 2021); Borough of Royersford (Montgomery County, May 25, 2021); Valley Township-Water (Chester County, November 18, 2021); Valley Township-Wastewater (Chester County, November 18, 2021) and SLIBCO Utilities, Inc. (Lackawanna County, November 19, 2021). On July 2, 1990, Brownsville Water Company (Fayette County) and California Water Company (Washington County) were acquired and merged into the Company. On June 16, 1992, the former Forge Road Acres water system (Cumberland County) was sold to South Middleton Township. On March 24, 2003, Salisbury Water Supply Company (State of Massachusetts) was acquired and merged into the Company.

As a result of the various mergers and acquisitions, the Company furnishes water service to about 677,153 customers in the following municipalities:

All, or portions of, the Townships of Mount Joy, Mount Pleasant and Straban in Adams County;

All, or portions of, the Cities of Clairton and Pittsburgh (16th, 18th, 19th, 20th, 28th, 29th, 30th, 31st and 32nd Wards), the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Elizabeth, Glassport, Greentree, Heidelberg, Homestead, Ingram, Jefferson, Liberty, Lincoln, Mount Oliver, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Elizabeth, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Elizabeth, Forward, Mt. Lebanon, North Fayette, Robinson, Scott, South Fayette, South Park and Upper St. Clair in Allegheny County;



All, or portions of, the Boroughs of Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence and Wyomissing and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and Wallacetown and the Townships of Boggs, Bradford, Decatur, Graham and Morris in Clearfield County;

All, or portions of, the Township of Porter in Clinton County;

All, or portions of, the Boroughs of Berwick and Briar Creek and the Township of Briar Creek in Columbia County;

All, or portions of, the Boroughs of Camp Hill, Lemoyne, New Cumberland, Shiremanstown and Wormleysburg and the Townships of East Pennsboro, Hampden, Lower Allen, Middlesex, Silver Spring and Upper Allen in Cumberland County;

All, or portions of, the Borough of Steelton and the Townships of Conewago, Derry, Londonderry, South Hanover, Swatara and West Hanover in Dauphin County;

All, or portions of, the Cities of Connellsville and Uniontown, the Boroughs of Brownsville

and South Connellsville and the Townships of Brownsville, Bullskin, Connellsville, Dunbar, German, Jefferson, Luzerne, Menallen, North Union, Redstone and South Union in Fayette County;

All, or portions of, the Borough of Indiana and the Township of White in Indiana County;

All, or portions of, the Boroughs of Big Run and Punxsutawney and the Townships of Bell, Gaskill, Henderson, McCalmont and Young in Jefferson County;

All, or portions of, the Cities of Carbondale and Scranton, the Boroughs of Archbald, Blakely, Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Old Forge, Olyphant, Taylor, Throop and Vandling and the Townships of Carbondale, Fell, Glenburn, Jefferson, North Abington, Roaring Brook, Scott and South Abington in Lackawanna County;

All, or portions of, the Borough of Quarryville and the Townships of Bart, Colerain, Eden and Sadsbury in Lancaster County;

All, or portions of, the City of New Castle; the Boroughs of Ellport, Ellwood City, New Beaver and South New Castle and the Townships of Hickory, Mahoning, Neshannock, North Beaver, Perry, Shenango, Taylor, Union and Wayne in Lawrence County;

All, or portions of, the Borough of Palmyra and the Townships of Annville, North Annville, North Londonderry, South Annville and South Londonderry in Lebanon County;

All, or portions of, 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, Nescopeck, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Pittston, West Wyoming, Wyoming and Yatesville and the Townships of Conyngham, Fairview, Hanover, Hunlock, Jackson, Jenkins, Kingston, Newport, Pittston, Plains, Plymouth, Rice, Salem, Union, Wilkes-Barre and Wright in Luzerne County;

All, or portions of, the Borough of Kane and the Township of Wetmore in McKean County;

All, or portions of, the Borough of Mount Pocono, the Townships of Coolbaugh, Hamilton, Middle Smithfield, Ross, Smithfield and Stroud and the Village of Tobyhanna in Monroe County;

All, or portions of, the Boroughs of Bridgeport, Norristown and Royersford and the Townships of East Norriton, Limerick, Lower Pottsgrove, Lower Providence, Perkiomen, Plymouth, Skippack, Upper Merion, Upper Providence, West Norriton, Whitmarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Mount Bethel, Lower Nazareth, Palmer, Plainfield, Upper Mount Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of McEwensville, Milton, Northumberland, Turbotville and Watsontown and the Townships of Delaware, East Chillisquaque, Lewis, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, East Pike Run, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union in Washington County;

Portions of the Townships of Clinton and Salem in Wayne County;

Portion of the Township of Overfield in Wyoming County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 81,977 customers in the following municipalities:

Portions of, the Townships of Franklin, Hamiltonban and Highland in Adams County;

All, or portions of, the Cities of Duquesne and McKeesport and the Boroughs of Dravosburg, Port Vue and West Mifflin in Allegheny County;

All of the Borough of Koppel in Beaver County;

Portions of, the Townships of Alsace, Exeter and Lower Alsace in Berks County;

All, or portions of, the City of Coatesville, the Boroughs of Parkesburg and South Coatesville and the Townships of Caln, East Fallowfield, Highland, Sadsbury, Valley, West Caln and West Sadsbury in Chester County;

All, or portions of, the Boroughs of Clarion and Shippenville and the Townships of Clarion, Elk, Monroe and Paint in Clarion County;

All, or portions of, the Borough of New Cumberland and the Township of Lower Allen in Cumberland County;

All of the City of Scranton and the Borough of Dunmore in Lackawanna County;

All, or portions of, the Borough of Kane and Township of Wetmore in McKean County;

Portions of the Townships of Coolbaugh, Middle Smithfield, Smithfield and Stroud in Monroe County;

All, or portions of, the Borough of Royersford and the Township of Upper Providence in Montgomery County;

All, or portions of, the Boroughs of McEwensville and Turbotville in Northumberland County;

Portions of the Townships of Delaware and Lehman in Pike County;

All, or portions of, the Borough of Claysville and the Township of Donegal in Washington County; and

Portions of the Townships of Fairview and Newberry in York County.

[410 municipalities in 37 counties.]

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