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December 19, 2022

Via Electronic Filing

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

In re: Application of Aqua Pennsylvania, Inc. pursuant to Sections 1102, 1329, and 507 of the Public Utility Code for Approval of its Acquisition of the Water System Assets of Shenandoah Borough and MABS
Docket No. A-2022-3034143

Dear Secretary Chiavetta:

We are counsel for Aqua Pennsylvania, Inc. (“Aqua” or “Company”) in the above-referenced Application proceeding and are in receipt of your letter dated December 9, 2022, conditionally accepting the Application for filing (“Conditional Acceptance Letter”).

In compliance with the Conditional Acceptance Letter and the Final Supplemental Implementation Order entered February 28, 2019, at Docket No. M-2016-2543193, please be advised that Aqua has begun providing individualized notice of the proposed acquisition to its water customers. Aqua is providing the Notice with its water bills during a billing cycle beginning December 19, 2022, and running through approximately January 19, 2023. A copy of Aqua’s Notice to Customers is enclosed with this letter.

In further compliance with the Conditional Acceptance Letter, the Municipal Authority of the Borough of Shenandoah will concurrently provide individualized notice of the proposed acquisition to its water customers.

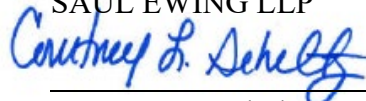
In addition to individualized notice, Aqua, as required by the Conditional Acceptance Letter, will provide newspaper publication once a week for two consecutive weeks in a newspaper having a general circulation in the Borough of Shenandoah area.

Aqua will file a Verification upon completion of the required notification.

Please contact me with any questions about the foregoing.

Very truly yours,

SAUL EWING LLP



Courtney L. Schultz

Encl.

cc: Per Certificate of Service (w/encl.)
Alexander R. Stahl, Esquire (via email, w/encl.)

CERTIFICATE OF SERVICE

I hereby certify that I have this 19th day of December, 2022, served a true and correct copy of the foregoing letter and enclosed notice to customers, upon the persons and in the manner set forth below:

PA PUC

Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

Rosemary Chiavetta, Secretary
via e-filing

TUS

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NOTICE TO AQUA CUSTOMERS



NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2022-3034143

Dear Customer:

On December 9, 2022, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania, Inc. (Aqua) for approval to acquire the Borough of Shenandoah / Municipal Authority of the Borough of Shenandoah (Shenandoah) water system assets. Shenandoah serves approximately 2,900 customers in Schuylkill County, Pennsylvania. Aqua's application also requests that the PUC authorize a purchase price and addition of \$12 million to Aqua's rate base pursuant to 66 Pa. C.S. § 1329. A utility's rate base is the value of property it uses to provide service to its customers and is one of several components used by the PUC to establish a utility's customer rates.

Aqua periodically makes applications to the PUC for newly acquired systems which requires Aqua to send these types of notices. This notice is specific to the Shenandoah acquisition.

This acquisition will not immediately, but may in the future, affect water bills of Aqua customers, including the new Shenandoah water customers. Aqua is not requesting a rate increase as part of the acquisition. Your rates will not change at the time we close this transaction and can only change with when approved by the PUC following an Aqua rate case that includes the Shenandoah system. Aqua estimates that the rates of the average customer could increase at that time, based on our preliminary analysis. The amount of the increase will be determined by the PUC in Aqua's next base rate case and will be dependent on how the PUC chooses to apportion the increase among Aqua's acquired and existing customers. The tables below present non-binding, estimated incremental rate effects of the proposed rate base addition on Aqua's existing water customers:

Aqua Water Customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	4,000 gal/month	\$0.08	0.10%
Commercial	33,380 gal/month	\$0.44	0.10%
Industrial	200,150 gal/month	\$2.14	0.10%
Public	33,380 gal/month	\$0.44	0.10%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers as well as the actual amount of water used.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$12 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$12 million addition to rate base. The PUC will issue a decision on the application on or around July 13, 2023.

ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of Shenandoah's water system in your letter. This information can be helpful when the PUC investigates the application. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
- 2) Attending or presenting testimony at a PUC Public Input Hearing. You can attend or be a witness at a PUC public input hearing. The PUC holds public input hearings if it opens an investigation into Aqua's transaction and there is enough interest in the case. At these hearings, you can present your views in person to the PUC judge and to company representatives. Testimony under oath becomes part of the application case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1.800.692.7380.
- 3) Filing a protest or a petition to intervene. If you want to be a party to the case, you must file a protest or a petition to intervene. You then have an opportunity to take part in all the hearings about the proposed acquisition. You can receive copies of all materials distributed by the other parties. Protests and petitions to intervene must be filed in accordance with 52 Pa. Code (relating to public utilities) on or before February 27, 2023. Filings must be made with the Secretary of the Pennsylvania Public Utility Commission at P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on Aqua's counsel at Saul Ewing Arnstein & Lehr, LLP, Attn: Courtney L. Schultz, 1500 Market Street, Center Square West, 38th Floor, Philadelphia, PA 19102.

The documents filed as part of this application are available for inspection and copying at the Office of the Secretary of the PUC between 8 a.m. and 4:30 p.m., Monday through Friday, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2022-3034143.