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VIA eFiling **PUBLIC VERSION**

October 13, 2023

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

Re: Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5; and (3) approve, as necessary, the limited waivers of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

Docket No. A-2023-_____

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company (the "Company"), I am eFiling the Company's request for approval of the above-referenced Application to provide water service to the public in a portion of Dimock Township, Susquehanna County. Please note the following Application Exhibits have been labeled as **CONFIDENTIAL**:

- Exhibit B Dimock Township Letters of Support
- Exhibit D Offsite Marketing Agreement, specifically Exhibit C, Impacted Customers

The Company is submitting a **CONFIDENTIAL** version of the Application by posting it to the Commission's SharePoint site. The Company respectfully requests that the **CONFIDENTIAL** version be maintained in a non-public folder.

Accompanying the filing is payment in the amount of \$350 for the Commission's application filing fee.

The filing has been served on the parties listed on the enclosed Certificate of Service.

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

Sincerely,

Teresa K. Harrold

Enclosures

cc: Certificate of Service
Rebecca S. Franz, Chief Deputy Attorney General, Office of Attorney General w/Enc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania-American :
Water Company for Approval of (1) the :
Right to Offer, Render, Furnish or Supply :
Water Service to the Public in a Portion :
of Dimock Township, Susquehanna :
County, Pennsylvania Pursuant to Section :
1102 of the Pennsylvania Public Utility :
Code, 66 Pa C.S. § 1102; (2) the Offsite :
Development Marketing Agreement by : Docket No. A-2023-_____
and between Pennsylvania-American :
Water Company and the Office of the :
Attorney General Pursuant to Rule 23.2 :
of Pennsylvania-American Water :
Company’s Tariff Water-PA P.U.C. :
No. 5; and (3) approve, as necessary, the :
limited waivers of Pennsylvania- :
American Water Company’s Tariff :
Water-PA P.U.C. No. 5 :

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

1. Pennsylvania-American Water Company (“Pennsylvania-American” or “Company”) hereby respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) (1) issue a Certificate of Public Convenience evidencing its approval under Section 1102(a)(1)(i) of the Public Utility Code, 66 Pa.C.S. § 1102(a)(1)(i) of Pennsylvania-American’s right to begin to offer, render, furnish or supply water service to the public in a portion of Dimock Township, Susquehanna County, Pennsylvania; (2) approve, as necessary, the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General (“OAG”) Pursuant to Rule 23.2 of Pennsylvania-American Water

Company's Tariff Water-PA P.U.C. No. 5; and (3) approve, as necessary, the limited waivers of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5 further described herein. In support of this request, Pennsylvania-American states as follows:

2. The name and address of the Company are:

Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

3. The name and address of the Company's attorney are:

Teresa K. Harrold, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

II. DESCRIPTION OF THE COMPANY

4. Pennsylvania-American is a public utility corporation organized and existing under the laws of the Commonwealth of Pennsylvania. Pennsylvania-American furnishes water service to approximately 2.2 million people in a certificated service territory encompassing portions of 37 counties and 417 municipalities across the Commonwealth, as reflected in documents already on file with the Commission. As of May 31, 2023, Pennsylvania-American provided water service to approximately 681,536 customers in the following classifications:

Residential	627,516
Commercial	46,768
Industrial	546
Municipal, Resale and Other	2,322
Fire Protection	4,384

In addition, Pennsylvania-American provided wastewater service to approximately 97,543 customers.

5. The Commission has deemed Pennsylvania-American to be financially and technically fit, as reflected in documents on file with the Commission. Attached hereto as **Exhibit A** is pertinent information with respect to the corporate history, authority, and service territory of Pennsylvania-American.

III. THE TRANSACTION AND PROPOSED SERVICE TERRITORY

6. Pennsylvania-American and the OAG desire to extend the Company's existing water distribution system to provide water service to residents whose water supply has been adversely impacted by natural gas drilling operations in the Township of Dimock, Susquehanna County ("Dimock").

7. In 2006, Cabot Oil and Gas Corporation ("Cabot") secured gas and oil leases for mineral rights from landowners within Dimock.

8. Shortly thereafter, Cabot constructed well pads and drilling wells on numerous properties. The type of drilling involved in this region is referred to as "hydraulic fracturing" or "fracking." The fracking process involves pumping water, chemicals, and sand at high pressure into a gas well, which fractures the surrounding rock formation, allowing natural gas to more freely flow from rock fractures to the production well.

9. After fracking began in the Dimock region, homeowners began to suspect methane gas was migrating into the water supply due to residents experiencing brown well water, a great amount of effervescence in their water, considerable sediment, and a singular event wherein a water well spontaneously exploded on a homeowners' property.

10. In 2008, Cabot was banned from drilling within a nine-square mile area in Dimock; however, residents' concerns regarding their well water contamination remained. Many residents have avoided using their drinking water wells since 2008 and opted instead to drink only bottled or delivered water.

11. On June 15, 2020, the OAG filed criminal charges against Cabot charging Cabot with Prohibition Against Discharge of Industrial Wastes, a violation of the Clean Streams Law, 35 P.S. § 691.301, for discharging, or permitting to flow, or continuing to discharge or permit to flow, methane into groundwater from gas wells located in Dimock.

12. The OAG contacted PAWC to discuss potential public drinking water solutions for the residents of Dimock with well water that was adversely impacted by fracking. PAWC proposed a state-of-the-art public groundwater system with a four-stage treatment process based on the potential contaminants present: 1) air stripping for dissolved gases and VOCs; 2) greensand pressure filtration for metals (e.g., iron, manganese, and sulfur); 3) granular activated carbon filters for any remaining contaminants and polishing; and 4) chlorination for biological and virus treatment (the "Facilities").

13. On November 21, 2022, the OAG and PAWC met with Dimock residents to discuss this proposed solution. Signatures and letters of support for the project were submitted to PAWC from Dimock residents after this meeting, which are attached hereto as **Exhibit B – CONFIDENTIAL**.

14. On November 29, 2022, the OAG and Cabot, now Coterra Energy Inc. ("Coterra") reached an agreement wherein Coterra pled no contest for contaminating well water in Dimock and agreed to pay \$16.29 million towards 1) the construction of this

new public water system; and 2) \$50,000 bill credits to Dimock customers with adversely impacted well water (“Plea Agreement”). The Plea Agreement is attached hereto as **Exhibit C**.

15. Pennsylvania-American and OAG intend to execute the Offsite Development Marketing Agreement (“Agreement”) attached as **Exhibit D**. Pursuant to Rule 23.2 of Pennsylvania-American’s Tariff Water-PA P.U.C. No. 5, Pennsylvania-American requests that (a) this Agreement either be deemed effective within 30 days of the date of this Application, or (b) if the Commission institutes an investigation, the Commission approve this Agreement.

16. As indicated above, the proposed service territory adversely impacted by past fracking operations is along Carter Road, State Route 3023, and Meshoppen Creek Road in a portion of Dimock Township, Susquehanna County, Pennsylvania. Attached hereto as **Exhibit E** is a map showing the boundaries of the area and attached hereto as **Exhibit F** is a description of the proposed area to be served (“Application Territory”).

17. The properties colored blue on **Exhibit E** were determined by the Department of Environmental Protection (“DEP”) to have adversely impacted well water, and therefore, will be eligible for connection to the new public groundwater system at no cost and to receive the \$50,000 bill credits (“Impacted Customers”). The \$50,000 bill credits will remain attached to the impacted property accounts. For example, if an impacted property owner sells the property, the remaining bill credit will transfer to the account of the new owner of the Dimock property rather than stay with the property owner who is moving out of Dimock.

18. The properties colored yellow on **Exhibit E** are located along the main of the proposed system that were not confirmed by the DEP to have adversely impacted well water, and therefore, those property owners are not eligible for the \$50,000 bill credits (“Other Property Owners”). However, if those property owners are interested in connecting to the system, they would be permitted to connect pursuant to the rules of PAWC’s Water Tariff. In addition, after PAWC completes the service connections for the Impacted Customers, if there are additional funds remaining under the Plea Agreement above and beyond those funds required for system construction, Impacted Customers’ service connections, and bill credits, and subject to the approval and agreement of OAG, PAWC will make a filing at the Commission proposing a methodology for allocating the remaining funds to connect additional customers in the vicinity of the waterline and/or to support water quality improvement projects in the affected area, and these funds will not be spent until the Commission approves a proposed use for the funds. PAWC will serve the OAG and the Office of Consumer Advocate (“OCA”) with such filing(s).

IV. THE FACILITIES

19. The Application Territory will be operated and managed by Pennsylvania-American’s Susquehanna district operations.

20. As already discussed, Pennsylvania-American’s proposed Facilities include a public groundwater system with a four-stage treatment process, as well as seven (7) miles of 6” water distribution main, two (2) new wells, storage, and a standby generator provided for reliability of service.

21. The proposed Facilities also include, for Impacted Customers, installation of a 1” water service pipe from the road right of way line to the house, meter pit, and backflow preventer at each property. Upon completion of the installation, Pennsylvania-American will restore the Impacted Customers’ properties, including but not limited to sidewalks, driveways, landscaping or sod, as nearly as practicable to their former condition. Post-installation, ownership and maintenance of the service pipes and facilities installed on the customer side of the Company-owned street service connection will be transferred to the customers and remain the responsibility of current and future property owners. Pennsylvania-American will repair or replace any defect in workmanship and materials for a period of one year after these service pipes and facilities are put in service.

22. Pennsylvania-American requests that the Commission approve a limited waiver of the Company’s tariff rules providing that customers are responsible for the installation of service pipes, meter pits and backflow preventers (Rules 4.6, 4.9, 5.2). This requested waiver is limited to Impacted Customers as defined in this Application.

23. Pennsylvania-American will disconnect Impacted Customers’ wells from homes due to potential water quality related issues, such as cross-contamination and lack of water turnover.

24. The projected timeline for completion of the Facilities is by the end of 2026.

25. The estimated project cost is approximately \$11.04 million to be paid by Coterra as part of the Plea Agreement. A classification of the costs including construction costs, materials and appurtenances is attached as **Exhibit G**.

26. The proposed Facilities will not provide public fire service.
27. Dimock residents' wastewater is treated by on-lot septic systems.
28. To the best of the knowledge of the Company, no corporation, partnership, or individual is currently furnishing or has corporate or franchise rights to furnish service similarly in the proposed Application Territory, thus, no competitive condition will be created.

V. **FINANCIAL AND OTHER RELEVANT INFORMATION**

29. There is attached hereto, as **Exhibit H**, a balance sheet of Pennsylvania-American as of December 31, 2022.

30. There is attached hereto, as **Exhibit I**, a statement of income and retained earnings of Pennsylvania-American for the 12 months ended December 31, 2022.

31. Pennsylvania-American will charge its then existing Rate Zone 1 rates for service in the Application Territory as set forth in its Tariff. The service addresses of Impacted Customers will each receive a \$50,000 bill credit,¹ which is expected to offset charges from the Company for several decades. Because Pennsylvania-American will continue to charge its Tariffed rates to the customers at these service addresses, which will be offset by these bill credits, Pennsylvania-American has added language to its Tariff directing customers of the Dimock system to the Application and Final Commission Order in this docket for information regarding bill credits. Pennsylvania-American's proposed Tariff supplement reflecting Pennsylvania-American's new service territory is attached hereto as **Exhibit J**.

¹ The bill credit may be slightly less than \$50,000 (in the range to \$47,619 to \$50,000) if PAWC's actual construction costs are \$15.24 million, which is the maximum the OAG is committed to pay PAWC pursuant to the Offsite Marketing Agreement.

32. Before the first bill is sent with the bill credit, PAWC will provide a plain language welcome letter to the Impacted Customers that includes an explanation how the bill credit will operate. If PAWC receives a request to transfer an impacted property account to a new owner, while bill credits are still being provided, PAWC will send this first explanatory letter to the new customer before sending the first bill. At least three months before PAWC anticipates that funds from the lump sum payment discussed in Paragraph 8 of the Offsite Marketing Agreement will be exhausted, PAWC will send a second letter to all customers receiving a credit informing them when it is anticipated that their bill credits will end and the anticipated impact to their monthly bills. Prior to sending, PAWC will provide a copy of the letter to the OCA for review and input and consider the OCA's suggestions for content and clarity.

33. Upon request by the Commission, OAG or the OCA, PAWC will provide information regarding the bill credits applied to each Impacted Customer to date and remaining balance of funds for bill credits on each account.

34. Pennsylvania-American furnishing water service in the Application Territory will have no adverse effect upon the service furnished or the rates charged to other customers.

35. The costs of the Facilities, including any additional connections in the Application Territory funded pursuant to the Sentencing Order, will be treated as contributed plant, on and of which PAWC will earn no return.

VI. PUBLIC INTEREST

36. It is reasonable, prudent, and in the public interest for Pennsylvania-American to provide water service in the proposed Application Territory because it is

financially and technically capable of providing service and because there is a significant need to make water service available to the Impacted Customers located along Carter Road, State Route 3023, and Meshoppen Creek Road in Dimock Township, Susquehanna County, whose water supplies have been adversely impacted by past fracking operations.

37. Approval of the Application will benefit existing Pennsylvania-American customers as well. As shown on **Exhibit K**, estimated annual revenues from the additional customers to be served in the Application Territory will exceed estimated annual expenses. The addition of these customers will mitigate the level of investment per customer by adding more customers to share in future infrastructure costs and thereby stabilize per customers costs.

38. Pennsylvania-American has support from both Dimock Township and Susquehanna County. A letter can be found at **Exhibit L** from Dimock Township and at **Exhibit M** from Susquehanna County to verify that this plan complied with county/township comprehensive plans.

39. Additional letters of support for this Application are attached as **Exhibit N** and **Exhibit O** from the OAG and the Office of Consumer Advocate.

VII. RELIEF REQUESTED

40. Together with its Order approving this Application, Pennsylvania-American requests that the Commission (1) issue a Certificate of Public Convenience pursuant to Section 1102(a)(1)(i) of the Public Utility Code, 66 Pa.C.S. §1102(a), authorizing Pennsylvania-American to furnish water service in a portion of Dimock Township, Susquehanna County, identified as Application Territory on **Exhibit E** and described in **Exhibit F**; (2) approve, as necessary, the Offsite Development Marketing

Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General (“OAG”) Pursuant to Rule 23.2 of Pennsylvania-American Water Company’s Tariff Water-PA P.U.C. No. 5; and (3) approve, as necessary, the limited waivers of Pennsylvania-American Water Company’s Tariff Water-PA P.U.C. No. 5 described herein.

WHEREFORE, Pennsylvania-American respectfully requests that the Pennsylvania Public Utility Commission approve this Application and grant the relief requested above.

Dated: October 13, 2023

PENNSYLVANIA-AMERICAN WATER COMPANY



By: Teresa K. Harrold, Esquire
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Pennsylvania-American Water Company
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Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT A

Pennsylvania-American Water Company 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); Shipperville 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); SLIBCO Utilities, Inc. (Lackawanna County, November 19, 2021); York City Sewer Authority (York County, May 27, 2022); Upper Pottsgrove Township (Berks and Montgomery Counties, June 30, 2022); Foster Township (Luzerne County, October 27, 2022) and Creekside Homeowners Association (Lancaster County, June 22, 2023). 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 681,707 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 Applegold 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 Wallaceton 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, Providence 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, Whitemarsh, 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 97,585 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;

All, or portions of, the Townships of Alsace, Douglass, 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;

Portions of the Township of Foster in Luzerne 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 Townships of Upper Pottsgrove and 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

All, or portions of, the City of York, the Borough of North York and the Townships of Fairview, Manchester, Newberry and York in York County.

[418 municipalities in 37 counties.]

06/30/2023

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT B

CONFIDENTIAL

Letters of Support from Dimock Township Residents

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT C

Plea Agreement

COMMONWEALTH : IN THE COURT OF COMMON PLEAS
VS. : SUSQUEHANNA COUNTY, PENNA.
: NO. 2022-15-CR
: CHARGE, COUNT 1, PROHIBITION AGAINST
DISCHARGE OF INDUSTRIAL WASTES
COTERRA ENERGY INC. : PLEA: GUILTY

S E N T E N C E

PROthonary &
CLERK OF COURTS
2022 NOV 30 PM 4:16

NOW TO WIT this 29th day of November, 2022, the sentence of the Court is that you, Coterra Energy Inc., pay a fine in the amount of \$2,500.00 to the Clean Water Fund at the Pennsylvania Department of Environmental Protection.

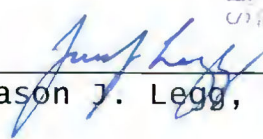
The Defendant will pay \$16.29 million to an interest bearing account established by the Office of Attorney General. This money shall be utilized for the construction of a community water well system and water distribution system constructed and operated by Pennsylvania American Water Company. A portion of the Defendant's one-time payment shall be utilized to connect certain landowners' residences to the waterline and to create a \$50,000.00 credit for each landowner to serve as payment for their water for approximately 75 years. Any remaining funds shall be used to connect other homeowners in the vicinity of the water line and to support water quality improvement projects in the affected area.

During the construction of the waterline, the Defendant shall offer certain landowners treatment systems to treat their

water and bottled water. The Defendant shall install and maintain those systems on the residences that accept the treatment system. The cost of said treatment systems, their maintenance and operation, and the bottled water deliveries will be reimbursed from the \$16.29 million. Should the amount spent for interim treatment deplete the escrow account to a level that will not cover the cost of construction of the line, the Defendant will add back to the escrow account an amount up to that which was spent on interim treatment.

If the Community water well system is unable to be completed for any reason, the Defendant shall submit to the Pennsylvania DEP a plan for the operation and maintenance of the interim treatment systems for a period of 30 years. This plan will not require the delivery of bottled water. Should a landowner elect not to accept the installation or utilize a treatment system under this scenario, the Defendant's obligation related to that landowner shall be deemed satisfied. The funding for this alternative shall be paid from the \$16.29 million escrow account referenced above.

BY THE COURT:



Jason J. Legg, P.J.

PROthonary
CLERK OF COURTS
2022 NOV 30 PM 4: 14

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT D

Offsite Development Marketing Agreement
(Exhibit C to the Offsite Development Marketing Agreement labeled **CONFIDENTIAL**)

Agreement No. _____

OFF-SITE DEVELOPMENT MARKETING AGREEMENT

AGREEMENT made this _____ day of _____, 2023, by and between **Pennsylvania-American Water Company**, a Pennsylvania corporation with a business address of 852 Wesley Drive, Mechanicsburg, Pennsylvania, 17055 (hereinafter referred to as “PAWC” or “COMPANY”) and **the Commonwealth of Pennsylvania, Office of Attorney General** (hereinafter referred to as “OAG” and, together with PAWC, the “Parties”);

W I T N E S S E T H:

WHEREAS, on November 29, 2022, the Court of Common Pleas of Susquehanna County issued a sentencing order in the Case of the Commonwealth of Pennsylvania v. Coterra Energy, Inc. (“Sentencing Order”), which is attached and incorporated herein as Exhibit B;

WHEREAS, the Sentencing Order required Coterra Energy, Inc. to pay \$16.29 million to be utilized, in part, for the construction of a public groundwater system (“System”) by PAWC in Dimock Township, Susquehanna County, Pennsylvania and to create a \$50,000 credit for each affected landowner;

WHEREAS, Coterra Energy, Inc. transferred \$16.29 million to the OAG which was placed into an escrow account (“Escrow Account”) to be utilized in accordance with the Sentencing Order; and

WHEREAS, COMPANY is a public utility engaged in the business of furnishing water service to the public in various areas of Pennsylvania, including Susquehanna County, subject to the jurisdiction of the Pennsylvania Public Utility Commission (hereinafter referred to as “COMMISSION”); and

WHEREAS, the Parties desire to enter into this AGREEMENT to set forth the terms and conditions related to construction of the System.

NOW, THEREFORE, for and in consideration of the mutual promises hereinafter contained and for other good and valuable consideration, the mutual receipt of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation. The foregoing recitals or “Whereas” clauses are incorporated herein by reference.
2. Water Facilities Improvements. The “Water Facilities Improvements” means the water supply, treatment, and distribution facilities as shown and described in Exhibit A, attached hereto and made a part hereof. The Parties recognize that Exhibit A is a preliminary representation of where the Water Facilities Improvements will be located and the location of such Water Facilities Improvements and the extent of the Water Facilities Improvements may change in the final design and as construction occurs in the field.
3. Permits and Approvals. PAWC shall obtain all requisite permits, zoning, and other approvals for the construction of the Water Facilities Improvements. Construction of the Water Facilities Improvements shall not commence until all necessary permits are obtained.
4. Construction Responsibility. PAWC shall construct and install or cause to be constructed and installed the Water Facilities Improvements. All construction shall be done in a good and workmanlike manner and shall comply at the time of completion with all applicable laws and requirements of the governmental authorities having jurisdiction.
5. Payment Schedule. OAG hereby agrees to pay PAWC out of the Escrow Account in accordance with the payment schedule outlined in this Paragraph below. As of the Effective Date of this Agreement, the Estimated Cost for the System is \$11,043,665. The Estimated Cost shall be the estimated cost of the Water Facilities Improvements, and shall be subject to adjustment, which may include any other additional facilities which PAWC shall have decided are required to render adequate

potable water service. The Parties understand that the aforementioned costs are estimates and that the actual costs of the Water Facilities Improvements are subject to change and recognize that the costs could change. If PAWC determines, at any time from the execution of this Agreement and the completion of the construction of the Water Facilities Improvements, that the actual cost will be higher than the Estimated Cost, PAWC will contact OAG and inform OAG of the increase in the actual costs. PAWC will agree to accept payments at key milestones throughout the project as identified below.

1. \$1,105,000 Engineering (Design & Permitting), paid by OAG to PAWC prior to execution of this AGREEMENT
 2. \$1,065,000 On the Effective Date of this AGREEMENT
 3. \$8,873,665 Upon Receipt of Construction Bids, due within 30 days of PAWC notice
- TOTAL: \$11,043,665

Should OAG not make a payment in accordance with the foregoing schedule, PAWC has the right to discontinue its work.

6. Preliminary and Final Memorandum. A Preliminary Memorandum in the form attached shall be prepared and signed by both Parties showing the payments required in accordance with foregoing provisions. The Parties also agree to the procedure set forth in Paragraph 5 for an interim adjustment if PAWC determines that the actual costs will exceed the Estimated Cost. Notwithstanding any adjustment after the completion of the Preliminary Memorandum, upon completion of the Water Facilities Improvements, a Final Memorandum in the form attached shall be prepared and signed by both Parties showing the payments required based on the same calculation as set forth above, but by using the actual cost of the Water Facilities Improvements, including the actual installation cost of the mains and other facilities. If the payments shown to be due on the Final Memorandum differ from that shown on the Preliminary Memorandum and any interim adjustment,

OAG will pay the additional amount to PAWC out of the Escrow Account or PAWC will refund to OAG any excess amount shown to have been paid, it being the intent of this Agreement that the payments required shall be based on PAWC's actual construction costs and the additional payment described in Paragraph 8 equalling up to \$16.29 million.

7. Operation and Ownership. The ownership of the Water Facilities Improvements installed hereunder shall at all times be by PAWC, its successors and assigns. PAWC will therefore own, operate, maintain, repair, and replace the Water Facilities Improvements as needed. PAWC will also install service lines and behind-the-meter facilities on behalf of customers. Post-installation, ownership and maintenance of these service lines and facilities will be transferred to the customers and remain the responsibility of current and future property owners. The OAG shall not be responsible for any costs associated with this Paragraph 7.

8. Tariff Rates. It is mutually understood and agreed that the charges for water service for the new groundwater system shall be at the applicable rates of PAWC on file with the COMMISSION, which rates are subject to change from time to time upon application of PAWC and as approved by the COMMISSION. At the time of Final Memorandum is executed, OAG will make a lump sum payment to PAWC of \$1.05 million dollars, which will be credited in the amount of \$50,000 each to the water bills of the Dimock service addresses identified in Exhibit C, so that their monthly bills show an amount due of \$0.00 until all funds from this payment are exhausted ("Bill Credits"). This \$1.05 million payment will be in addition to PAWC's construction costs described in Paragraph 5. PAWC will propose changes to its tariff on file with the COMMISSION to reflect this billing methodology.

9. PAWC Interruptions and Delays in Service. PAWC shall use commercially reasonable efforts to maintain satisfactory and continuous service, but does not guarantee a continuous

supply of potable water service. Neither party will incur any liability to the other if its performance of any obligation under this Agreement is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

10. Waiver. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provisions but the same shall, nevertheless, be and remain in full force and effect.

11. Notice to OAG. Communications hereunder shall be sent to OAG, addressed as follows:

Rebecca Franz
Chief Deputy Attorney General
Pennsylvania Office of Attorney General
16th Floor, Strawberry Square
Harrisburg, PA 17120

Or to such other address as OAG may advise PAWC in writing.

12. Notice to PAWC. Communications hereunder shall be sent to PAWC, addressed as follows:

Jeremy Nelson
Pennsylvania-American Water Company
2699 Stafford Avenue
Scranton, PA 18505

With a required copy to:
Legal Department
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055

Or to such other address as PAWC may advise OAG in writing.

13. No Agency. It is agreed that PAWC is not an agent of OAG and shall not incur any costs or expenses on behalf of OAG, and that OAG is not an agent of PAWC and shall not incur any cost or expenses on behalf of PAWC.

14. Entire Agreement. This Agreement represents the entire understanding between the Parties with respect to the subject matter herein and those which are reasonably related; there are no oral or collateral agreements with respect thereto between the Parties. All changes or amendments to this Agreement must be in writing and signed by the Parties in order to be enforceable.

15. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

16. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective legal representatives, successors, and assigns. However, neither Party shall assign its rights, obligations, and interests in this Agreement without prior written notice to and the written approval from the other Party.

17. Pennsylvania Public Utility Commission Approval. This Agreement requires the approval of the COMMISSION to become effective. The Effective Date of this Agreement is the date the COMMISSION approves this Agreement.

18. Pennsylvania Department of Environmental Protection (“PaDEP”). PAWC’s obligation to construct and install the Water Facilities Improvements and PAWC’s obligation to own and operate the Water Facilities Improvements are conditioned on PaDEP issuing any necessary permits and approvals to PAWC.

19. No Third Party Beneficiaries. Nothing herein expressed or implied is or should be construed to confer upon or give any person other than the Parties and their successors and permitted assigns any rights or remedies under or by reasons of this Agreement.

20. Conditions Precedent to any PAWC Obligation. Any and all obligations of PAWC arising from this Agreement are expressly subject to the following conditions precedent: (i) the receipt by PAWC of the payments by OAG in accordance with Paragraph 5 above for the Water Facilities Improvements and Paragraph 8 for the Bill Credits; and (ii) Receipt by PAWC of all regulatory approvals and permits required for the construction and operation of the Water Facility Improvements.

21. Commonwealth Held Harmless.

a.) PAWC shall indemnify the OAG against any and all third party claims, demands, and actions based upon or arising out of any activities performed by PAWC and its employees and agents under this Agreement, provided the OAG gives PAWC prompt notice of any such claim of which it learns. Pursuant to the [Commonwealth Attorneys Act](#), Act of October 15, 1980, P.L. 950, No. 164, as amended, 71 P.S. § 732-101—732-506, the OAG has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to PAWC, the OAG will cooperate with all reasonable requests of PAWC made in the defense of such suits.

b.) Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The OAG may, in its sole discretion, allow PAWC to control the defense and any related settlement negotiations.

22. OAG Obligations. PAWC acknowledges that the Escrow Account is solely funded pursuant to the Sentencing Order and that the OAG is only obligated to make payments from the

Work Order No.

PRELIMINARY MEMORANDUM

This Preliminary Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph 5 of a certain agreement in writing between the parties entered into on the day of _____, 20____, for the installation by PAWC of the Water Facilities Improvements therein described. It is, therefore, agreed and stipulated:

(a) Total Estimated Cost – Design & Permitting	\$1,105,000
(b) Total Estimated Cost – Construction	\$9,938,665
(c) Total Estimated Cost (a+b)	\$11,043,665
(d) Less: Initial Deposit – Design & Permitting	\$1,105,000
(e) OAG Payment (c) minus (d)	<u>\$9,938,665</u>

This Preliminary Memorandum shall be attached to the original AGREEMENT in accordance with the provisions of Paragraph 5 thereof.

Dated: _____

Date of Deposit: _____

WITNESS: PENNSYLVANIA-AMERICAN WATER COMPANY

By: _____ By: _____

WITNESS: OFFICE OF ATTORNEY GENERAL

By: _____ By: _____

Work Order No.

FINAL MEMORANDUM

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraph 5 of a certain agreement in writing between the parties entered into on the ___ day of ___, 20___, for the installation by PAWC of the Water Facilities Improvements therein described. It is, therefore, agreed and stipulated:

(a) Total Actual Cost – Design & Permitting	\$
(b) Total Actual Cost – Construction	\$
(c) Total Actual Cost (a+b)	\$
(d) Less: OAG Payments	\$
(e) Final OAG Payment Due/Owed (c) minus (d)	<u>\$</u>

This Final Memorandum shall be attached to the original agreement in accordance with the provisions of Paragraph 5 thereof.

Dated: _____

Date of Deposit: _____

WITNESS:

PENNSYLVANIA-AMERICAN WATER COMPANY

By: _____

By: _____

WITNESS:

OFFICE OF ATTORNEY GENERAL

By: _____

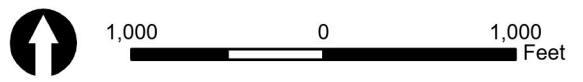
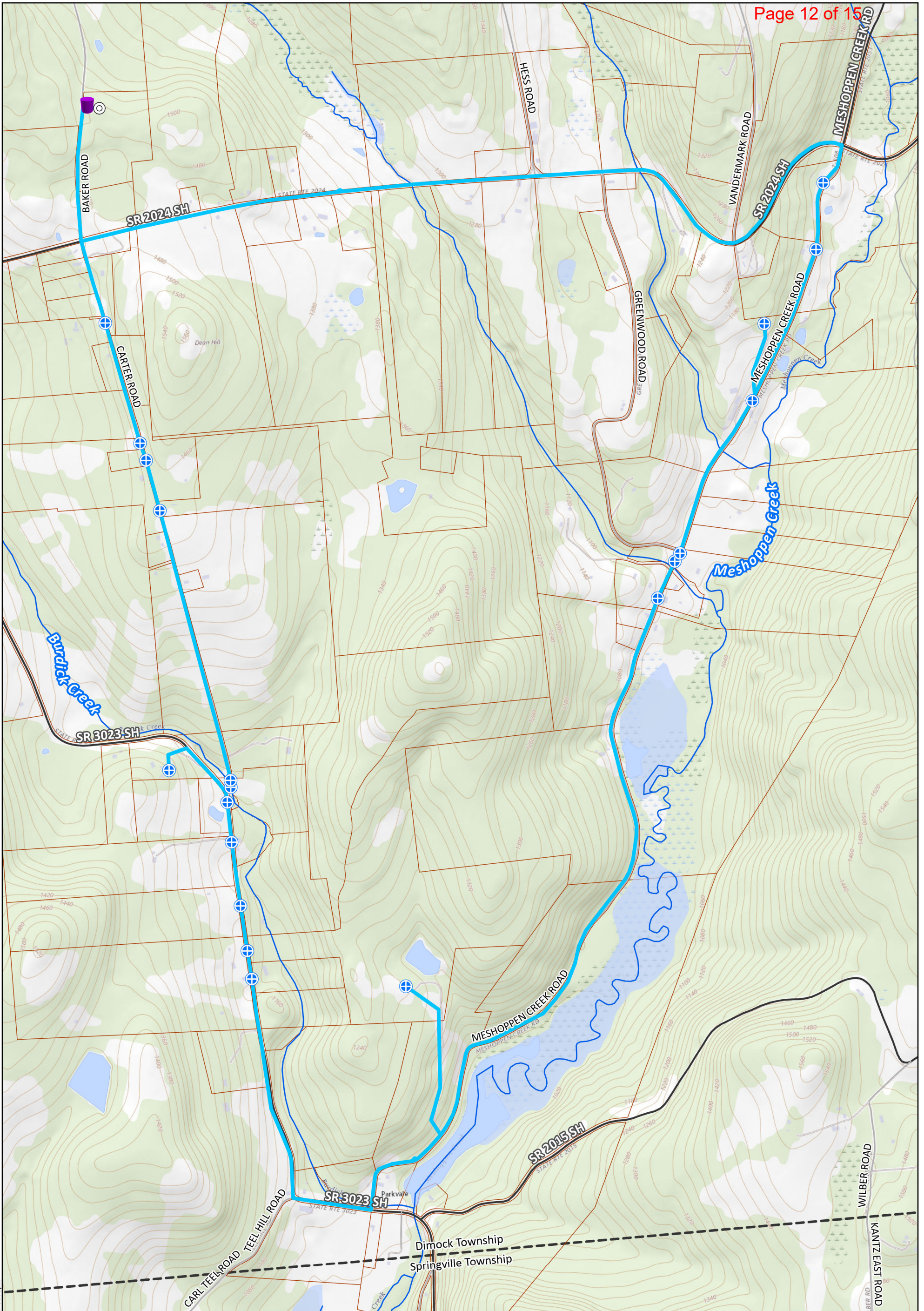
By: _____

Exhibit A

Water Facilities Improvements

The water facilities improvements consist of a new stand-alone groundwater system to serve the affected landowners. The new system would include two (2) new groundwater wells (one primary and one back up) with associated treatment, control and distribution facilities.

Approximately 37,000 LF of distribution main will be needed depending on the final well locations. In addition, PAWC is upgrading its billing system to allow it to administer \$50,000 credits to eligible customers of the new system. The map immediately following this exhibit show the proposed location and configuration of the water distribution system loop.



Mapping derived from data provided by PennDOT, PEMA, USGS, and ESRI.

7/5/2023 PM: CP GIS: ALV QA: CP R001358.0602

HRG
501 Allendale Road
Suite 203
King of Prussia, PA 19406
484.460.7050 [phone]
www.hrg-inc.com

- Proposed Well
- Tank
- Junctions
- Water Main
- Parcel Boundaries
- Local Roads
- State Roads
- Streams
- Waterbody
- Municipal Boundary

Exhibit A - Water Distribution System

Dimock Township
Susquehanna County, Pennsylvania

P:\0013\001358_0602\GIS\Projects\Dimock\Dimock.aprx

COMMONWEALTH	:	IN THE COURT OF COMMON PLEAS
	:	SUSQUEHANNA COUNTY, PENNA.
VS.	:	NO. 2022-15-CR
	:	CHARGE, COUNT 1, PROHIBITION AGAINST
	:	DISCHARGE OF INDUSTRIAL WASTES
COTERRA ENERGY INC.	:	PLEA: GUILTY

S E N T E N C E

2022 NOV 30 PM 4:16
 PROthonary &
 CLERK OF COURTS

NOW TO WIT this 29th day of November, 2022, the sentence of the Court is that you, Coterra Energy Inc., pay a fine in the amount of \$2,500.00 to the Clean Water Fund at the Pennsylvania Department of Environmental Protection.

The Defendant will pay \$16.29 million to an interest bearing account established by the Office of Attorney General. This money shall be utilized for the construction of a community water well system and water distribution system constructed and operated by Pennsylvania American Water Company. A portion of the Defendant's one-time payment shall be utilized to connect certain landowners' residences to the waterline and to create a \$50,000.00 credit for each landowner to serve as payment for their water for approximately 75 years. Any remaining funds shall be used to connect other homeowners in the vicinity of the water line and to support water quality improvement projects in the affected area.

During the construction of the waterline, the Defendant shall offer certain landowners treatment systems to treat their

water and bottled water. The Defendant shall install and maintain those systems on the residences that accept the treatment system. The cost of said treatment systems, their maintenance and operation, and the bottled water deliveries will be reimbursed from the \$16.29 million. Should the amount spent for interim treatment deplete the escrow account to a level that will not cover the cost of construction of the line, the Defendant will add back to the escrow account an amount up to that which was spent on interim treatment.

If the Community water well system is unable to be completed for any reason, the Defendant shall submit to the Pennsylvania DEP a plan for the operation and maintenance of the interim treatment systems for a period of 30 years. This plan will not require the delivery of bottled water. Should a landowner elect not to accept the installation or utilize a treatment system under this scenario, the Defendant's obligation related to that landowner shall be deemed satisfied. The funding for this alternative shall be paid from the \$16.29 million escrow account referenced above.

BY THE COURT:



Jason J. Legg, P.J.

PROthonary
CLERK OF COURTS
2022 NOV 30 PM 4: 14

EXHIBIT C
IMPACTED CUSTOMERS SERVICE ADDRESSES¹

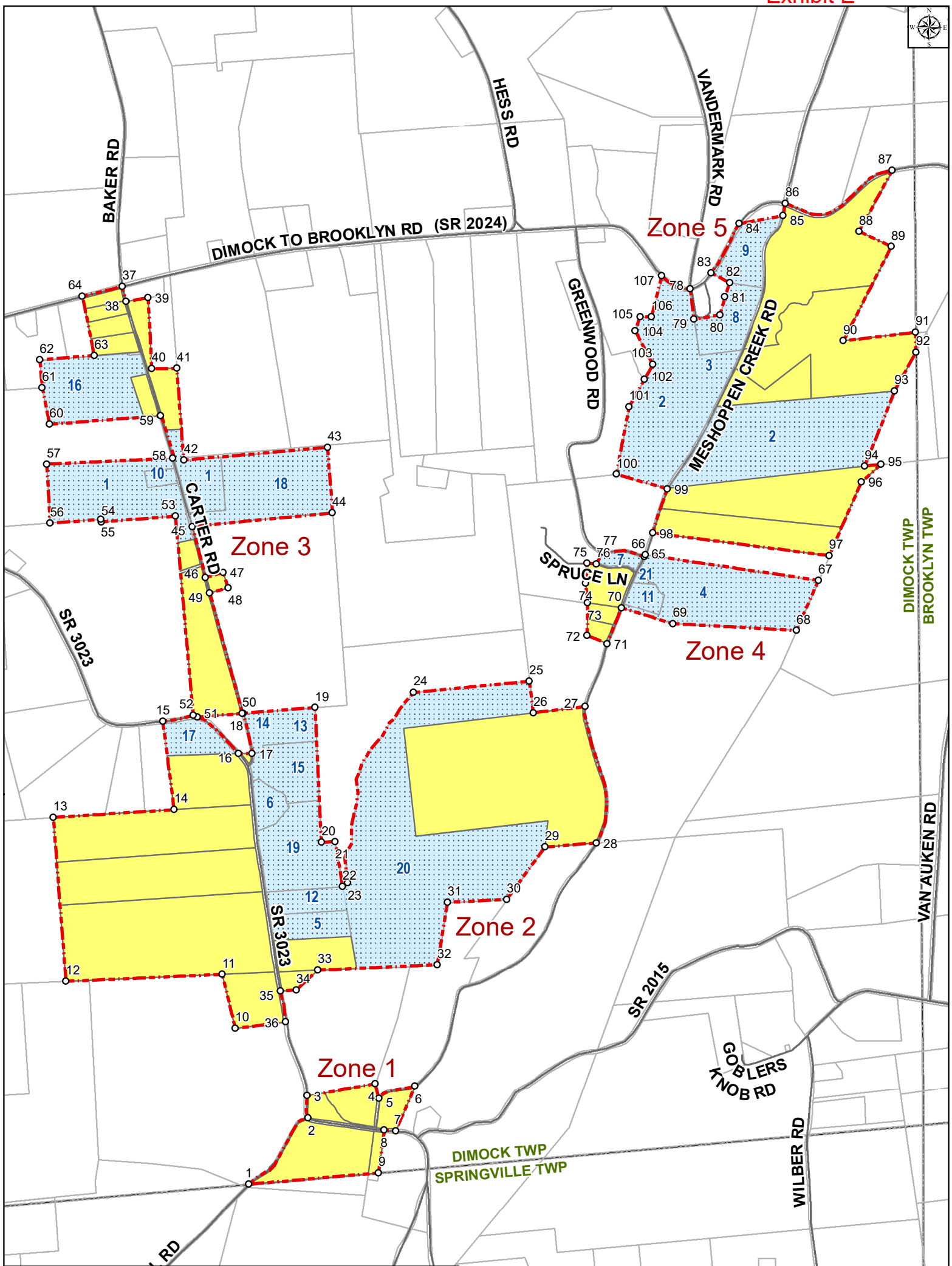
CONFIDENTIAL

¹ The Bill Credits will attach to service addresses rather than customers. In other words, if a customer moves from a Dimock service address listed on Exhibit C, that customer will no longer be eligible to receive funds from the Bill Credit associated with the Dimock service address. Instead, the new customer residing at the Dimock service address will begin receiving the funds from the Bill Credit.

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT E

Map of the Application Territory



Pennsylvania-American Water Company
Susquehanna Operating Area
Proposed Service Territory Extension - Dimock Twp
Approximately 923 Acres
Dimock, Susquehanna County



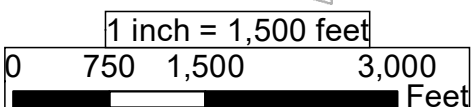
852 Wesley Dr
Mechanicsburg, PA 17055

Legend

- Bearing and Distance Points
- Applied For Service Territory
- Unimpacted Customers
- Impacted Customers
- Roads
- Tax Parcels
- Municipality

TO BE USED FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from physical sources to develop the Certified Service Territory may be reflected in the data supplied.



Disclaimer: Bearings and distances (attached separately) were not developed as result of physical survey completed by a Professional Licensed Surveyor, but instead completed through employment of ESRI's ArcGIS COGO tool. The mapping Source used for the roads base is PASDA, 2015. *Bearings and Distances attached Separately.

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT F

Description of the Application Territory

**Pennsylvania-American Water Company
Susquehanna Operating Area
Proposed Service Territory Extension - Dimock Twp
Approximately 923 Acres
Dimock, Susquehanna County
Bearing & Distance Points for map**

Zone 1 Starting Point: Intersection of Teel Road and the boundary between Dimock Township and Springville Township

From	To	Bearing	Distance (feet)
1	2	Northeast along the centerline of Teel Rd approximately 1183 feet to point 2, the intersection of Teel Rd and SR 3023	
2	3	North along SR 3023 approximately 290 feet to point 3	
3	4	N80°16'00"E	886.913857
4	5	S15°42'52"E	190.314114
5	6	Northeast along the centerline of Meshoppen Creek Rd approximately 502 ft to point 6	
6	7	S22°58'48"W	627.986754
7	8	N85°37'59"W	149.379652
8	9	S7°32'37"W	553.836461
9	1	S84°59'14"W	1677.274071

Zone 2 Starting Point: The Southwest corner of parcel 200.00-1,029.00,000.

From	To	Bearing	Distance (feet)
10	11	N13°41'31"W	715.657722
11	12	S87°27'24"W	2011.555282
12	13	N4°27'20"W	2114.110693
13	14	N86°18'09"E	1558.588689

14	15	N7°18'25"W	1144.982776
15	16	East along the centerline of SR 3023 approximately 1170 feet to point 16	
16	17	S89°30'50"E	172.460615
17	18	North along the Centerline of Carter Rd approximately 532 feet to point 18	
18	19	N85°23'45"E	924.273047
19	20	S2°41'37"E	1733.806437
20	21	N87°27'19"E	178.08438
21	22	S9°33'05"E	585.704962
22	23	N55°20'37"E	79.897285
23	24	Northeast along the centerline of private road, approximately 2720 feet to point 24	
24	25	N84°27'27"E	1495.188444
25	26	S6°51'18"E	408.011928
26	27	N83°13'39"E	674.448027
27	28	South along the centerline of Meshoppen Creek Rd, approximately 1820 feet to point 28	
28	29	S85°34'07"W	663.79976
29	30	S36°05'18"W	834.486478
30	31	S87°05'35"W	763.804416
31	32	S9°08'34"W	813.463685
32	33	S87°27'22"W	1541.479416
33	34	S47°19'06"W	374.68257
34	35	S85°34'07"W	202.243354
35	36	S9°30'13"E	403.084332
36	10	S82°43'21"W	652.675825

Zone 3 Starting Point: Intersection of Dimock-to-Brooklyn Rd and Baker Rd

From	To	Bearing	Distance (feet)
37	38	S13°13'16"E	199.789815
38	39	N79°41'54"E	292.082569
39	40	S2°49'29"E	912.864284
40	41	N89°46'28"E	323.010387
41	42	S4°19'19"E	1182.93517
42	43	N84°57'33"E	1857.80834
43	44	S4°12'16"E	845.465468
44	45	S84°26'30"W	1812.966187
45	46	S14°43'17"E	676.337736
46	47	N74°01'54"E	237.460185
47	48	S17°43'50"E	207.075638
48	49	S74°11'36"W	246.694195
49	50	S15°11'01"E	1605.526579
50	51	S85°29'58"W	582.745165
51	52	N65°12'17"W	57.205959
52	53	N5°06'03"W	2569.743927
53	54	S85°30'28"W	957.596642
54	55	N3°13'29"W	32.020124
55	56	S85°48'26"W	658.020619
56	57	N3°05'51"W	761.173452
57	58	N87°24'52"E	1622.773457
58	59	N16°17'55"W	569.533031
59	60	S85°40'08"W	1432.196315
60	61	N10°58'11"W	481.05781
61	62	N5°03'47"W	359.405159

62	63	N85°24'27"E	700.420872
63	64	N11°13'19"W	776.358717
64	37	N76°23'29"E	528.280227

Zone 4 Starting Point: Intersection of Greenwood Rd & Meshoppen Creek Rd

From	To	Bearing	Distance (feet)
65	66	N21°28'18"E	29.227298
66	67	S81°34'23"E	2248.275084
67	68	S23°37'47"W	703.580224
68	69	N86°48'48"W	1588.356624
69	70	N73°11'01"W	694.167671
70	71	S21°41'21"W	494.196689
71	72	N68°05'25"W	278.851344
72	73	N1°01'23"E	419.644792
73	74	N6°21'14"W	255.046505
74	75	N4°57'18"E	258.583506
75	76	S85°25'44"E	115.244934
76	77	N30°45'34"E	179.433425
77	65	East along the centerline of Greenwood Rd, approximately 544 feet to point 65	

Zone 5 Starting Point: Intersection of Vandermark Rd and Dimock-to-Brooklyn Rd

From	To	Bearing	Distance (feet)
78	79	S6°32'39"E	397.023419
79	80	N80°24'38"E	342.61396
80	81	N14°41'07"E	238.144758

81	82	N19°18'23"E	193.857613
82	83	N62°12'19"W	273.205615
83	84	Northeast along the centerline of Dimock-to-Brooklyn Rd approximately 730 feet to point 84	
84	85	N79°52'00"E	574.859577
85	86	N10°22'39"E	163.121718
86	87	East along the centerline of Dimock-to-Brooklyn Rd approximately 1594 feet to point 87	
87	88	S28°17'18"W	895.516353
88	89	S65°02'32"E	456.407844
89	90	S26°57'08"W	1360.030536
90	91	N83°16'48"E	935.196496
91	92	S0°31'41"E	256.965532
92	93	S28°34'13"W	566.570065
93	94	S21°44'21"W	1040.319621
94	95	N83°39'45"E	209.115444
95	96	S47°58'06"W	337.226665
96	97	S23°37'43"W	1035.365428
97	98	N82°38'45"W	2289.631747
98	99	Northeast along the centerline of Meshoppen Creek Road, approximately 596 feet to point 99	
99	100	N73°58'42"W	685.637441
100	101	N10°44'10"E	884.9537
101	102	N29°29'46"E	401.808826
102	103	N29°29'45"E	220.669978
103	104	N27°52'11"W	488.256444

104	105	N19°07'11"E	193.340949
105	106	N90°00'00"E	146.140784
106	107	N14°09'58"E	542.310971
107	78	Southeast along the centerline of Dimock-to-Brooklyn Rd, approximately 416 feet to point 78	

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT G

Estimated Project Cost

Pennsylvania-American Water Company

TABLE 2 - OPINION OF PROBABLE COST					
ALTERNATIVE NO. 2 - GROUNDWATER SYSTEM					
ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
1	Mobilization & Demobilization	LS	1	\$150,000	\$150,000.00
2	Site Preparation/Restoration (Incidental to other Pay Items)				
3	Excavation, Furnishing, Laying, Jointing, PE Encasement & Backfill of Pipe & Fittings				
	a. 6-inch DICL Mains	LF	37,000	\$115	\$4,255,000.00
	b. Rock Excavation (2 ft of depth entire pipeline)	LF/LF	74,000	\$10	\$740,000.00
4	Furnish & Install Valves - (Incidental to Pay Item 3)				
5	Furnish & Install Stream Crossings				
	a. 6-inch Main w/ Conc. encasement	Each	7	\$20,000	\$140,000.00
6	Furnish & Install Hydrant				
	a. Blow Off Hydrants	Each	4	\$5,000	\$20,000.00
7	Temporary Pavement				
	a. State Rd. - 20% of 12,800 LF of pipe in paved road - 5 ft wide	SF	12,800	\$4	\$51,200.00
8	Permanent Pavement Replacement - Trench Restoration				
	a. State Rd - 20% of 12,800 LF of pipe in paved road - 7 ft wide	SF	17,920	\$8	\$143,360.00
9	Unpaved Road Replacement - Trench Restoration				
	a. Twp Road - 20% of 20,500 LF of pipe in unpaved road - 7 ft wide	SF	28,700	\$2.50	\$71,750.00
	b. Shoulder, Topsoil & Seed, Misc. Pipe Restoration (Remaining 80% of pipe length + service pipes)	LF	30,640	\$6	\$183,840.00
10	Pavement Overlay (1.5" Min.)				
	a.State Rd.- 20% of 12,800 LF of pipe in paved road - Mill/Overlay - 20 ft wide	SF	51,200	\$2.50	\$128,000.00
11	Service Line Installations				
	a. 1" Service Connection on Main - across Rd.	Each	21	\$1,500	\$31,500.00
	b. 1" Cu Service Line to residence (200 LF/home)	LF	4,200	\$100	\$420,000.00
	c. Meter, BFP and meter Pit	Each	21	\$2,500	\$52,500.00
	d. PRV valves in meter pit on service line	Each	14	\$500	\$7,000.00
	e. Well Abandonment	Each	21	\$10,000	\$210,000.00
12	Air Release Valves & Concrete MHs	Each	3	\$7,000	\$21,000.00
13	Treatment Facility & Well Stations	Each	1	\$2,310,000	\$2,310,000.00
14	Property Acquisition (stream crossings)	Each	5	\$20,000	\$100,000.00
	Sub-Total Construction				\$9,035,150.00
	Construction Contingency	%	10	-	\$903,515.00
	Total Construction				\$9,938,665.00
	Engineering & Administration (See TABLE 2A)				\$1,105,000.00
	TOTAL ENGINEERING & CONSTRUCTION				\$11,043,665.00

Pennsylvania-American Water Company

TABLE 2A - OPINION OF PROBABLE COST-ENGINEERING & ADMINISTRATION ITEMIZATION					
ALTERNATIVE NO. 2 - GROUNDWATER SYSTEM					
ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL COST
1	PAW Admin. & Eng. Costs	Each	1	\$75,000	\$75,000.00
2	Survey & Env. Studies	Each	1	\$75,000	\$75,000.00
3	Pipeline, PRVs & Services	Each	1	\$150,000	\$150,000.00
4	Pilot Test (if needed)	Each	1	\$45,000	\$45,000.00
5	Treatment Facility & Well Stations	Each	1	\$325,000	\$325,000.00
6	Bid Phase	Each	1	\$35,000	\$35,000.00
7	Construction Phase	Each	1	\$150,000	\$150,000.00
8	Resident Project Representative	Each	1	\$200,000	\$200,000.00
9	PennDOT Inspector (on state roads)	Each	1	\$50,000	\$50,000.00
	Engineering Subtotal	-	-	-	\$1,105,000.00

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT H

Pennsylvania-American Water Company Balance Sheet

Pennsylvania-American Water Company
 Balance Sheet
 December 31, 2022
 (Dollars in thousands)

	PA American Water December 31, 2022 (Audited)	
	<hr/>	
Assets		
Cash and Cash Equivalents	\$	2,441
Other Current Assets		177,198
Total Property Plant and Equipment		6,102,812
Other Long-Term Assets		285,345
Total Assets	<hr/> \$	<hr/> 6,567,796 <hr/>
 Capitalization and Liabilities		
Short Term Debt	\$	22,955
Current Portion of Long-term Debt		4,313
Other Current Liabilities		201,023
Total Long-Term Debt		2,198,611
Other Long Term Liabilities		1,195,437
Stockholder's Equity		2,713,261
Contributions in Aid of Construction		232,196
Total Capitalization and Liabilities	<hr/> \$	<hr/> 6,567,796 <hr/>

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT I

Pennsylvania-American Water Company Income Statement

Pennsylvania-American Water Company
Income Statement
for the 12 Months Ended December 31, 2022
(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2022 (Audited)
Operating Revenues	\$ 818,396
Operating Expenses	
Operation and Maintenance	268,935
Depreciation and Amortization	176,914
General Taxes and Other	16,036
Total Operating Expenses	<u>461,885</u>
Operating Income	356,511
Other Income/(Expenses)	
Other Income/(Expense), Net	21,511
Interest Expense, Net	(87,294)
Total Other Expenses	<u>(65,783)</u>
Income Before Income Taxes	290,728
Provision for Income Taxes	54,260
Net Income	<u><u>\$ 236,468</u></u>

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT J

Pennsylvania-American Water Company
Water Tariff for Service in the Application Territory

PENNSYLVANIA-AMERICAN WATER COMPANY
(hereinafter referred to as the "Company")

D/B/A

Pennsylvania American Water

RATES, RULES AND REGULATIONS

GOVERNING THE DISTRIBUTION AND SALE OF

WATER SERVICE

IN CERTAIN MUNICIPALITIES AND TERRITORIES LOCATED ADJACENT THERETO IN:

ADAMS, ALLEGHENY, ARMSTRONG, BEAVER, BERKS, BUCKS,
BUTLER, CENTRE, CHESTER, CLARION, CLEARFIELD, CLINTON, COLUMBIA,
CUMBERLAND, DAUPHIN, FAYETTE, INDIANA, JEFFERSON, LACKAWANNA,
LANCASTER, LAWRENCE, LEBANON, LUZERNE, MCKEAN, MONROE, MONTGOMERY,
NORTHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL, SUSQUEHANNA,
UNION, WARREN, WASHINGTON, WAYNE, WYOMING, AND YORK COUNTIES.

Issued:

Effective:

Issued by:
Justin Ladner, President
Pennsylvania American Water
852 Wesley Drive
Mechanicsburg, PA 17055

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

NOTICE

This tariff authorizes Pennsylvania-American Water Company to begin to offer water service to a portion of Dimock Township, Susquehanna County, Pennsylvania.

(Refer to pages 2, 4, 11 and 16.)

LIST OF CHANGES

This tariff supplement authorizes Pennsylvania American Water Company to begin to furnish water service to the public to a portion of Dimock Township, Susquehanna County as approved by the Pennsylvania Public Utility Commission at Docket No. A-2023-XXXXX, adopted, and entered XXXXX.

PENNSYLVANIA-AMERICAN WATER COMPANY

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(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

TERRITORIES SERVED

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

Northeastern Pennsylvania (cont'd)

Scranton District

Lackawanna County – Rate Zone 1 and Rate Zone 3 (former SLIBCO customers in Moosic)

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

Susquehanna County

The Borough of Forest City

Wayne County

The Village of Browndale (Clinton Township)

Susquehanna District

Susquehanna County

The Boroughs of Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson, the Townships of Bridgewater, Great Bend, Harmony and Oakland, **and a portion of the Township of Dimock** (C)

Wilkes-Barre District

Luzerne County

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

Southeastern Pennsylvania

Coatesville District

Chester County

The City of Coatesville, Parkesburg and South Coatesville and portions of the Townships of Atglen, Caln, East Fallowfield, Highland, Sadsbury, Valley (portions – Rate Zone 2), West Caln and West Sadsbury

Lancaster County

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

Glen Alsace District

Berks County

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

Norristown District

Montgomery County

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

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

RATE ZONE 1 - GENERAL METERED SERVICE
FOR RESIDENTIAL RATE CLASS

APPLICABILITY

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

AVAILABILITY

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

METERED SERVICE

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

RATE

Service Charge For Residential Rate Class

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

<u>Size of Meter</u>	<u>Service Charge per Month</u>
5/8 inch	\$17.50
3/4 inch	\$17.50
1 inch	\$17.50
1-1/2 inch	\$17.50
2 inch	\$121.80
3 inch	\$227.20
4 inch	\$285.10
6 inch	\$426.80
8 inch	\$826.30

Consumption Charges For Residential Class:

The following rates shall apply per 100 gallons:

All Usage:	\$1.6108
------------	----------

Special Provision for customers in Dimock Township, Susquehanna County, whose service addresses are shown in blue on Exhibit E of PAWC's Application filing on October 13, 2023, which was approved by the Public Utility Commission's Order entered on [x date], at Docket Number [A-2023-xxxxxxx]: bill credits will apply as provided by that Application and Order.

(C)

(C) means Change

Issued:

Effective Date:

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT K

Pennsylvania-American Water Company Estimated Annual Revenue and Expenses
in the Application Territory

**Estimated Annual Revenue and Expense
in Application Territory
Water**

Line No.		21 Residential Customers	Total
1	Annual Revenue		
2	Meter Size	5/8"	
3	Average Monthly Usage (100 Gallons)	32.12	
4	Monthly Service Charge	\$17.50	
5	Usage Charge per 100 Gallons	1.6108	
6	Usage Charge	\$51.74	
7	Monthly Total Revenue	<u>\$69.24</u>	
8	Annual Residential Revenue per Customer (Ln. 7 x 12 months)	\$830.88	
9	Estimated Annual Residential Revenue (21 customers)	\$17,448.48	\$17,448.48
10			
11	Total Estimated Annual Revenues		\$17,448.48
12			
13	Estimated Annual Expenses		
14			
15	Estimated Annual Expenses (21 customers)	\$3,791.55	\$3,791.55
16			
17	Total Estimated Expenses Per Year		\$3,791.55
18			
19	Net Income (Ln. 11 - Ln. 17)		\$13,656.93

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT L

Letter from Dimock Township
Application Consistent with Applicable Comprehensive Plans and Zoning Ordinances



VIA Email: dimocktownship@epix.net

April 10, 2023

Mr. Brandon Hunsinger
Chairman
Dimock Township Planning Commission
PO Box 65
Dimock, PA 18816

Re: Pennsylvania-American Water Company application to serve a portion of Dimock Township, Susquehanna County, adversely impacted by past fracking operations along Carter Road, State Route 3023, and Meshoppen Creek Road

Dear Mr. Hunsinger:

Pennsylvania-American Water Company (Pennsylvania American Water) is submitting an application with the Pennsylvania Public Utility Commission (PUC) to approve the right to offer, render, furnish and supply water service to the public in a portion of Dimock Township ("Township"), Susquehanna County, Pennsylvania.

As part of the application process, the PUC requested Pennsylvania American Water seek the Township's input for the purpose of determining if Pennsylvania American Water's application complies with the Township's land use planning.

Specifically, the PUC requests that the Township reviews the following questions:

1. Are there adopted municipal comprehensive plans for the Township involved? NO
2. Is there an adopted county comprehensive plan? yes
3. Is there an adopted multi-municipal or multi-county comprehensive plan? No
4. Is there an adopted county or municipal zoning ordinance or joint municipal zoning ordinance?
No
5. Is the proposed project consistent with these comprehensive plans and/or zoning ordinances? yes
6. If the answer is "yes" to the above questions, please sign below, or submit a letter, indicating that the application is consistent with the applicable comprehensive plans and zoning ordinances. If the application is not consistent with the applicable comprehensive plans and zoning ordinances, please provide an explanation.

Mr. Brandon Hunsinger

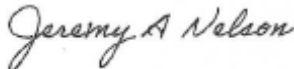
April 10, 2023

Page 2

Re: Application to Extend Service in a portion of Dimock Township, Susquehanna County

If you have any questions, please call me at 570-351-0138 or email Jeremy.Nelson@amwater.com.

Sincerely,



Jeremy Nelson, P.E.

Senior Engineer

Pennsylvania American Water's application is consistent with the applicable comprehensive plans and zoning ordinances.

Township Signature: _____

Printed Name/Title: Brendan Hunsinger, Chairman BOS

Please e-mail this form to: Emily Hicks at emily.hicks@amwater.com or mail to: 852 Wesley Drive,
Mechanicsburg, PA 17055

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT M

Letter from Susquehanna County
Application Consistent with Applicable Comprehensive Plans and Zoning Ordinances



VIA UPS Overnight Delivery

April 10, 2023

Mr. Duane Naugle
Director of Planning
Susquehanna County Planning and Development
County Office Building
81 Public Avenue
PO Box 218
Montrose, PA 18801

Re: Pennsylvania-American Water Company application to serve a portion of Dimock Township, Susquehanna County, adversely impacted by past fracking operations along Carter Road, State Route 3023, and Meshoppen Creek Road

Dear Mr. Naugle:

Pennsylvania-American Water Company (Pennsylvania American Water) is submitting an application with the Pennsylvania Public Utility Commission (PUC) to approve the right to offer, render, furnish and supply water service to the public in a portion of Dimock Township ("Township"), Susquehanna County, Pennsylvania.

As part of the application process, the PUC requested Pennsylvania American Water seek input from the Susquehanna County Planning Commission ("County") for the purpose of determining if Pennsylvania American Water's application complies with the County's land use planning.

Specifically, the PUC requests that the County reviews the following questions:

1. Are there adopted municipal comprehensive plans for the Township involved? N
2. Is there an adopted county comprehensive plan? Y DATE: NOV 14, 2018
3. Is there an adopted multi-municipal or multi-county comprehensive plan? N
4. Is there an adopted county or municipal zoning ordinance or joint municipal zoning ordinance? N
5. Is the proposed project consistent with these comprehensive plans and/or zoning ordinances? Y
6. If the answer is "yes" to the above questions, please sign below, or submit a letter, indicating that the application is consistent with the applicable comprehensive plans and zoning ordinances. If the application is not consistent with the applicable comprehensive plans and zoning ordinances, please provide an explanation.

Mr. Duane Naugle

April 10, 2023

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Re: Application to Extend Service in a portion of Dimock Township, Susquehanna County

If you have any questions, please call me at 570-351-0138 or email Jeremy.Nelson@amwater.com.

Sincerely,

Jeremy A Nelson

Jeremy Nelson, P.E.

Senior Engineer

Pennsylvania American Water's application is consistent with the applicable comprehensive plans and zoning ordinances.

Susquehanna County Signature: *[Signature]*

Printed Name/Title: DUANE A. NAUGLE JR. DIRECTOR OF PLANNING

Please e-mail this form to: Emily Hicks at emily.hicks@amwater.com or mail to: 852 Wesley Drive, Mechanicsburg, PA 17055

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT N

Letter of Support from the Office of Attorney General



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL
HARRISBURG, PA 17120

MICHELLE A. HENRY
ATTORNEY GENERAL

16TH FLOOR
STRAWBERRY SQUARE
HARRISBURG, PA 17120
(717) 787-3391

October 11, 2023

Teresa K. Harrold, Esq.
Director, Corporate Counsel
Pennsylvania-American Water Co.
852 Wesley Drive
Mechanicsburg, PA 17055

Re: Application of PAWC for approval of the right to offer, render, furnish or supply water service to the public in a portion of Dimock Township, Susquehanna County, Pennsylvania, approval of the Offsite Development Marketing Agreement by and between PAWC and the Office of the Attorney General and approval, as necessary, of limited waivers of PAWC's Tariff Water-PA P.U.C. No. 5

Dear Ms. Harrold:

The Office of Attorney General has reviewed the application filed by Pennsylvania-American Water Company at Docket A-2023-_____. The Office of Attorney General filed criminal charges against Cabot, now Coterra Energy for the contamination of groundwater in Dimock Township, Pennsylvania. The contamination occurred over a decade ago and since that time, homeowners have had to rely on the delivery of bulk or bottled water to meet their needs. The installation of a public water line is in the public interest and will meet the sentencing order that was imposed on November 29, 2022 when the charges were resolved pursuant to a plea agreement.

Should you need further clarification from my office, please contact Rebecca Franz, Chief Deputy Attorney General of Environmental Crime, at rf Franz@attorneygeneral.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "M. A. Henry".

Michelle A. Henry
Attorney General

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

EXHIBIT O

Letter of Support from the Office of Consumer Advocate

COMMONWEALTH OF PENNSYLVANIA



PATRICK M. CICERO
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

October 13, 2023

Teresa K. Harrold, Esq.
Director, Corporate Counsel
Pennsylvania-American Water Co.
852 Wesley Drive
Mechanicsburg, PA 17055

Re: Application of Pennsylvania-American Water Co. to supply water service in a portion of Dimock Township, Susquehanna County, Pennsylvania, approval of the Offsite Development Marketing Agreement by and between PAWC and the Office of the Attorney General and approval, as necessary, of limited waivers of PAWC's Tariff Water-PA P.U.C. No. 5

Docket No. A-2023-_____

Dear Ms. Harrold:

The Office of Consumer Advocate (OCA) supports the Application filed on October 13, 2023 by Pennsylvania-American Water Company (PAWC) requesting approval to extend its service territory and provide public water service to customers in an area where residents' private wells have been adversely impacted by natural gas drilling operations.

The OCA also supports the requests for approval of the Offsite Development Marketing Agreement and limited waivers, as necessary, of PAWC's tariff rules requiring customers to pay for installation of service pipes, meter pits and backflow preventers.

As shown by the filing, approval of PAWC's requests will provide substantial and affirmative benefits by connecting 21 homes to public water supply, at no cost to the new customers or PAWC's existing customers. All costs to construct the new wells, water treatment plant, distribution main and 21 service connections will be paid from funds provided by the

Teresa K. Harrold
October 13, 2023
Page 2 of 2

natural gas drilling operator and treated as contributed plant. Further, a portion of the funds will be applied as credits to the bills of the 21 new customers, until those funds are depleted. Granting the application and other requested approvals are integral steps to supply public water service to residents who have not been able to depend on the safety of their wells for fifteen years, without burdening them with connection costs, and provide some reparation (through bill credits) for the expenses and inconveniences they have incurred.

Further, approval of the application is in the public interest because it carries out the intended use of the funds provided by the natural gas drilling operator, pursuant to the sentencing order (Application, Exhibit C):

This money shall be utilized for the construction of a community water well system and water distribution system constructed and operated by Pennsylvania American Water Company. A portion of the Defendant's one-time payment shall be utilized to connect certain landowners' residences to the waterline and to create a \$50,000.00 credit for each landowner to serve as payment for their water for approximately 75 years.

In the event there are any remaining funds provided to PAWC in the future, the application provides those funds will not be spent without Commission approval of a proposal approved and agreed to by the Office of Attorney General who is charged with holding those funds in escrow.

Construction of a water system in the Dimock area, where none currently exists will also afford other property owners in the vicinity the opportunity to connect to public water supply, if wanted or needed.

For all of these reasons and as further set forth in the Application, the OCA supports granting the application and requested approvals.

Sincerely,



Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
EGannon@paoca.org


cc: Rebecca S. Franz, Chief Deputy Environmental Crimes Section, PA OAG

Application of Pennsylvania-American Water Company for Approval of (1) the Right to Offer, Render, Furnish or Supply Water Service to the Public in a Portion of Dimock Township, Susquehanna County, Pennsylvania Pursuant to Section 1102 of the Pennsylvania Public Utility Code, 66 Pa C.S. § 1102, and (2) the Offsite Development Marketing Agreement by and between Pennsylvania-American Water Company and the Office of the Attorney General Pursuant to Rule 23.2 of Pennsylvania-American Water Company's Tariff Water-PA P.U.C. No. 5

VERIFICATION

I, JEREMY NELSON, hereby state that the facts set forth in Pennsylvania-American Water Company's Application, referenced above, are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: October 13, 2023



Jeremy Nelson, P.E.
Senior Engineer

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Pennsylvania-American Water :
Company for Approval of (1) the Right to Offer, :
Render, Furnish or Supply Water Service to the :
Public in a Portion of Dimock Township, :
Susquehanna County, Pennsylvania Pursuant :
to Section 1102 of the Pennsylvania Public :
Utility Code, 66 Pa C.S. § 1102; (2) the Offsite :
Development Marketing Agreement by and : **Docket No. A-2023-_____**
between Pennsylvania-American Water :
Company and the Office of the Attorney :
General Pursuant to Rule 23.2 of :
Pennsylvania-American Water Company's :
Tariff Water-PA P.U.C. No. 5; and (3) approve, :
as necessary, the limited waivers of :
Pennsylvania-American Water Company's :
Tariff Water-PA P.U.C. No. 5 :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the above-referenced Application upon the persons and in the manner indicated below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Service in the manner listed below addressed as follows:

Patrick Cicero
Consumer Advocate
PA Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
(via electronic mail - ra-oca@paoca.org)

NazAarah Sabree
Small Business Advocate
PA Office of Small Business Advocate
555 Walnut Street, 1st Floor, Forum Place
Harrisburg, PA 17101
(via electronic mail - ra-sba@pa.gov)

Richard A. Kanaskie
Director and Chief Prosecutor
PA Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor, West
Harrisburg, PA 17120
(via electronic mail - rkanaskie@pa.gov)

PA Department of Environmental Protection
Rachel Carson State Office Building
400 Market Street
Harrisburg, PA 17101
(via UPS overnight delivery)

PA Department of Environmental Protection
Northeast Regional Office
Joseph Buczynski, Regional Director
2 Public Square
Wilkes-Barre, PA 18701-1915
(via UPS overnight delivery)

Dated: October 13, 2023



Teresa K. Harrold
Director, Corporate Counsel
Pennsylvania-American Water Company
852 Wesley Drive, Mechanicsburg, PA 17055
Office: 717.550.1562
Teresa.Harrold@amwater.com