



February 2, 2024

Erin K. Fure
Director, Corporate Counsel
852 Wesley Drive | Mechanicsburg, PA 17055
Phone: 717-550-1556 | Fax: 717-550-1255
erin.fure@amwater.com

VIA ELECTRONIC FILING

PUBLIC VERSION

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

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

Dear Secretary Chiavetta:

On behalf of Pennsylvania-American Water Company and Appalachian Utilities, Inc. ("Joint Applicants"), I am filing the Joint Applicants' request for approval of the above-referenced Joint Application for the merger of Appalachian Utilities, Inc. into Pennsylvania-American Water Company. Please note that Appendix B has been labeled as **CONFIDENTIAL**. Under separate cover, the Joint Applicants are submitting a **CONFIDENTIAL** version of the Joint Application and posting it on the Commission's SharePoint site. The Joint Applicants respectfully request that the **CONFIDENTIAL** version be maintained in a non-public folder.

Please note, in concurrence with this filing, Appalachian Utilities, Inc. will be filing an Application for a Certificate of Public Convenience for approval to transfer by sale a non-controlling 40% of Outstanding and Issued Stock of Appalachian from its sole and presently 100% stockholder to its employee Operations Manager. Joint Applicants request that this Application for a Certificate of Public Convenience be considered concurrently with this Joint Acquisition Application.

Should you have any questions, please feel free to contact me.

Sincerely,

Erin K. Fure

cc: All Parties on the attached Certificate of Service (*via electronic mail*)
Sean Donnelly, Bureau of Technical Utility Services (*via electronic mail*)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Joint Application of Pennsylvania- :
American Water Company and Appalachian :
Utilities, Inc., Pursuant to Section 1102 of the :
Public Utility Code, for approval of (1) the :
transfer to American Water Works Company, :
Inc., by merger, of all property of Appalachian :
Utilities, Inc. used and useful in the public :
service; (2) the transfer to Pennsylvania- :
American Water Company, by merger, of all :
property of Appalachian Utilities, Inc. used or :
useful in the public service, (3) the right of :
Pennsylvania-American Water Company to :
begin to offer, render, furnish and supply :
water service to the public in the Borough of :
Avis and Townships of Pine Creek and :
Dunnstable, Clinton County, Pennsylvania, :
and (4) the abandonment by Appalachian :
Utilities, Inc. of all water service :
: Docket No.: _____

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the above-referenced Application upon the persons and in the manner indicated below, which service satisfies the requirements of 52 Pa. Code §1.54 (relating to service by a party).

Service in the manner listed below addressed as follows on February 2, 2024

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

NazAarah Sabree, Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
(via electronic mail)

Pennsylvania Department of Environmental
Protection – Northcentral Region
208 West Third Street, Suite 101
Williamsport, PA 17701
(via overnight mail)

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

Pennsylvania Department of Environmental
Protection – California District Office
25 Technology Drive
California Technology Park
Coal Center, PA 15423
(via overnight mail)

Allison Kaster, Director
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
PO Box 3265
Harrisburg, PA 17105
(via electronic mail)

Pennsylvania Department of Environmental
Protection – Moshannon District Office
186 Enterprise Drive
Phillipsburg, PA 16866
(via overnight mail)

Thomas J. Sniscak, Esquire
Todd S. Stewart, Esquire
Hawke McKeon & Sniscak LLP
100 North 10th Street
Harrisburg, PA 17101
(via electronic mail)

Respectfully Submitted,



Erin K. Fure, Esquire (PA ID #312245)
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Phone: (717) 550-1556
Email: erin.fure@amwater.com

**Attorney for Pennsylvania-American
Water Company**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Joint Application of Pennsylvania- :
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Pennsylvania-American Water Company to :
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water service to the public in the Borough of :
Avis and Townships of Pine Creek and :
Dunnstable, Clinton County, Pennsylvania, :
and (4) the abandonment by Appalachian :
Utilities, Inc. of all water service :

Docket No.: _____

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION AND OVERVIEW

1. Pennsylvania-American Water Company (“Pennsylvania-American” or “Company”) and Appalachian Utilities, Inc. (“Appalachian”), hereby respectfully request, that the Pennsylvania Public Utility Commission (“Commission”) issue such Orders, Certificates of Public Convenience and other such relief as necessary to evidence its approval under Section 1102(a), of (1) the transfer, to American Water Works Company, Inc. (“American”), by merger, of all property of Appalachian used or useful in the public service, (2) the transfer, to Pennsylvania-American, by merger of all property of Appalachian used or useful in the public service, (3) the right of Pennsylvania-American to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania,

currently served by Appalachian, and (4) the abandonment by Appalachian of all water service to the public; and further grant all other approvals necessary, including affiliated interest approvals pursuant to Section 2102 of the Code, 66 Pa. C.S. § 2102, for the transactions described herein.

2. Advance approval of the Pennsylvania-American and Appalachian merger is necessary because the merger will be scheduled to occur immediately following another transaction contemplated by the merger involving Appalachian. These transactions are detailed further within this Application.

II. IDENTITY AND BRIEF DESCRIPTION OF THE JOINT APPLICANTS AND THEIR CURRENT OWNERSHIP STRUCTURE

3. Pennsylvania-American is a regulated public utility corporation organized and existing under the laws of the Commonwealth of Pennsylvania, and is engaged in the business of collecting, treating, storing, supplying, distributing, and selling water to the public, and collecting, treating, transporting, and disposing of wastewater and sewage for the public. Water and wastewater service is furnished by Pennsylvania-American to the public in a service territory encompassing more than 417 communities across the Commonwealth with a combined population of approximately 2,400,000. A description of Pennsylvania-American's existing certificated water and wastewater service territory is found in **Appendix "A"**, attached hereto, along with a detailed corporate history, outlining all of the mergers, acquisitions and consolidations, which have created Pennsylvania-American as it exists on the date of this Application, as reflected in documents already on file with the Commission.

4. Appalachian is a regulated public utility corporation since October 26, 1995 organized and existing under the laws of the Commonwealth of Pennsylvania engaged in treating, storing, supplying, distributing, and providing water service to approximately, 1,456 customers of which 1,353 are residential, 83 are commercial, 3 are industrial, 7 are public, 9 are fire protection

and 1 is other within Avis Borough, Pine Creek Township, and Dunnstable Township, Clinton County (“System”).

5. As of December 31, 2023, Pennsylvania-American furnishes water service to 683,201 customers in Pennsylvania. The total number of water customers by class are as follows:

Residential	629,403
Commercial	46,660
Industrial	548
Municipal/Resale	2,204
Fire	4,386

III. COUNSEL FOR THE JOINT APPLICANTS

6. Counsel for the Joint Applicants are:

Erin K. Fure, Esquire
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
Counsel for Pennsylvania-American

Thomas J. Sniscak, Esquire
Todd S. Stewart, Esquire
Hawke, McKeon & Sniscak LLP
100 North 10th Street
Harrisburg, PA 17101
Counsel for Appalachian

IV. DESCRIPTION OF THE PROPOSED MERGER

7. Pursuant to an Agreement and Plan of Merger, which is attached as **Appendix “B”** (**CONFIDENTIAL**), by and among American, AUI Acquisition Company (“AUI”), Appalachian, and Frank R. Sargent, Jr., as sole shareholder, dated September 22, 2023 (“Agreement”), American will acquire Appalachian through the statutory merger of AUI with and into Appalachian (the

“AUI-Appalachian Merger”) at a closing date to be determined when the parties meet certain terms and conditions of the Agreement.

8. Pursuant to the Agreement, at the effective time of the AUI-Appalachian Merger, all issued and outstanding shares of the capital stock of Appalachian shall be cancelled and extinguished and converted to the right to receive American Common Stock equal to the merger consideration identified in Article 2.7 of the Agreement.

9. On the closing date of the AUI-Appalachian Merger, the issued and outstanding shares of the capital stock of Appalachian shall be surrendered to American in exchange for American Common Stock in accordance with the Agreement.

10. At the time of the AUI-Appalachian Merger closing, Pennsylvania-American and Appalachian will be affiliated with each other. Both entities will be wholly-owned subsidiaries of American, a Delaware corporation.

11. The AUI-Appalachian Merger is authorized by the Business Corporation Law of 1988, 15 Pa. C.S. § 1101, et seq., and pursuant to said Act, a Statement of Merger will be filed with the Department of State.

12. Promptly following the AUI-Appalachian Merger, Appalachian will be merged with and into Pennsylvania-American, and Pennsylvania-American will continue as the surviving corporation (the “Proposed Merger”).

13. The Proposed Merger is authorized by the Business Corporation Law of 1988, 15 Pa. C.S. §1101, et seq., and pursuant to said Act, a Statement of Merger will be filed with the Department of State.

14. Joint Applicants will advise the Commission of the effective date of the Proposed Merger. Appalachian will then cease to exist.

A. TRANSFER BY MERGER, OF ALL OF APPALACHIAN’S ASSETS, PROPERTIES AND RIGHTS RELATED TO THE APPALACHIAN SYSTEM TO AMERICAN, AND SUBSEQUENTLY TO PENNSYLVANIA-AMERICAN

Summary of the Transaction

15. By the process described in Paragraphs 7 through 14 above, all of Appalachian’s assets, properties and rights that are necessary for the operation of the System and the Company will ultimately be transferred by merger to Pennsylvania-American (the “Transaction”).

Background Financial Information

16. There is attached hereto the unaudited balance sheet of Appalachian as of December 31, 2022 (**Appendix “C”**), and Pennsylvania-American’s audited balance sheet as of December 31, 2022 (**Appendix “D”**).

17. There is attached hereto the unaudited income statement of Appalachian for the 12 months ending December 31, 2022 (**Appendix “E”**) and Pennsylvania-American’s audited income statement for the 12 months ending December 31, 2022 (**Appendix “F”**).

18. All the annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents filed with this Commission by Pennsylvania-American and Appalachian and their respective predecessors are made a part hereof by reference.

Terms and Impact of the Transaction

19. As noted above, this Application seeks, among other things, approval of the transfer to Pennsylvania-American of all the assets, property and rights of Appalachian. The terms and conditions of the Transaction are contained in the Agreement at **Appendix “B” (CONFIDENTIAL)**. The specific assets, properties, and rights to be transferred to Pennsylvania-

American are defined as assets, property and rights that are necessary for the operation of the System and Appalachian.

20. Attached hereto as **Appendix “G”** is a combined *pro forma* income statement of Pennsylvania-American as of December 31, 2022, giving effect to the transfer.

21. Attached hereto as **Appendix “H”** is a combined *pro forma* balance sheet of Pennsylvania-American as of December 31, 2022, giving effect to the transfer.

22. There is attached hereto a verification statement of the Secretary of Pennsylvania-American that the Board of Directors of Pennsylvania-American provided authority for its officers or designees to act upon the terms and conditions set forth in the Agreement (**Appendix “I”**) and the action by unanimous consent in writing of the of the Sole Shareholder and Directors Appalachian (**Appendix “J”**) authorizing the merger.

Transaction’s Effect on Service and Rates

23. The proposed Transaction will have no detrimental effect on the water service provided to Pennsylvania-American’s existing customers or the customers transferred to Pennsylvania-American by Appalachian.

24. The Transaction will have a beneficial effect on the customers of the Appalachian System in that they will receive the benefit of Pennsylvania-American's experience and expertise in managing and operating water systems which will result in efficiencies impacting rates in a beneficial way and improvements in the water service to the customers to be transferred.

25. The Transaction will have a beneficial effect on Pennsylvania-American’s existing customers because the Proposed Merger will expand the customer base, over which existing and future costs are recovered and thereby, stabilizing or reducing per-customer costs over the long term.

26. The Transaction is in the public interest and satisfies the applicable standard of Section 1103 of the Code, 66 Pa. C.S. § 1103, for, among other, the following reasons:

a. Pennsylvania-American has the managerial, technical, and financial capabilities to operate the Appalachian System safely and adequately in compliance with the Code, the Safe Drinking Water Act (35 P.S. §§ 721.1-721.17), and to make improvements as needed, on a short- and long-term basis. Such improvements include:

(1) Pennsylvania-American will analyze available options to potentially improve disinfection contact time and install a sample station in advance of the first customer connection. The current configuration that was agreed on by the Pennsylvania Department of Environmental Protection (“PADEP”) and Appalachian places the entry point and first customer at the same location.

(2) Pennsylvania-American will institute a main replacement program aimed at improving System reliability and reducing water loss within the System.

(3) Pennsylvania-American is well positioned to ensure compliance with the United State Environmental Protection Agency (“EPA”) and PADEP Lead and Copper Rule Revision requirements. Pennsylvania American has extensive geographic information system (“GIS”) expertise on staff that will further advance the GIS data that Appalachian has compiled over many years of field work. Pennsylvania-American has the ability to dedicate staff and many resources necessary to complete the required lead service line inventory of the System more rapidly than the current management of Appalachian.

(4) Pennsylvania-American's PUC-approved Lead Service Line Replacement program will further benefit existing Appalachian customers that have lead service lines to be replaced. Pennsylvania-American's Lead Service Line Replacement program permits Pennsylvania-American to replace customer-side lead service lines if certain conditions are met. Appalachian does not offer a similar program and customers would be responsible for the cost of replacement on the customer side of the service line.

b. The Proposed Merger will further the Commission's goal of regionalization. The Appalachian System will become a part of a larger organization that is viable from a costs and rates standpoint and is committed to providing improved service in the future. Any necessary system improvements can be completed within a reasonable period of time, without adversely affecting service to Pennsylvania-American's existing customers.

c. The transferred water customers will be served by a large, financially sound company that has the capability to finance necessary capital additions. Given its size, access to capital and its recognized strengths in system planning, capital budgeting and construction management, Pennsylvania-American is well-positioned to ensure that high quality water service, meeting federal and state requirements, is provided to the Appalachian System's customers and maintained for Pennsylvania-American's existing customers. Specific examples of capital additions include:

(1) Pennsylvania-American has established standards for facility security and safety. Upon completion of the Transactions, Pennsylvania-American

will complete a thorough review of all System security and will make all necessary upgrades to improve safety and security as quickly as possible.

(2) To improve system reliability and meet established regulatory requirements, Pennsylvania-American will ensure that uninterrupted power is available to critical infrastructure.

d. The transferred water customers will benefit from enhanced customer service in a number of areas, such as additional bill payment options, extended customer service and call center hours, customer information and education programs, and Pennsylvania-American's customer assistance programs. Eligible Pennsylvania-American customers can take advantage of its H2O Bill Discount Program (which offers Hardship Grants), Arrearage Management Program, and budget billing. Appalachian does not offer similar customer assistance programs, has not historically offered similar customer assistance programs, and has no intention to begin to offer similar customer assistance programs in the future.

Pennsylvania-American has a broader array of tools available to allow customers to communicate with Pennsylvania-American in real-time. Pennsylvania-American's customer service is available 24 hours a day, 7 days a week. Pennsylvania-American's website offers the H2O Virtual Assistant allowing customers a chat feature through the website to communicate with the Company and provide answers to frequently asked questions. Pennsylvania-American also offers an online customer self-service portal.

e. The integration, by acquisition and merger, of the Appalachian System and Pennsylvania-American's existing operations creates opportunities for

functional and operational consolidation, and associated efficiencies and cost savings. Pennsylvania-American currently operates two small systems (Nittany and Boggs systems) in close proximity to Appalachian. By acquiring a larger system near Pennsylvania-American's smaller systems, Pennsylvania-American will provide better service to those smaller systems due the availability of additional resources being nearby. Pennsylvania-American operates two state certified microbiology laboratories near the Appalachian system, which will allow full control on bacteriological sampling. In addition, American Water, owns the American Water Central lab which will allow local staff full access to sample schedules and allows for quick analysis and full notifications in the event of an issue with the sample collection or results. Furthermore, Pennsylvania-American, being the largest publicly traded water utility company in the state, can pull knowledge and resources from a very diverse group of internal employees and external partners, always keeping Pennsylvania-American at the forefront of industry standards and best practices.

f. The current ownership of Appalachian desires to exit the public utility business in Pennsylvania. The acquisition of Appalachian by Pennsylvania-American is the only viable option to assure the Code's objective of providing "adequate and reasonably continuous service" to customers served by Appalachian.

27. The Transaction will have no immediate effect on the rates for water service to be charged to Pennsylvania-American and Appalachian's existing customers.

28. Pennsylvania-American and Appalachian will be affiliated with each other at the completion of the AUI-Appalachian Merger.

29. Pennsylvania-American and Appalachian are not subject to any special or general assessments outstanding against them pursuant to Section 510 of the Code, 66 Pa. C.S. § 510.

30. The Agreement, the AUI-Appalachian Merger and the Proposed Merger are mutually dependent upon one another in that sequential governmental and regulatory approvals are requirements of these transactions as a condition precedent. Thus, failure to obtain approval of one merger can be fatal to the other mergers.

B. THE RIGHTS OF PENNSYLVANIA-AMERICAN TO OFFER OR FURNISH WATER SERVICE TO THE PUBLIC IN AVIS BOROUGH, PINE CREEK TOWNSHIP, AND DUNNSTABLE TOWNSHIP, PENNSYLVANIA

31. Pennsylvania-American is currently furnishing water and wastewater services in the service territory outlined in Paragraph 3 of this Application. Appalachian is currently furnishing water service in Avis Borough, Pine Creek Township and Dunnstable Township, Clinton County, Pennsylvania, as explained in Paragraph 4 of this Application.

32. The area currently served by Appalachian is shown on the map attached hereto as **Appendix “K”** and further described in **Appendix “L”** (“Transfer by Merger Territory”).

33. Appalachian currently holds the Water Supply Permits with the PA DEP identified in Schedule 3.10 of the Agreement at **Appendix “B” (CONFIDENTIAL)**.

34. No corporation, partnership or individual other than Appalachian is now furnishing or has corporate or franchise rights to furnish similar to that to be rendered by Pennsylvania-American in the Transfer by Merger Territory covered by this Application, and no competitive condition will be created. As part of this Application, Pennsylvania-American has requested approval to acquire, by merger, all the property and rights of Appalachian used and useful in the

public service. Upon the completion of the Merger, Appalachian will permanently discontinue all water service to the public served by its System.

35. The estimated annual revenues and expenses of Pennsylvania-American in connection with serving Appalachian's customers are set forth in **Appendix "M"**.

36. Pennsylvania-American further requests approval to make effective upon closing the *pro forma* tariff supplement attached hereto as **Appendix "N"**.

V. CONCLUSION AND REQUEST FOR RELIEF

37. Approval of this Application is necessary and proper in order for the public now served by Appalachian to benefit by receiving water service from a public water supply company with the resources and personnel to provide safe and reliable water service at reasonable prices.

WHEREFORE, Pennsylvania-American Water Company and Appalachian Utilities, Inc. respectfully request that the Pennsylvania Public Utility Commission approve this Application and issue such Orders, Certificates of Public Convenience, and such other relief under the Code, 66 Pa. C.S. §1102(a), authorizing:

(a) the transfer to American Water Works Company, Inc. by merger, of all property and rights of Appalachian Utilities, Inc. used or useful in the public service in accordance with the Agreement; and

(b) the transfer to Pennsylvania-American Water Company, by merger, of all property and rights of Appalachian Utilities, Inc. used or useful in the public service in accordance with the Agreement; and

(c) the commencement by Pennsylvania-American Water Company of water service to the public in Avis Borough, Pine Creek Township, and Dunnstable Township, Clinton County, Pennsylvania currently served by Appalachian Utilities, Inc.; and

(d) the abandonment by Appalachian Utilities, Inc. of all water service to the public in Avis Borough, Pine Creek Township, and Dunnstable Township, Clinton County, Pennsylvania; and

(e) pursuant to 66 Pa. C.S. § 2102, approval of an arrangement with affiliated interests; and

(f) the issuance of any other approvals or certificates appropriate, customary, or necessary under the Code to carry out the Transaction contemplated in this Application in a lawful manner.

PENNSYLVANIA-AMERICAN WATER COMPANY



Erin K. Fure, Esquire
Attorney I.D. No. 312245
Pennsylvania-American Water Company
852 Wesley Drive
Mechanicsburg, PA 17055
717-550-1556
Email: erin.fure@amwater.com
Counsel for Pennsylvania-American Water Company

APPALACHIAN UTILITIES, INC.



Thomas J. Sniscak, Esquire
Attorney I.D. No. 33891
Todd S. Stewart, Esquire
Attorney I.D. No. 75556
Hawke McKeon & Sniscak LLP
100 North 10th Street
Harrisburg, PA 17101
717-919-4022
tjsniscak@hmslegal.com
tsstewart@hmslegal.com

Counsel for Appalachian Utilities, Inc.

Date: February 2, 2024

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX A

PENNSYLVANIA-AMERICAN WATER COMPANY (“PAWC”) HISTORY

CERTIFICATE SERVICE TERRITORY

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-Donnegal 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 Applewold and Kittanning and the Townships of Manor and Rayburn in Armstrong County;

All, or portions of, the Boroughs of Big Beaver, Ellwood City, Frankfort Springs and Koppel and the Townships of Franklin, Hanover and North Sewickly in Beaver County;

All, or portions of, the Boroughs of Sinking Spring, St. Lawrence and Wyomissing and the Townships of Amity, Cumru, Earl, Exeter, Lower Heidelberg, Ruscombmanor, South Heidelberg and Spring in Berks County;

All, or portions of, the Borough of Yardley and the Townships of Falls and Lower Makefield in Bucks County;

All, or portions of, the City of Butler, the Boroughs of Connoquenessing, East Butler and Saxonburg and the Townships of Butler, Center, Clinton, Connoquenessing, Donegal, Forward, Franklin, Jackson, Jefferson, Lancaster, Oakland, Penn and Summit in Butler County;

All, or portions of, the Boroughs of Philipsburg and South Philipsburg and the Townships of Boggs, Rush and Walker in Centre County;

All, or portions of, the City of Coatesville, the Boroughs of Atglen, Parkesburg, South Coatesville and Spring City and the Townships of Caln, East Coventry, East Fallowfield, East Pikeland, East Vincent, Highland, Sadsbury, Schuylkill, Valley, West Caln, West Sadsbury and West Vincent in Chester County;

All, or portions of, the Boroughs of Clarion, Shippenville, Sligo and Strattanville and the Townships of Clarion, Elk, Farmington, Highland, Knox, Limestone, Monroe, Paint and Piney in Clarion County;

All, or portions of, the Boroughs of Chester Hill, Osceola Mills and 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, Whitmarsh, Whitpain and Worcester in Montgomery County;

All, or portions of, the Boroughs of Bangor, Nazareth, Pen Argyl, Roseto, Stockertown, Tatamy and Wind Gap and the Townships of Bushkill, Forks, Lower Mount Bethel, Lower Nazareth, Palmer, Plainfield, Upper Mount Bethel, Upper Nazareth and Washington in Northampton County;

All, or portions of, the Boroughs of McEwensville, Milton, Northumberland, Turbotville and Watsontown and the Townships of Delaware, East Chillisquaque, Lewis, Point, Turbot, Upper Augusta and West Chillisquaque in Northumberland County;

Portions of the Townships of Delaware, Lehman and Westfall in Pike County;

All, or portions of, the Borough of Frackville and the Townships of Butler, Mahanoy, New Castle, Walker and West Mahanoy in Schuylkill County;

All, or portions of, the Boroughs of Forest City, Great Bend, Hallstead, Lanesboro, Montrose, Susquehanna and Thompson and the Townships of Bridgewater, Great Bend, Harmony and Oakland in Susquehanna County;

All, or portions of, the Borough of Lewisburg and the Townships of Buffalo, East Buffalo, Gregg, Kelly and White Deer in Union County;

All, or portions of, the City of Warren and the Townships of Conewango, Glade, Meade, and Pleasant in Warren County;

All, or portions of, the Cities of Monongahela and Washington and the Boroughs of Burgettstown, California, Canonsburg, Claysville, Coal Center, East Washington, Finleyville, Houston, McDonald, Midway, New Eagle, West Brownsville and West Middletown and the Townships of Amwell, Buffalo, Canton, Carroll, Cecil, Chartiers, Cross Creek, Donegal, East Finley, East Pike Run, Fallowfield, Hanover, Hopewell, Independence, Jefferson, Morris, Mount Pleasant, North Franklin, North Strabane, Nottingham, Peters, Robinson, Smith, Somerset, South Franklin, South Strabane and Union in Washington County;

Portions of the Townships of Clinton and Salem in Wayne County;

Portion of the Township of Overfield in Wyoming County; and

All, or portions of, the Townships of Fairview and Newberry in York County.

As a result of acquisitions, the Company furnishes wastewater service to about 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

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX B

CONFIDENTIAL

Agreement and Plan of Merger between AUI Acquisition Company (“AUI”), Appalachian, and Frank R. Sargent, Jr., as sole shareholder

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX C

Appalachian Utilities, Inc.

Unaudited Balance Sheet as of December 31, 2022

Appalachian Utilities Inc.
Balance Sheet
As of December 31, 2022

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
130.0 · Credit Card Transfer -	-0.09
131 · Cash	
131.2 · Cash in Bank	
131.21 · Dime Bank Checking - 1683	7,275.08
Total 131.2 · Cash in Bank	7,275.08
131 · Cash - Other	100.00
Total 131 · Cash	7,375.08
132 · Special Deposits	
132.1 · Dime Bank Savings - 5558	155,969.37
Total 132 · Special Deposits	155,969.37
Total Checking/Savings	163,344.36
Accounts Receivable	
141 · Customers Accounts Receivable	158,555.58
142 · Other Accounts Receivable	
142.2 · Bad Check fee	20.00
142 · Other Accounts Receivable - Other	82.16
Total 142 · Other Accounts Receivable	102.16
Total Accounts Receivable	158,657.74
Total Current Assets	322,002.10
Fixed Assets	
101 · Utility Plant in Service	
301 · Organization	39,064.87
303 · Land and Land Rights	
303.2 · Source of Supply, Land	24,129.83
303.4 · Trnsm & Dist Land/Rway	20,000.00
303.5 · Land & Lnd Rights Office-Garage	4,698.67
Total 303 · Land and Land Rights	48,828.50
304 · Structures and Improvements	
304.2 · Source of Supply, Stru	6,837.97
304.3 · Purfication Buildings	12,255.45
304.4 · Power & Pumping Struct	14,873.99
304.5 · Office Buildings	131,698.99
Total 304 · Structures and Improvements	165,666.40
307 · Wells and Springs	218,875.46

Appalachian Utilities Inc.

Balance Sheet

As of December 31, 2022

	<u>Dec 31, 22</u>
311 · Pumping Equipment	
311.1 · Well#5 Pump & Motors	19,326.19
311.2 · Electric Pump Equip	46,637.23
311.3 · Well # 4 pump&motor	7,720.61
311 · Pumping Equipment - Other	8,666.53
Total 311 · Pumping Equipment	<u>82,350.56</u>
330 · Distribution Reservoirs & Stand	
330.4 · Distrib. Res. & Stand	280,092.43
Total 330 · Distribution Reservoirs & Stand	<u>280,092.43</u>
331 · Transmission & Distribution Mai	
331.4 · Mains & Accessories	944,737.02
331.41 · Mains & Accessories (OT)	2,356.01
331 · Transmission & Distribution Mai - Other	33,698.94
Total 331 · Transmission & Distribution Mai	<u>980,791.97</u>
333 · Services	
333.4 · Services	373,461.44
333.41 · Services (OT)	857.50
333 · Services - Other	14,804.57
Total 333 · Services	<u>389,123.51</u>
334 · Meters & Meter Installations	
334.1 · Customer Meters	4,730.44
334.4 · Meters	310,300.53
334.41 · Meters (OT)	28.73
334 · Meters & Meter Installations - Other	90,667.47
Total 334 · Meters & Meter Installations	<u>405,727.17</u>
335 · Hydrants	
335.4 · Fire Hydrants	26,813.80
335 · Hydrants - Other	6,341.05
Total 335 · Hydrants	<u>33,154.85</u>
339 · Other Plant & Misc Equipment	
339.2 · Other Power Pump Equip	299.00
339.3 · Purfication System	55,693.41
339.4 · GIS Mapping	22,008.33
339 · Other Plant & Misc Equipment - Other	32,160.87
Total 339 · Other Plant & Misc Equipment	<u>110,161.61</u>
340 · Office Furniture & Equipment	
340.5 · Office Furn and Equip	23,631.09
340.6 · DIVERSIVIED BILLING SYSTEM	7,690.00
340 · Office Furniture & Equipment - Other	519.29
Total 340 · Office Furniture & Equipment	<u>31,840.38</u>

Appalachian Utilities Inc.

Balance Sheet

As of December 31, 2022

	<u>Dec 31, 22</u>
341 · Transportation Equipment	
341.5 · Transportation Equip	
341.56 · 2012 Ford F550 Super Duty Dump	42,235.47
341.57 · 2022 Ram Truck	53,562.50
341.5 · Transportation Equip - Other	<u>135,984.04</u>
Total 341.5 · Transportation Equip	<u>231,782.01</u>
Total 341 · Transportation Equipment	231,782.01
343 · Tools, Shop & Garage Equipment	
343.00 · Shop Equipment	86,011.74
343.1 · POW-R-MOLE VM810 LOCATOR	3,506.00
343.2 · LRG TAP MACHINE-Mueller CL-12	7,000.00
343.3 · Hydraulic Operator	3,885.79
343.4 · Portable Fuel Drum	787.07
343.5 · HYDLC POWER PACK FOR TAP MACHNE	1,892.62
343.6 · Colorimeter	2,903.42
343.8 · 2021 POLARIS 4 WHLR	28,934.95
343 · Tools, Shop & Garage Equipment - Other	<u>1,090.55</u>
Total 343 · Tools, Shop & Garage Equipment	136,012.14
346 · Communication Equipment	
346.5 · Communication Equip	<u>34,835.21</u>
Total 346 · Communication Equipment	34,835.21
347 · Miscellaneous Equipment	
347.5 · Miscellaneous Equip	<u>86,012.33</u>
Total 347 · Miscellaneous Equipment	86,012.33
348 · Other Tangible Plant	
348.5 · Stores, Shop & Garage Bldgs	<u>7,343.41</u>
Total 348 · Other Tangible Plant	<u>7,343.41</u>
Total 101 · Utility Plant in Service	3,281,662.81
108 · Accumulated Depreciation	
108.1 · Accum Depr - Plant in Service	<u>-1,604,995.80</u>
Total 108 · Accumulated Depreciation	-1,604,995.80
114 · Utility Plant Acquisition Adjus	<u>-145,683.30</u>
Total Fixed Assets	1,530,983.71
Other Assets	
135 · Temporary Cash Investments	
135.1 · Cash Investments - CD	33,446.07
135.2 · Other Investments - Vanguard	<u>3,287.64</u>
Total 135 · Temporary Cash Investments	36,733.71

Appalachian Utilities Inc.
Balance Sheet
As of December 31, 2022

	Dec 31, 22
162 · Prepayments	
162.1 · Prepaid Fed Corp Tax	15,801.00
162.2 · Prepaid PA CNI Tax	1,720.00
	17,521.00
Total 162 · Prepayments	
186 · Miscellaneous Deffered Debits	
186.1 · Deferred Rate Case Expense	1,772.25
186.3 · Deferred Regulatory Assets	
186.31 · SRBC	54,969.00
186.3 · Deferred Regulatory Assets - Other	5,595.95
	60,564.95
Total 186.3 · Deferred Regulatory Assets	
Total 186 · Miscellaneous Deffered Debits	62,337.20
271.1 · Customer Contribution	-93,530.94
	23,060.97
Total Other Assets	
TOTAL ASSETS	1,876,046.78
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 · Accounts Payable	7,200.02
	7,200.02
Total Accounts Payable	
Other Current Liabilities	
241 · Misc Current & Accrued Liab	
241.0 · Payroll Liabilities	
241.4 · SUTA Payroll Taxes Payable	55.02
241.5 · Local Payroll Taxes Payable	150.61
	205.63
Total 241.0 · Payroll Liabilities	
Total 241 · Misc Current & Accrued Liab	205.63
Total Other Current Liabilities	205.63
	7,405.65
Total Current Liabilities	
Long Term Liabilities	
232 · Notes Payable	
232.3 · SHEFFIELD FINANCIAL	10,823.35
232.4 · 2012 FORD F550 DUMP	21,437.50
232.5 · 2022 RAM 2500 TRK	38,764.95
	71,025.80
Total 232 · Notes Payable	

Appalachian Utilities Inc.
Balance Sheet
As of December 31, 2022

	<u>Dec 31, 22</u>
233 · A/P-DIVERSIFIED TECH-	1,877.72
Total Long Term Liabilities	<u>72,903.52</u>
Total Liabilities	80,309.17
Equity	
214 · Appropriated Retained Earnings	1,193,445.79
32000 · Retained Earnings	552,124.61
414 · Utility Property Retirement	6,528.72
Net Income	43,638.49
Total Equity	<u>1,795,737.61</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,876,046.78</u></u>

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX D

Pennsylvania-American Water Company
Audited Balance Sheet as of December 31, 2022

Appendix D

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
Regulatory assets & other L/T Assets		285,345
Total Assets	<hr/> \$	<hr/> 6,567,796
 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
Regulatory & 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

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX E

Appalachian Utilities, Inc.

Unaudited Income Statement as of December 31, 2022

Appalachian Utilities Inc.
Profit & Loss
 January through December 2022

	Jan - Dec 22
Ordinary Income/Expense	
Income	
400 · Operating Revenue	
461 · Metered Water Revenue	
461.1 · Metered Water Residential	569,581.05
461.2 · Metered Water Commercial	109,346.57
461.3 · Metered Water Industrial	1,565.86
461.4 · Metered Water Public	7,944.32
461.6 · Metered Water Revenue Other	3,882.00
Total 461 · Metered Water Revenue	692,319.80
462 · Fire Protection	
462.1 · Public Fire Protection	5,817.78
462.2 · Private Fire Protection	6,864.48
462.3 · Hydrant Charge Individual	17,804.34
Total 462 · Fire Protection	30,486.60
470 · Interest Penalty	9,287.85
471 · Miscellaneous Service Revenue	
471.1 · Turn on Charge	600.00
Total 471 · Miscellaneous Service Revenue	600.00
Total 400 · Operating Revenue	732,694.25
419 · Interest & Dividend Income	698.97
421 · Non-Utility Income	
421.2 · Return Check Charge	60.00
421.3 · Credit Card % increase	0.03
421 · Non-Utility Income - Other	6,000.00
Total 421 · Non-Utility Income	6,060.03
Total Income	739,453.25
Gross Profit	739,453.25
Expense	
401 · Operating Expense	
401.1 · PA One Calls	390.73
401.2 · Maintenance of Mains	22,075.51
401.3 · Maintenance of Services	15,488.92
401.4 · Avis/Woolrich Reservoir maint.	1,170.75
401.5 · Water Treatment Expenses	1,061.27
401.6 · Shop Mntce & Supply	3,474.90
401.7 · WELL MAINTENANCE	780.00
Total 401 · Operating Expense	44,442.08
403 · Depreciation Expense	65,561.49

Appalachian Utilities Inc.
Profit & Loss
 January through December 2022

	<u>Jan - Dec 22</u>
408 · Taxes Other than Income	
408.10 · Public Utility General Assessme	4,744.00
Total 408 · Taxes Other than Income	4,744.00
408.11 · Property Taxes	5,320.00
409 · Income Taxes	
409.10 · Federal Income Taxes-Op Income	-21.00
409.11 · PA CNI Income Taxes-Op Income	-3.00
Total 409 · Income Taxes	-24.00
427 · Interest Expense	1,777.66
471.01 · Turn on	
471.011 · Emergency call out	57.90
471.012 · Emergency Call Out (OT)	121.66
471.01 · Turn on - Other	214.90
Total 471.01 · Turn on	394.46
601 · Salaries & Wages Employees	
601.1 · Source of Supply & Exp – Operat	
601.11 · Operation Labor	5,805.41
601.111 · Operation Labor (OT)	685.95
601.12 · Pumping Labor	4,596.00
601.121 · Pumping Labor (OT)	2,373.90
Total 601.1 · Source of Supply & Exp – Operat	13,461.26
601.2 · Source of Supply & Exp – Maint.	
601.21 · Maintenance of Reservoirs	1,304.99
601.22 · Maintenance of Wells & Spri	530.75
601.23 · Maintenance of Structures &	499.97
601.24 · Maintenance of Pumping Equip	286.89
Total 601.2 · Source of Supply & Exp – Maint.	2,622.60
601.3 · Water Treatment Exp – Operat	
601.31 · Purification & Lab Labor	10,200.58
601.311 · Purifctn & Lab Labor OT	3,001.95
Total 601.3 · Water Treatment Exp – Operat	13,202.53
601.4 · Water Treatment Exp – Maint.	
601.41 · Maintnce of Structure & Imprvmt	1,376.32
601.411 · Maint of Structures & Imp OT	17.38
601.42 · Maintnce of Purification Equip	1,421.37
Total 601.4 · Water Treatment Exp – Maint.	2,815.07

Appalachian Utilities Inc.
Profit & Loss
January through December 2022

	<u>Jan - Dec 22</u>
601.5 · Trans. & Dist. Exp – Operat	
601.51 · Maps & Records	2,776.69
601.511 · Maps & Records (OT)	882.13
601.54 · Operation of Lines/Hydrants	1,426.89
601.55 · Maintenance of misc equip	3,241.00
601.56 · PA One Calls	5,337.63
601.561 · PA One Calls (OT)	28.95
	<hr/>
Total 601.5 · Trans. & Dist. Exp – Operat	13,693.29
601.6 · Trans. & Dist. Exp – Maint.	
601.61 · Remove & Resetting of Meters	387.63
601.62 · Maintenance of Mains	3,583.51
601.621 · Maintenance of Mains (OT)	309.83
601.63 · Maintenance of Services	5,354.37
601.631 · Maintenance of Services (OT)	98.55
	<hr/>
Total 601.6 · Trans. & Dist. Exp – Maint.	9,733.89
601.7 · Customer Accounts Exp	
601.71 · Meter Readings	2,354.13
601.72 · Collections	259.34
601.73 · Service on Customer's Premise	8,546.79
601.731 · Srvce on Customer's Premise OT	61.80
	<hr/>
Total 601.7 · Customer Accounts Exp	11,222.06
601.8 · Admin & General Exp	
601.81 · Mntnce of Struct & imp offic	1,165.07
	<hr/>
Total 601.8 · Admin & General Exp	1,165.07
Total 601 · Salaries & Wages Employees	67,915.77
603 · Salaries & Wages - Officers...	
603.1 · Source of Supply & Exp – Operat	
603.11 · Operation Labor	22,398.48
603.12 · Pumping Labor	8,178.57
	<hr/>
Total 603.1 · Source of Supply & Exp – Operat	30,577.05
603.3 · Water Treatment Exp – Operat	
603.31 · Purification & Laboratory Labor	30,840.22
	<hr/>
Total 603.3 · Water Treatment Exp – Operat	30,840.22
603.4 · Water Treatment Exp – Maint.	
603.41 · Maintenance of Structures & Imp	481.61
603.42 · Maintenance of Purification Lab	335.14
	<hr/>
Total 603.4 · Water Treatment Exp – Maint.	816.75

Appalachian Utilities Inc.
Profit & Loss
January through December 2022

	<u>Jan - Dec 22</u>
603.5 · Trans. & Dist. Exp – Operat	
603.51 · Maps & Records	2,379.02
603.55 · Maintenance of miscellaneous Eq	2,677.75
603.56 · PA One Calls	820.79
Total 603.5 · Trans. & Dist. Exp – Operat	<u>5,877.56</u>
603.6 · Trans. & Dist. Exp – Maint.	
603.61 · Removing & Resetting of Meters	712.46
603.62 · Maintenance of Mains	2,878.06
603.63 · Maintenance of Services	2,268.13
Total 603.6 · Trans. & Dist. Exp – Maint.	<u>5,858.65</u>
603.7 · Customer Accounts Exp	
603.71 · Meter Readings	2,585.29
603.72 · Collections	2,534.40
603.73 · Service on Customer's Premise	2,665.00
Total 603.7 · Customer Accounts Exp	<u>7,784.69</u>
603.8 · Admin & General Exp	
603.81 · Maint. of Structures & Imp offc	2,643.99
603.82 · General Office Salaries	41,257.70
603.83 · Regulatory Compliance	17,334.28
Total 603.8 · Admin & General Exp	<u>61,235.97</u>
Total 603 · Salaries & Wages - Officers...	142,990.89
604 · Employee Pensions & Benefits	
604.1 · Health insurance	71,584.72
604.2 · Pension	26,233.87
604.3 · Holiday Pay	5,684.31
604.4 · Paid Vacation	13,996.96
604.5 · Paid Sick Time	3,505.37
604.6 · Bonus	21,350.00
Total 604 · Employee Pensions & Benefits	<u>142,355.23</u>
615 · Purchased Power	
615.1 · Operations Source of Supply	
615.11 · Well No. 4	3,508.61
615.12 · Well No. 5 & 6	24,343.37
Total 615.1 · Operations Source of Supply	<u>27,851.98</u>
615.5 · Operations Trans. & Dist.	
615.51 · Booster Pump	2,857.53
615.52 · Avis Reservoir	348.38
Total 615.5 · Operations Trans. & Dist.	<u>3,205.91</u>

Appalachian Utilities Inc.
Profit & Loss
January through December 2022

	Jan - Dec 22
615.8 · Admin. & General Expenses	
615.81 · Woolrich Office	1,050.20
Total 615.8 · Admin. & General Expenses	1,050.20
Total 615 · Purchased Power	32,108.09
618 · Chemicals	
618.3 · Operations Water Treatment	21,601.91
618.6 · Maintenance Trans. & Dist.	275.00
Total 618 · Chemicals	21,876.91
620 · Materials & Supplies	
620.2 · Maintenance Source of Supply	52.77
620.6 · Maintenance Trans. & Dist.	106.20
620.8 · Admin. & General Expenses	0.00
Total 620 · Materials & Supplies	158.97
632 · Contracted services-Accounting	
632.1 · Quick Books-Graves Accounting	563.13
632.2 · Accountant-Herbein & Company	5,300.00
Total 632 · Contracted services-Accounting	5,863.13
633 · Contracted services-Legal	
633.8 · Admin. & General Expenses	
633.81 · Hawke, McKeon & Sniscak	0.00
Total 633.8 · Admin. & General Expenses	0.00
Total 633 · Contracted services-Legal	0.00
635 · Contracted services-Testing	
635.3 · Operations Water Treatment	2,295.00
635.6 · Maintenance Trans. & Dist.	1,485.00
Total 635 · Contracted services-Testing	3,780.00
636 · Contractual Services - Other	
636.8 · Admin & General Expenses	
636.68 · MCAFEE INTEL SECURITY	164.19
636.81 · Presque Isle Office Contract	36,822.48
636.83 · Norton Internet Security	614.36
636.84 · Solutions for Small Business	3,760.50
636.85 · Quickbooks contract	1,523.90
636.86 · Diversified Technology corp	974.78
636.87 · munibilling contract	1,538.30
636.88 · Website-EIG Domain.com	63.76

Appalachian Utilities Inc.
Profit & Loss
 January through December 2022

	Jan - Dec 22
636.89 · Website - WIX.COM	254.00
636.8 · Admin & General Expenses - Other	247.00
Total 636.8 · Admin & General Expenses	45,963.27
Total 636 · Contractual Services - Other	45,963.27
636.871 · PCMA - USAGE REPORT	-1,020.25
642 · Rental of Equipment	
642.6 · Maintenance Trans. & Dist.	417.83
Total 642 · Rental of Equipment	417.83
643 · Maintnce of Misc Equip	2,639.71
650 · Transporation Expense	
650.1 · Operations Source of Supply	2,105.68
650.2 · Vehicle Maintenance	11,502.02
650.3 · Operations Water Treatment	2,105.72
650.4 · Maintenance Water Treatment	2,105.74
650.5 · Operations Trans.& Dist.	2,105.70
650.6 · Maintenance Dist. & Trans.	2,105.74
650.7 · Customer Account Expenses	2,105.71
650.8 · Maintenance of Vehicles-PR	1,849.24
650.81 · Maintnce of Vehicles PR	3,285.15
Total 650 · Transporation Expense	29,270.70
656 · Insurance-Vehicle	5,762.00
657 · Insurance-General Liability	11,078.00
658 · Insurance-Work Comp	7,552.00
659 · Insurance-Other	2,600.00
66000 · Payroll Tax Expense	22,681.44
675.1 · Membership Dues	
675.11 · Operator licenses	102.32
675.1 · Membership Dues - Other	4,095.00
Total 675.1 · Membership Dues	4,197.32
675.13 · Educaton	2,682.12
675.14 · Meals	514.93
675.3 · Communication Services	
675.31 · Phone	6,840.46
675.32 · Internet	1,589.70
Total 675.3 · Communication Services	8,430.16
675.4 · Bank Charges	501.97

Appalachian Utilities Inc.
Profit & Loss
January through December 2022

	<u>Jan - Dec 22</u>
675.6 · Office Expense and Utilities	
675.62 · Sewer	460.35
675.63 · Water	214.14
675.64 · Trash	1,692.25
675.65 · Office Heat	1,886.21
675.66 · Stamps & Envelopes	353.67
675.67 · General Office Supply Expense	1,761.47
675.68 · Office Maintenance Expense	1,062.14
	<hr/>
Total 675.6 · Office Expense and Utilities	7,430.23
675.7 · Uniforms	729.88
675.9 · Mailing	4,836.87
	<hr/>
Total Expense	695,532.86
Net Ordinary Income	43,920.39
Other Income/Expense	
Other Expense	
416 · Jobbing	
416.11 · Bulk Water - Anadarko	19.30
416.14 · Avis Boro Sewer Collections	262.60
416.15 · Pine Creek Township Collections	0.00
	<hr/>
Total 416 · Jobbing	281.90
	<hr/>
Total Other Expense	281.90
	<hr/>
Net Other Income	-281.90
	<hr/>
Net Income	43,638.49
	<hr/> <hr/>

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX F

Pennsylvania-American Water Company

Audited Income Statement as of December 31, 2022

Appendix F

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		461,885
Operating Income		356,511
Other Income/(Expenses)		
Other Income/(Expense), Net		21,511
Interest Expense, Net		(87,294)
Total Other Expenses		(65,783)
Income Before Income Taxes		290,728
Provision for Income Taxes		54,260
Net Income	\$	236,468

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX G

Pro Forma Combined Income Statement

of December 31, 2022

Appendix G

Pennsylvania-American Water Company & Appalachian Utilities Inc
Pro-forma Income Statement

(Dollars in thousands)

	PA American Water 12 Months Ended December 31, 2022 (Audited)	Appalachian Utilities Inc 12 Months Ended December 31, 2022 (Unaudited)	Combined Pro-Forma
Operating Revenues	\$ 818,396	\$ 733	\$ 819,129
Operating Expenses			
Operation and Maintenance	268,935	617	269,552
Depreciation and Amortization	176,914	66	176,980
General Taxes and Other	16,036	10	16,046
Total Operating Expenses	<u>461,885</u>	<u>693</u>	<u>462,578</u>
Operating Income	356,511	40	356,551
Other Income/(Expenses)			
Other Income/(Expense), Net	21,511	6	21,517
Interest Expense, Net	<u>(87,294)</u>	<u>(1)</u>	<u>(87,295)</u>
Total Other Expenses	(65,783)	4	(65,779)
Income Before Income Taxes	290,728	44	290,772
Provision for Income Taxes	54,260	-	54,260
Net Income	<u>\$ 236,468</u>	<u>\$ 44</u>	<u>\$ 236,512</u>

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX H

Pro Forma Combined Balance Sheet

as of December 31, 2022

Appendix H

Pennsylvania-American Water Company & Appalachian Utilities Inc
Pro-Forma Balance Sheet

(Dollars in thousands)

	PA American Water December 31, 2022 (Audited)	Appalachian Utilities Inc December 31, 2022 (Unaudited)	Combined Pro-Forma
Assets			
Cash and cash equivalents	\$ 2,441	\$ 163	\$ 2,604
Other current assets	177,198	159	177,357
Total property plant and equipment	6,102,812	1,530	6,104,342
Regulatory assets & other L/T Assets	285,345	24	285,369
Total Assets	<u>\$ 6,567,796</u>	<u>\$ 1,876</u>	<u>\$ 6,569,672</u>
Capitalization and liabilities			
Short Term Debt	\$ 22,955		\$ 22,955
Current Portion of Long-term Debt	4,313	-	4,313
Other current liabilities	201,023	7	201,030
Total Long-term Debt	2,198,611	71	2,198,682
Regulatory & Other Long Term Liabilities	1,195,437	2	1,195,439
Stockholder's equity	2,713,261	1,796	2,715,057
Contributions in aid of construction	232,196	-	232,196
Total Capitalization and liabilities	<u>\$ 6,567,796</u>	<u>\$ 1,876</u>	<u>\$ 6,569,672</u>

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX I

Certified Copy of the Resolution Adopted by
the Board of Directors of Pennsylvania-American Water Company

VERIFICATION STATEMENT

I, Andrew L. Swope, Secretary of Pennsylvania-American Water Company, a Pennsylvania corporation (the "Company") DO HEREBY VERIFY that details of an Agreement and Plan of Merger ("Agreement") were discussed with the Board of Directors and the Board of Directors provided the proper officers of the Company, or their designees, the authority to act upon the terms and conditions set forth in the Agreement to transfer to the Company, by merger, all property of Appalachian Utilities, Inc. used or useful in providing water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania.

Dated: February 1, 2024

A handwritten signature in blue ink, appearing to read "Andrew L. Swope", is written above a horizontal line.

Andrew L. Swope
Secretary

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX J

Written Consent of Appalachian Utilities, Inc. to Enter
Into an Agreement and Plan of Merger

**WRITTEN CONSENT OF THE SOLE SHAREHOLDER AND
DIRECTORS
OF
APPALACHIAN UTILITIES, INC.
a Pennsylvania Corporation**

The undersigned, constituting the Sole Shareholder and Directors of Appalachian Utilities, Inc., a Pennsylvania corporation (the “**Corporation**”), do hereby waive any notice requirements pursuant to the provisions of the Pennsylvania Business Corporation Law of 1988, as amended, and hereby adopt the following resolutions, consents to the actions taken by virtue thereof, and direct that such actions shall, in all respects, be as effective as if such resolutions were adopted and such actions were taken at a special meeting of the Sole Shareholder and Board of Directors duly called and held as of the 22nd day of September, 2023:

WHEREAS, the Corporation, Sole Shareholder, American Water Works Company, Inc., a Delaware corporation (“**Parent**”), and AUC Acquisitions Company, a Pennsylvania corporation (“**Merger Sub**”), have entered into that certain Agreement and Plan of Merger, dated September 22, 2023 (the “**Merger Agreement**”), under which Parent will acquire the Corporation through a statutory merger of Merger Sub with and into the Corporation subject to regulatory approvals.

WHEREAS, the Directors deem it appropriate and in the best interest of the Corporation to ratify the terms of the Merger Agreement, and to consummate the transfer of shares contemplated therein.

NOW THEREFORE, BE IT RESOLVED, that the Directors, on behalf of the Corporation, have had an opportunity to review the Merger Agreement; and

BE IT FURTHER RESOLVED, that the Directors have fully reviewed, fully understand, and agree to all terms of the Merger Agreement, and further understand all ramifications of agreeing thereto; and

BE IT FURTHER RESOLVED, that the Merger Agreement is hereby ratified and approved by the Directors; and

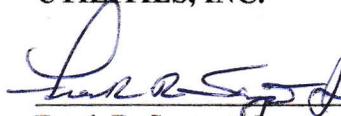
BE IT FURTHER RESOLVED, that Frank R. Sargent Jr., as President of the Corporation, is hereby authorized to execute any documentation required by the Merger Agreement, on behalf of the Corporation and to take all required actions contemplated or reasonably necessary to consummate the transaction set forth in the Merger Agreement on behalf of the Corporation; and

BE IT FURTHER RESOLVED, that these resolutions are intended to be as broad as legally permissible so that no further resolutions will be necessary to carry out the transactions and matters contemplated herein.

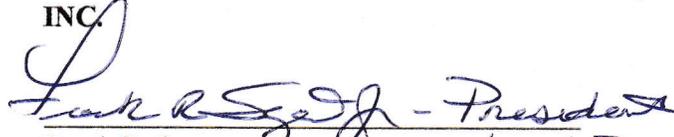
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the date first set forth above.

**SOLE SHAREHOLDER OF APPALACHIAN
UTILITIES, INC.**


Frank R. Sargent, Jr. 9/25/23

**DIRECTOR OF APPALACHIAN UTILITIES,
INC.**


Frank R. Sargent, Jr. 9/25/23

**DIRECTOR AND SECRETARY OF
APPALACHIAN UTILITIES, INC.**


Kyle Gallagher

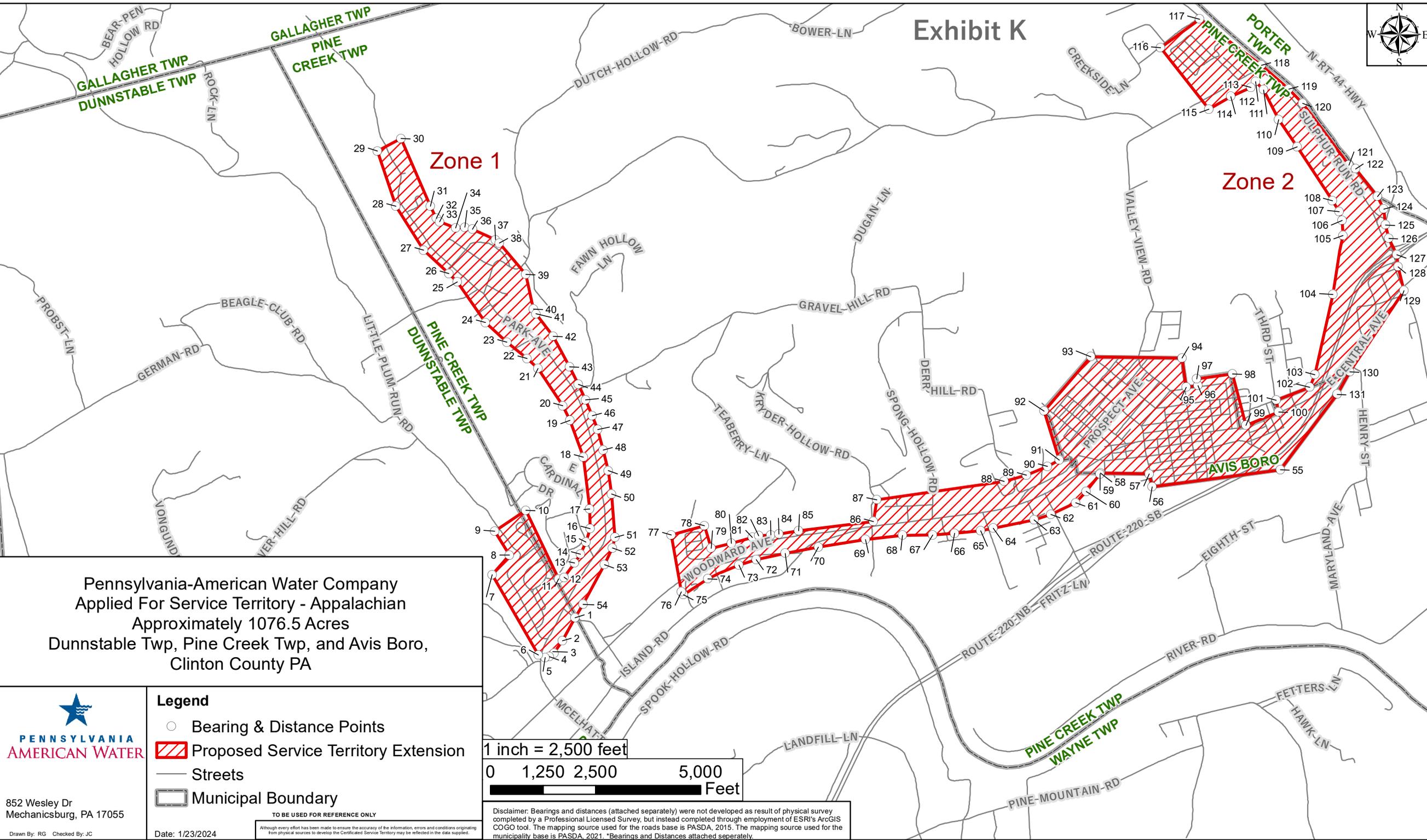
[Signature Page to Written Consent of the Sole Shareholder and Directors – Appalachian Utilities, Inc.]

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX K

Appalachian Utilities, Inc. Service Territory Map

Exhibit K



Pennsylvania-American Water Company
Applied For Service Territory - Appalachian
Approximately 1076.5 Acres
Dunnstable Twp, Pine Creek Twp, and Avis Boro,
Clinton County PA

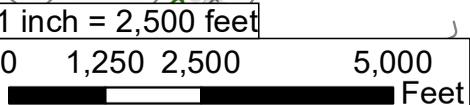


852 Wesley Dr
Mechanicsburg, PA 17055

- Legend**
- Bearing & Distance Points
 - Proposed Service Territory Extension
 - Streets
 - Municipal Boundary

Date: 1/23/2024

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. The mapping source used for the municipality base is PASDA, 2021. *Bearings and Distances attached separately.

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX L

Appalachian Utilities, Inc. Service Territory Metes and Bounds

Pennsylvania-American Water Company
Applied For Service Territory - Appalachian
Approximately 1076.5 Acres
Clinton County, PA
Bearing & Distance Points for map

Zone 1 Starting Point: The southwest corner of parcel 29-14912 (Point 1 on map)

From	To	Bearing	Distance (feet)
1	2	S28°47'07"W	635.413818
2	3	S34°15'57"W	350.105996
3	4	S49°58'28"W	136.918362
4	5	S75°58'07"W	103.742996
5	6	N67°09'41"W	172.904996
6	7	N30°01'27"W	2209.64745
7	8	N41°11'27"E	626.88172
8	9	N31°03'17"W	673.119277
9	10	N55°50'42"E	886.88433
10	11	S25°38'10"E	1817.051413
11	12	N72°28'45"E	130.556656
12	13	N37°24'37"E	420.685772
13	14	N33°16'47"E	250.797231
14	15	N23°58'03"E	322.670963
15	16	N17°21'32"E	329.517538
16	17	N0°47'27"W	471.82249
17	18	N7°07'29"W	1250.542072
18	19	N19°49'03"W	935.944633
19	20	N25°38'24"W	390.534725
20	21	N33°41'07"W	1073.532918
21	22	N46°56'12"W	350.107915
22	23	N51°14'38"W	614.691878
23	24	N47°17'09"W	695.551428
24	25	N34°42'57"W	1181.697991
25	26	N43°53'21"W	280.133831
26	27	N47°17'09"W	816.114792
27	28	N32°17'18"W	1240.227467
28	29	N18°29'04"W	1401.723252
29	30	N62°05'16"E	635.950003
30	31	S23°15'56"E	1762.071267
31	32	S26°53'29"E	324.455521
32	33	S41°58'57"E	112.838169

33	34	S68°37'29"E	414.296834
34	35	N84°24'19"E	214.898826
35	36	S75°57'32"E	190.197071
36	37	S64°51'28"E	602.201018
37	38	S47°51'27"E	118.760973
38	39	S40°19'55"E	984.78061
39	40	S12°18'30"E	845.588654
40	41	S25°42'18"E	125.667838
41	42	S37°42'54"E	678.597337
42	43	S28°07'08"E	827.370343
43	44	S26°06'00"E	466.996677
44	45	S25°00'43"E	416.496953
45	46	S22°34'09"E	404.19694
46	47	S21°47'47"E	361.33
47	48	S14°57'26"E	503.526515
48	49	S13°20'38"E	508.582642
49	50	S8°32'49"E	564.016511
50	51	S3°54'59"E	1042.446794
51	52	S12°13'48"W	257.452492
52	53	S26°12'20"W	439.429838
53	54	S27°55'34"W	1082.197029
54	1	S31°13'29"W	363.635051

Zone 2 Starting Point: The Southeast corner of Avis Boro (Point 55 on map)

From	To	Bearing	Distance (feet)
55	56	S82°20'24"W	3069.634207
56	57	N12°45'31"W	317.530686
57	58	N89°03'43"W	1161.791197
58	59	S39°19'21"W	18.035819
59	60	S38°07'25"W	541.361897
60	61	S42°14'18"W	358.786451
61	62	S64°16'48"W	656.027775
62	63	S72°58'03"W	424.900513
63	64	S78°08'42"W	984.490867
64	65	S78°14'13"W	308.420061
65	66	S84°59'08"W	623.038364
66	67	S85°53'14"W	525.553447
67	68	S89°00'22"W	721.40406
68	69	S83°21'12"W	877.91064
69	70	S81°01'57"W	1134.350891
70	71	S79°14'33"W	807.043194
71	72	S77°14'51"W	712.140451
72	73	S72°58'02"W	424.900153
73	74	S66°08'12"W	809.671974
74	75	S56°52'47"W	692.306743
75	76	N37°49'17"W	87.178353
76	77	N9°40'38"W	1377.47909
77	78	N74°14'27"E	813.887551
78	79	S16°27'39"E	568.128631
79	80	N75°36'43"E	496.948679
80	81	N74°44'06"E	515.254974
81	82	N74°45'34"E	154.213136
82	83	N86°23'12"E	292.447678
83	84	N82°43'39"E	198.399225
84	85	N80°52'30"E	475.707104
85	86	N82°56'55"E	1790.1241
86	87	N8°47'45"E	526.862854
87	88	N81°42'46"E	3064.6675
88	89	N74°03'36"E	549.534543
89	90	N67°37'31"E	539.685822
90	91	N60°43'49"E	317.30172
91	92	N16°56'40"W	1225.483673
92	93	N40°25'17"E	1708.402945
93	94	S89°00'50"E	2168.924599

94	95	S8°26'38"E	707.496894
95	96	N81°50'30"E	277.991353
96	97	N7°38'16"W	171.05818
97	98	N82°13'44"E	852.413051
98	99	S14°42'59"E	1268.162941
99	100	N67°35'57"E	837.89623
100	101	N11°07'23"W	278.320267
101	102	N68°27'45"E	860.233175
102	103	N21°22'58"E	322.244109
103	104	N12°42'25"E	1964.542637
104	105	N9°26'26"E	1432.620184
105	106	N2°39'26"W	361.039194
106	107	N19°07'41"W	217.501815
107	108	N30°25'12"W	306.391076
108	109	N33°21'46"W	1540.617143
109	110	N34°05'00"W	783.291803
110	111	N26°58'56"W	794.152343
111	112	N42°10'44"W	282.97449
112	113	S37°41'59"W	182.178712
113	114	S65°01'54"W	527.670489
114	115	S60°20'20"W	595.738169
115	116	N38°09'06"W	1866.627015
116	117	N53°47'12"E	1153.31786
117	118	S53°16'36"E	1837.280148
118	119	S48°54'45"E	867.904802
119	120	S42°50'48"E	474.78598
120	121	S36°54'00"E	1845.395856
121	122	S59°44'16"E	182.060542
122	123	S38°18'11"E	835.05183
123	124	S26°33'33"E	336.992099
124	125	S5°54'01"E	382.072886
125	126	S13°45'18"E	330.560176
126	127	S25°47'25"E	436.663507
127	128	S6°37'36"E	283.655485
128	129	S14°03'33"E	593.17338
129	130	S33°41'20"W	2334.155959
130	131	S29°36'38"W	614.906041
131	55	S36°46'49"W	2255.356512

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX M

Estimated Annual Revenues and Expenses of Service

Appendix M

Pennsylvania-American Water Company
Estimated Annual Revenues and Expenses of New Service Area
Year 1
(Dollars in thousands)

Operating Revenues	\$	785
Operating Expenses		
Operation and Maintenance		728
Depreciation and Amortization		77
General Taxes and Other		24
Total Operating Expenses		<u>829</u>
Operating income		(44)
Other Income/(Expenses)		
Other Income/(Expense), Net		-
Interest Expense, Net		(84)
Total Other Expenses		<u>(84)</u>
Income Before Income Taxes		(128)
Provision for Income Taxes		(24)
Net Income	\$	<u><u>(104)</u></u>

In re: Joint Application of Pennsylvania-American Water Company and Appalachian Utilities, Inc., Pursuant to Section 1102 of the Public Utility Code, for approval of (1) the transfer to American Water Works Company, Inc., by merger, of all property of Appalachian Utilities, Inc. used and useful in the public service; (2) the transfer to Pennsylvania-American Water Company, by merger, of all property of Appalachian Utilities, Inc. used or useful in the public service, (3) the right of Pennsylvania-American Water Company to begin to offer, render, furnish and supply water service to the public in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania, and (4) the abandonment by Appalachian Utilities, Inc. of all water service

APPENDIX N

Pro Forma Tariff Supplement

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 in the Borough of Avis and Townships of Pine Creek and Dunnstable, Clinton County, Pennsylvania.

(Refer to pages 2, 4, 5, 13, 16.8, 31, 32, and 35.)

PENNSYLVANIA-AMERICAN WATER COMPANY

LIST OF CHANGES

This Tariff supplement authorizes Pennsylvania American Water Company to begin to offer or furnish water services to the public the Borough of Avis and portions of Pine Creek and Dunnstable Townships, Clinton County, Pennsylvania, as ordered by the Pennsylvania Public Utility Commission at Docket No. A-2023-XXXXX entered XXXXXX.

PENNSYLVANIA-AMERICAN WATER COMPANY

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Issued:

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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)

Western Pennsylvania (cont'd)**Indiana District*****Indiana County***

The Borough of Indiana and the Township of White

Kane District***McKean County***

The Borough of Kane and the Township of Wetmore

Kittanning District***Armstrong County***

The Boroughs of Applewold and Kittanning and portions of the Townships of Manor and Rayburn

Mon-Valley District***Allegheny County***

The City of Clairton, the Boroughs of Dravosburg, Elizabeth, Glassport, Liberty, Lincoln, Jefferson and West Elizabeth and the Townships of Elizabeth and Forward

Washington County

The City of Monongahela, the Borough of New Eagle and the Township of Carroll

New Castle District***Lawrence County***

The City of New Castle and the Boroughs of New Beaver and South New Castle and the Townships of Hickory, Neshannock, Shenango, Taylor and Union; and portions of the Townships of Mahoning and North Beaver

Philipsburg District***Centre County***

The Boroughs of Philipsburg and South Philipsburg and the portions of Townships of Boggs, Rush and Walker

Clearfield County

The Boroughs of Chester Hill, Osceola Mills and Wallaceeton and the Townships of Boggs, Bradford, Graham and Morris and a portion of the Township of Decatur.

Clinton County

Portions of the Township of Porter, **the Borough of Avis and portions of Pine Creek and Dunnstable Townships (C)**

Pittsburgh District***Allegheny County***

The City of Pittsburgh [29th, 30th, 31st and 32nd wards and portions of the 16th, 18th, 19th, 20th and 28th wards], the Boroughs of Baldwin, Bethel Park, Brentwood, Bridgeville, Carnegie, Castle Shannon, Crafton, Dormont, Dravosburg, Green Tree, Heidelberg, Homestead, Ingram, Jefferson, Mount Oliver, Oakdale, Munhall, Pleasant Hills, Rosslyn Farms, Thornburg, West Homestead, West Mifflin, Whitaker and Whitehall and the Townships of Baldwin, Collier, Mt. Lebanon, Scott, South Fayette, South Park, Union and Upper St. Clair and portions of Cecil, Peters, Robinson and Nottingham Townships.

Washington County

The Borough of Finleyville and the Township of Union

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY**SCHEDULE OF RATES****RATE ZONE XX - METERED SERVICE****(C)****APPLICABILITY**

The rates under this schedule apply throughout the territories served by Appalachian, 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 all Customers Classes.

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**Monthly Service Charge For All Rate Classes**

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	\$11.28
3/4 inch	\$16.93
1 inch	\$28.21
1-1/2 inch	\$56.43
2 inch	\$90.29
3 inch	\$169.30
4 inch	\$282.16
6 inch	\$564.33

Consumption Charges:

The following rates shall apply per 100 gallons:

First 16,500 Gallons	\$0.7600
All Over 16,500 Gallons	\$0.3540

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY

SCHEDULE OF RATES

PRIVATE FIRE SERVICE – METERED

APPLICABILITY

The rates under this schedule apply throughout the territories 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 a customer that has existing private fire services that were previously unmetered and subsequently became metered in accordance with the terms and conditions of the rate schedule "Private Fire Service – Unmetered".

RATE

<u>Size of Connection with Main</u>	<u>Minimum per Month (excl. Appalachian)</u>	<u>Appalachian</u>	<u>(C)</u>
1 inch	\$43.75		
1-1/4 inch	\$43.75		
1-1/2 inch	\$62.48		
2 inch	\$100.00	\$21.86	(C)
3 inch	\$187.49	\$32.45	(C)
4 inch	\$234.36	\$43.73	(C)
6 inch	\$351.54	\$65.60	(C)
8 inch	\$539.03	\$87.47	(C)
10 inch	\$757.77	\$109.34	(C)
12 inch	\$1,137.06	\$131.20	(C)
SPRINKLERED RISK – Minimum charge Including 200 Heads		\$65.22	
SPRINKLERED RISK – Over 200 Heads Per Head		\$0.17	
STANDPIPE SERVICE		\$50.71	

TERMS AND CONDITIONS

Amount of Use. If the service is utilized as a general water service line as indicated by a continuing use of water in excess of 10,000 gallons per month for a period of three or more consecutive months, the customer shall be transferred to the Company's general service rate schedule and the minimum rate by size of meter will apply to this service in addition to the consumption charge.

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY**SCHEDULE OF RATES****PUBLIC FIRE SERVICE****APPLICABILITY**

The rates under this schedule apply throughout the territories 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 with applications accepted by the Company under Section 8.5 of this tariff. Service under this classification is subject to regulations set forth in Section No. 8 "Public Fire Hydrants".

RATE

Replacement of existing public fire hydrants with Company owned public fire hydrants will in all circumstances be charged at a rate of \$243.60 per annum or \$20.30 per month unless stated otherwise below.

The annual charge for each public fire hydrant is \$243.60 per annum or \$20.30 per month except as noted below:

All hydrants added after January 1, 2000, will be billed at 25% of the cost of service or \$20.30 per month.

<u>Municipalities</u>	<u>Monthly Charge for Each Public Fire Hydrant</u>	
Moshannon Valley Area Bradford Township for hydrants contracted prior to February 18, 1988 [Separate rate deleted] [Separate rate deleted] [Separate rate deleted]	\$6.25	
Borough of Avis	\$14.40	(C)
<u>Valley District:</u> Public Fire Hydrants	<u>Effective 11/19/2021</u> \$0.00 per month	<u>Effective 11/19/2023</u> \$20.30 per month

Townships of Pine Creek and Dunnstable:**(C)**

Each customer having any part of a building or structure located within 600 feet, measured along an improved road, of a fire hydrant shall be billed \$2.40 monthly. This charge shall be in addition to the service charge and usage charges set by this tariff for applicable customers.

(C) means Change

Issued:

Effective Date:

PENNSYLVANIA-AMERICAN WATER COMPANY**SCHEDULE OF RATES****DISTRIBUTION SYSTEM IMPROVEMENT CHARGE****EXCEPT PUBLIC FIRE PROTECTION**

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all bills rendered with an ending read date on and after the Effective Date shown on the bottom of this page. This charge applies to all Rate Zones, except **Rate Zone XX – Appalachian**.

(C)

The above charge will be recomputed quarterly using the elements prescribed by the Commission as shown on pages 36, 37 and 38 of this tariff.

(C) means Change

Issued:

Effective Date:

VERIFICATION

I, Marcus Kohl, hereby state that the facts above set forth in the above Application are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa. Cons. Stat. §4904 relating to unsworn falsification to authorities.

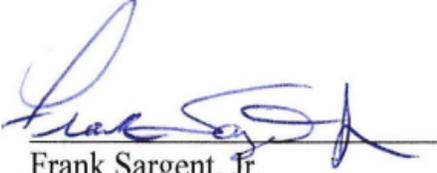


Marcus Kohl, Director – Business Development
Pennsylvania-American Water Company

Dated: 2/1/24

VERIFICATION

I, Frank Sargent, Jr., President of Appalachian Utilities, Inc., hereby state that the facts set forth in the foregoing Application and its Attachments are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing in this matter. This verification is made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.



Frank Sargent, Jr.
President
Appalachian Utilities, Inc.

Dated: February 2, 2024