

**Application of Pennsylvania-American Water Company for the Acquisition of
the Wastewater Treatment Plant and Collection System Owned and Operated by
Elizabeth Borough Municipal Authority (“EBMA”)**

Docket No. A-2023-3038717

66 Pa. C.S. § 1329

Application Filing Checklist – Water/Wastewater

18. Rates.

- d. Provide a copy of the notification which will be sent by the Buyer to affected customers describing the filing and the anticipated effect on rates, including:
 - i. For the Seller’s customers, the overall dollar and percentage rate impacts implicated from stand-alone rates that recover the Buyer’s estimated annual gross revenue requirement for the acquired system from the Seller's customers.
 - ii. For the Buyer’s customers, the overall dollar and percentage rate impacts implicated from the following rates: (1) for **water** applications, rates that recover the Buyer’s estimated annual net revenue requirement for the acquired system from the Buyer’s existing water customers, or (2) for **wastewater** applications, both water and wastewater rates that recover the Buyer’s estimated annual net revenue requirement for the acquired system from the Buyer’s existing water and wastewater customer, respectively.
 - iii. Clear, plain language information about rate impacts.
 - iv. A statement that any promise to freeze rates may be unenforceable.

RESPONSE:

- i.-iii. Attached is a notice that will be sent by PAWC to its water and wastewater customers upon conditional acceptance of the Application. Also, attached is a notice that will be sent to System customers. Both notices are attached as **Appendix A-18-d**.

Please note that both notices include a blank for the due date for protests and notices of intervention. PAWC asks that the Secretarial Letter conditionally accepting the Application indicate the due date for protests and notices of intervention.

- iv. Not applicable.

Bill Onsert for Current Customers

NOTICE OF PROPOSED WASTEWATER ACQUISITION AND RATE BASE ADDITION (Docket No. A-2023-3038717)

Dear Customer:

On _____, the Pennsylvania Public Utility Commission (“PUC”) conditionally accepted for filing the application of Pennsylvania-American Water Co. (“Pennsylvania-American” or “PAWC”) for approval to acquire the wastewater system assets owned and operated by Elizabeth Borough Municipal Authority (“EBMA”). EBMA serves approximately 2,200 customers in Allegheny, County. Pennsylvania-American’s application also requests that the PUC authorize an addition of \$27.97 million to Pennsylvania-American’s rate base pursuant to 66 Pa. C.S. § 1329. A utility’s rate base is the value of property used by the utility to provide service to its customers and is one of many components used to establish customer rates.

PAWC periodically makes applications to the PUC for newly acquired systems which requires PAWC to send these types of notices. This notice is specific to the EBMA acquisition. PAWC is not requesting a rate increase in this acquisition proceeding. Accordingly, this acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Pennsylvania-American customers, including new EBMA wastewater customers. Your current rates will not change as a result of this acquisition until the conclusion of Pennsylvania-American’s first base rate case where Pennsylvania-American requests and receives PUC approval to increase its rates. At that time, based on a preliminary analysis of the potential rate impacts, PAWC estimates that the rates of the average customer could increase. The amount of the increase will be determined in PAWC’s next base rate case and will be dependent on how the PUC chooses to apportion the increase among PAWC’s acquired and existing customers. The tables below present non-binding, estimated incremental rate effects of the proposed rate base addition on PAWC’s existing water and wastewater customers.

Water Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	3,201 gallons/month	\$0.16	0.2%
Commercial	22,094 gallons/month	\$0.84	0.2%
Industrial	685,947 gallons/month	\$17.73	0.2%

WW Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	3,201 gallons/month	\$1.21	1.1%
Commercial	22,094 gallons/month	\$5.75	1.1%
Industrial	685,947 gallons/month	\$166.30	1.1%

These amounts could change and will depend on how the PUC chooses to apportion any increase among different types of utility service, rate zones and classes of customers. For Pennsylvania-American customers in a rate zone other than Rate Zone 1, the potential rate impact could vary from the chart above.

PUC ROLE

The state agency that approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve, modify or deny the requested addition to rate base.

ACTIONS YOU CAN TAKE

You can support or challenge Pennsylvania-American's request by:

1. Sending a letter to the PUC. You can tell the PUC why you support or object to the application in your letter. This information can be helpful when the PUC investigates the application. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
2. Attending or presenting testimony at a PUC public input hearing. You can attend or be a witness at a PUC public input hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania-American's transaction and if there is enough interest in the case. At these hearings, you can present your views in person to the PUC judge and to company representatives. Testimony under oath becomes part of the application case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.
3. Filing a protest or a petition to intervene. If you want to be a party to the case, you must file a protest or a petition to intervene. You then have an opportunity to take part in all the hearings about the proposed acquisition. You can receive copies of all materials distributed by the other parties. Protests and petitions to intervene must be filed in accordance with 52 Pa. Code (relating to public utilities) on or before _____ . Filings must be made with the Secretary of the Pennsylvania Public Utility Commission at P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on Pennsylvania-American's counsel at:

David P. Zambito, Esq.
Cozen O'Connor
17 North Second Street, Suite 1410
Harrisburg, PA 17101

The documents filed in support of the application are available on the PUC's website at www.puc.pa.gov, and for inspection and copying at the Office of the Secretary of the PUC between 8 a.m. and 4:30 p.m., Monday through Friday, and at Pennsylvania-American's offices at 852 Wesley Drive, Mechanicsburg, PA 17055. The PUC docket number is A-2024-XXXXXXX. For more information, you may contact the PUC's Bureau of Consumer Services at 1-800-692-7380.

Direct Mailing to EBMA Customers

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Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	3,201 gallons/month	\$63.52	104.8%
Commercial	22,094 gallons/month	\$221.91	104.8%

These amounts could change and will depend on how the PUC chooses to apportion any increase among different types of utility service, rate zones and classes of customers. For Pennsylvania-American customers in a rate zone other than Rate Zone 1, the potential rate impact could vary from the chart above.

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