

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120**

Public Meeting held February 6, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chair  
Kathryn L. Zerfuss  
John F. Coleman, Jr.  
Ralph V. Yanora

Securities Certificate of Pennsylvania-American  
Water Company for the issuance of Promissory  
Notes in an aggregate outstanding principal amount  
not to exceed \$680,000,000.

Docket No.  
S-2024-3052458

**ORDER**

**BY THE COMMISSION:**

On December 9, 2024, Pennsylvania-American Water Company (PAWC or the Company) filed, pursuant to Chapter 19 of the Public Utility Code, 66 Pa.C.S. § 1901, *et. seq.*, the above-captioned securities certificate for the issuance of promissory notes in an aggregate outstanding principal amount not to exceed \$680,000,000. On December 12, 2024, the Company agreed to voluntarily extend the statutory consideration period of the filing to February 6, 2025.

PAWC is a jurisdictional public utility furnishing water service to the public in portions of 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. The Company also furnishes wastewater service to the public in Adams, Allegheny, Beaver, Berks, Chester, Clarion, Cumberland, Lackawanna, McKean, Monroe, Montgomery, Northumberland, Pike, Washington, and York counties. PAWC currently provides water and wastewater service to approximately 686,798 and 98,632 customers, respectively.

As of December 31, 2023, 99.88% of the voting securities of the Company (including 100% of its common stock) were owned by American Water Works Company (American Water), a Delaware corporation, and its subsidiaries.

PAWC proposes to issue up to \$680,000,000 in aggregate consolidated long-term debt by the issuance of one or more unsecured promissory notes (Notes) to American Water Capital Corporation (AWCC), an affiliate of PAWC, pursuant to the terms of the Financial Services Agreement approved by the Commission at Docket No. G-00000763<sup>1</sup>, and/or in private, publicly registered, tax exempt, or other transactions or series of transactions.

PAWC proposes to issue the Notes to reduce short-term debt, refinance existing debt, repay maturing long-term debt, make acquisitions of water and wastewater assets, and fund infrastructure growth.

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<sup>1</sup> See Order Entered June 22, 2000 at Docket No. G-00000763, whereby the Commission granted approval of the Financial Services Agreement under Section 2102 of the Public Utility Code. Similar agreements have been executed between AWCC and all of the participating companies within the American Water system.

PAWC expects that the Notes will be issued from time to time, from the date of registration through the end of year 2026, dependent on market conditions. PAWC anticipates maturity dates to range between five and fifty years, dependent on market conditions. Under the terms of the Financial Services Agreement, interest rates, terms and conditions of borrowings through AWCC pass through to the Company. Principal and interest on the Notes will be payable at the times AWCC must make principal and interest payments on the borrowings it makes. AWCC's issuance costs for its borrowings loaned to PAWC will be proportionately allocated to PAWC and are not expected to exceed 2.00% of the principal amount of the Notes. PAWC avers that no further debt is to be issued under any previous registrations.

Compliance checks found that PAWC is current with its annual, quarterly earnings, and Security Planning and Readiness report filing requirements and has no outstanding fines or assessments.

Having reviewed the instant filing, we have determined that PAWC's proposal for the issuance of up to \$680,000,000 in aggregate consolidated long-term debt is necessary or proper for the present and probable future capital needs of the utility; **THEREFORE,**

**IT IS ORDERED:**

1. That the securities certificate of Pennsylvania-American Water Company for the issuance of promissory notes in an aggregate outstanding principal amount not to exceed \$680,000,000 is hereby registered.

2. That within 60 days of each issuance of debt pursuant to this registration, Pennsylvania-American Water Company shall notify the Commission of such issuance, along with a summary of the interest rate, maturity and call provisions.

3. That this registration will end on December 31, 2026 if issuance has not taken place by that date.

4. That upon receipt of the final notice required by Ordering Paragraph No. 2, above, this case shall be marked closed.

5. Consistent with Section 1903(b) of the Public Utility Code, 66 Pa. C.S. § 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa.C.S. §§ 1301-1328.

**BY THE COMMISSION,**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: February 6, 2025

ORDER ENTERED: February 6, 2025