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October 22, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v.
Pennsylvania-American Water Company
Docket No. R-2025-3057687**

Dear Secretary Homsher:

Enclosed for filing in the above-captioned proceeding are **Pennsylvania-American Water Responses to the Data Requests (Set 1) of the Bureau of Technical Utility Services**, Question Nos. R-1 to R-13 dated October 8, 2025.

As indicated on the enclosed Certificate of Service, copies of the responses have been served upon all parties of record.

If you have any questions, please call me directly at 215.963.5384.

Very truly yours,



Kenneth M. Kulak

KMK/ap

Enclosure

c: Per Certificate of Service (w/encls.)

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission v. :
Pennsylvania-American : **No. R-2025-3057687**
Water Company :

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the **Responses of Pennsylvania-American Water Company to Data Requests (Set 1) of the Bureau of Technical Utility Services** on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL

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Dated: October 22, 2025


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**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-1. PAWC’s Tariff Supplement Filing included a cover letter that indicated that on September 18, 2025, PAWC filed materials in support of Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 (Supplement No. 55) that inadvertently omitted Supplement No. 55, and that PAWC was submitting Supplement No. 55 with its September 23, 2025 cover letter. Also, Supplement No. 55 included an issued date of September 18, 2025, and an effective date of November 17, 2025. However, pursuant to 52 Pa. Code §§ 53.101-53.103, public utilities are prohibited from filing any tariff, revision, or supplement on less than 60 days’ notice, unless the public utility first receives special permission from the Commission to do so. Considering that Supplement No. 55 was filed with the Commission on September 23, 2025, instead of September 18, 2025, please clarify whether PAWC is seeking permission from the Commission to allow Supplement No. 55 to be filed with the Commission on 55 days’ notice or a similar waiver of Commission regulations pursuant to 52 Pa. Code § 1.91.

Response: PAWC agrees that Supplement No. 55 should be deemed to have an issue date of September 23, 2025 and effective date of November 22, 2025.

Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
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TUS Data Request Set 1**

R-2. PAWC’s response for 52 Pa. Code § 53.52(a)(10) specified that bill messages will identify the reason for future bill adjustments related to PAWC’s proposed PFAS Litigation Universal Credit Rider (PFAS Rider). Please provide an example of a PAWC customer bill that includes PAWC’s projected adjustment and PAWC’s anticipated bill message.

Response: Currently, the planned bill message is: “In this month’s bill, you will see a credit resulting from Pennsylvania-American Water Company receiving proceeds from a settlement with various PFAS manufacturers.” PAWC does not yet have a customer bill with a PFAS courtesy adjustment on it, however, the credits will be labeled “Courtesy Adjustment” and will show as reductions to the various line items of the bill.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
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R-3. PAWC's response for 52 Pa. Code § 53.52(b)(2) included a per books income statement for PAWC's water and wastewater operations. However, pursuant to 52 Pa. Code § 53.52(d), if a utility renders more than one type of public service, required supporting data relates solely to the kind of service to which the tariff supplement is applicable. Please provide an operating income statement for PAWC for a 12-month period, the end of which may not be more than 120 days prior to the filing, which relates solely to PAWC water service.

Response: Please see below for PAWC's income statement for the 12 months ended June 30, 2025. This is the per-books income statement for water operations and does not reflect any additional adjustments or allocations between water and wastewater operations.

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

**Pennsylvania-American Water Company
Water Operations
Income Statement
12 months ending June 30, 2025 (unaudited)
(Dollars in thousands)**

DESCRIPTION	Water PER BOOKS
Operating Revenue	\$925,651
Operating Expenses	
Operation and Maintenance	269,198
Depreciation & Amortizations	196,506
General Taxes and Other	16,450
Total Operating Expenses	<u>482,154</u>
Operating Income	443,497
Other Income/(Expenses)	
Other Income/(Expenses), Net	7,211
Interest Expense, Net	<u>(112,241)</u>
Total Other Expenses	(105,030)
Operating Income Before Taxes	338,467
Provision for Income Taxes	102,062
Net Income	<u>\$236,405</u>

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-4. Supplement No. 55, Page 40 included provisions for PAWC’s PFAS Rider that indicated that if proceeds remain from a disbursement due to rounding or a fluctuation in PAWC’s customer count between the date the credit is calculated and when credits are issued to customers, those proceeds will be transferred by PAWC to its H2O Help to Others Program and used to fund customer Hardship Grants. Please explain how PAWC plans to track proceeds received and funds transferred, including any related interest or income for the period between when proceeds are received to when funds are transferred, to ensure that all proceeds and related interest or income are returned to PAWC’s customers.

Response: PAWC will receive monthly statements from its counsel in the MDL litigation (*see* Statement of Reasons, p. 1) accounting for the PFAS settlement proceeds (net of legal costs) and any accrued interest. PAWC will calculate customer credits to distribute the proceeds and interest based on this information. After the credits are applied, PAWC will run a report detailing the total number of accounts credited and the final dollar value. If any portion of the funds are remaining as a result of rounding or a fluctuation in the Company’s customer count, those remaining funds will be transferred to the Help to Others Program and used to fund customer Hardship Grants.

Additionally, due to the timing lag between monthly statement creation and the final clearing of funds to PAWC, the Company anticipates some residual accrued interest will remain. To the extent this materializes, such additional funds will be held in account 25638000 (a regulatory liability) and distributed to customers in the next credit issuance.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
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TUS Data Request Set 1**

R-5. PAWC's PFAS Rider indicated that PAWC will credit customers proceeds from the PFAS litigation (net of attorneys' fees and costs) through bill credits within a reasonable time after PAWC receives payment of such funds. Additionally, PAWC's supporting data filed with the Commission on September 26, 2025, included a statement of reasons (Statement of Reasons) that indicated that using the PFAS Rider would eliminate the need to determine any interest on PFAS Funds because they will be distributed to customers quickly following receipt. Please confirm that any interest or other income earned on PFAS Funds will be included in PAWC's PFAS Credit or explain why it is just and reasonable to exclude interest and other income earned on PFAS Funds from PAWC's PFAS Credit.

Response: The Company confirms that credits calculated under the proposed PFAS Litigation Universal Credit Rider will be inclusive of any accrued interest. See the Company's response to R-4. Any interest that accrues in PAWC's counsel's escrow account prior to PAWC receiving such funds will be included in the PFAS Funds that are distributed to customers. In addition, to the extent the Company accrues any residual interest due to the timing lag between monthly statement creation and the final clearing of funds to PAWC, such funds will be held in account 25638000 (a regulatory liability) and distributed to customers in the next credit issuance.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
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R-6. Please specify the maximum number of days after PAWC's receipt of proceeds from PFAS Litigation by which PAWC will provide customers those proceeds.

Response: Following completion of the escrow and verification process described in the Company's response to R-7, PAWC expects that PFAS Funds will be credited to customer accounts within 30 days after receipt by PAWC.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-7. PAWC’s Statement of Reasons specified that because of certain settlements, PAWC has received approximately \$5.4 million in settlement payments and that PAWC expects to receive additional compensation from ongoing litigation. Please specify each date that PAWC received a settlement payment, or state that PAWC has not received and will not receive any settlement payments before Supplement No. 55’s effective date.

Response: When PAWC Funds are paid to PAWC through the MDL, they are initially paid to PAWC’s counsel in the MDL and held in PAWC’s counsel’s escrow account. The Company and its counsel then review and verify the settlement administrator’s allocations and the corresponding legal fees to which PAWC’s outside counsel are entitled.

Three settlement disbursements have been received in PAWC’s law firm’s escrow account, one of which was received after the filing of Supplement No. 55. The first payment was received into escrow on or about June 5, 2025, representing a net amount of \$4,924,456 (exclusive of interest). The second was received into escrow on or about July 9, 2025, representing a net amount of \$447,522 (exclusive of interest). The third was received into escrow on or about August 22, 2025, representing a net amount of \$12,629,456 (exclusive of interest). PAWC did not include this amount in its initial filing in this proceeding since the allocation to PAWC was not yet verified. PAWC initially estimated that the first credit under the Rider would be approximately \$7.73 (first two payments). See Statement of Reasons, p. 2. With the addition of the third payment, PAWC expects that the resulting per-customer credit, inclusive of the three payments received to-date, will be approximately \$26.00.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
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Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-8. Please provide a calculation of the total accrued interest on settlement payments between the dates that PAWC received settlement payments and November 17, 2025, assuming that accrued interest is computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law, 41 P.S. §§ 101, et seq (i.e., the interest rate that applies for overcollections for PAWC’s distribution system improvement charge).

Response: Interest on the PFAS proceeds is being accrued in the law firm escrow account, via a money market fund. The fund’s investment objective is to preserve capital and liquidity, with a secondary objective of providing current income. Please note, the funds do not represent an overcollection from customers.

Please see TUS-R-8_Attachment, which estimates how much interest would be accrued on the settlement proceeds if it were accrued at the maximum lawful interest rate for residential mortgages in Pennsylvania.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania American Water
R-2025-3057687, TUS-R-8_Attachment**

Calculated interest at the Pennsylvania maximum residential mortgage lending rate*												
				7.00%	7.25%	7.25%	7.25%	7.25%	7.00%			
				6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/17/2025			
Payment Number	Description	Net proceeds	Date received in Escrow	Jun	Jul	Aug	Sep	Oct	Nov. 17, 2025	Interest to Date		
1	3M 1st Payment, part 1	\$ 4,924,456	6/5/2025	\$ 23,610	\$ 30,468	\$ 30,655	\$ 29,849	\$ 31,028	\$ 16,530	\$ 145,611		
2	3M 1st Payment, part 2	\$ 447,522	7/9/2025		\$ 1,956	\$ 2,768	\$ 2,695	\$ 2,801	\$ 1,492	\$ 10,219		
Totals		\$ 5,371,977		\$ 23,610	\$ 32,423	\$ 33,423	\$ 32,544	\$ 33,829	\$ 18,022	\$ 155,831		

*Note: Pennsylvania maximum residential mortgage lending rate per <https://www.pa.gov/agencies/dobs/media-resources/act-6-information>

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-9. Please specify when PAWC will distribute to customers all settlement payments received before Supplement No. 55's effective date (e.g., X days after Supplement No. 55's effective date, on a date certain, etc.).

Response: At this time, PAWC anticipates applying credits within two to four weeks following Commission approval of the Rider.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-10. Supplement No. 55, Page 40 indicated that no more than ten days after issuing credits to customer accounts, PAWC shall report to the Commission the amount of the credit, including a workpaper showing the calculation of the credit. Please provide an example of PAWC's proposed workpaper showing the calculation of the credit using data from the Tariff Supplement Filing.

Response: Please see TUS-R-10_Attachment for a sample PFAS credit worksheet.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

Pennsylvania American Water
Sample [PLUS] PFAS Credit Worksheet

Description					
Credit Number	Sum	1		2	
Description	Running Total	3M First Payment		3M Second Payment	
Credit Calculation					
Date of Credit Calculation		8/30/2025		8/30/2025	
MDL Proceeds (MDLP)		\$ 4,924,456	(a)	\$ 447,522	(a)
Water Customers (at time of credit calculation)		694,673	(b)	694,673	(b)
[Plus] Credit per Customer	\$ 7.73	\$ 7.09	(a / b)	\$ 0.64	(a / b)
Credit Application					
Date of Credit Application		9/9/2025		9/9/2025	
[Plus] Credit		\$ 7.09	(a)	\$ 0.64	(a)
Total Credits Issued	-	694,680	(b)	694,680	(b)
Total MLD Proceeds Credited	\$ 5,372,032	\$ 4,924,506	(a / b)	\$ 447,527	(a / b)
Excess / (Deficiency) to Roll Into Next Credit		\$ (50)		\$ (5)	

Water Classes	Active Water Customers for Credit Calculation ¹	Active Water Customers Receiving Credit ²	Active Water Customers for Credit Calculation ¹	Active Water Customers Receiving Credit ²
	Total	694,673	694,680	694,673

- 1- Active water customers measured as of the date of credit calculation
2- Active water customers as of the date of credit application to accounts

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-11. Please clarify whether PAWC will separately identify the following information in each workpaper showing the calculation of each PFAS Credit: (1) the amount of proceeds from PFAS litigation before deductions for attorneys fees and costs; (2) the amount of attorneys fees and costs; (3) the total active water customer count; and (4) the date of the credit calculation.

Response: Legal fees and costs will not be included since those items will be deducted prior to PAWC's receipt of PFAS Funds. The Company's total active water customer count, the date of credit calculation, the amount of PFAS funds, and the calculated credit per customer will be included in the workpaper. Please see the Company's response to R-10 for an example.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
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Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

R-12. Supplement No. 55, Page 40 did not include a proposed value for PFAS Credit or a proposed credit issuance date that may be updated through future filings as credits are issued. For example, when PAWC files tariff supplements for its distribution system improvement charge with the Commission, those tariff supplements change an existing percentage value in PAWC's tariff and the date of the rate change is based on an effective date identified in the tariff supplement, whereas the PFAS Rider does not clearly provide similar language that can be updated to provide the current value for PFAS Credit or the related credit calculation date. Please provide a copy of a pro forma tariff supplement that includes the tariff language that PAWC will use in its next tariff supplement for its PFAS Rider to define the amount of the rate and the date of the credit calculation.

Response: Unlike the Distribution System Improvement Charge, which is a recurring, percentage-based fee on customer bills, PFAS proceeds credits are one-time and sporadic in nature, applying to active water customers only on select dates following the receipt of PFAS Funds. The Rider's purpose is to enable these bill credits by establishing a flexible formula rather than a fixed percentage or dollar amount. In compliance with the proposed Rider, PAWC would provide a workpaper to the Commission within ten days after credit issuance, detailing the calculation and the resulting customer credit. PAWC did not plan to make supplemental adjustments to the tariff itself.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

**Pennsylvania-American Water Company Supplement No. 55 to Tariff Water-PA P.U.C. No. 5 at
Docket No. R-2025-3057687
TUS Data Request Set 1**

- R-13.** It appears that Page 40 of PAWC’s water tariff that was available on its website on October 8, 2025, at <https://amwater.com/paaw/Resources/PDF/Rates/paaw-water-tariff-10-2025.pdf> included a copy of a credit rider that was similar to Supplement No. 55, but that included certain different provisions, such as for workpapers to be filed before issuing credits rather than after issuing credits and for proceeds remaining from a disbursement to be used to fund customer hardship grants. Please provide responses for each of the following:
- a.** Please provide a copy of Page 40 of PAWC’s water tariff that was available on its website on October 8, 2025, at <https://amwater.com/paaw/Resources/PDF/Rates/paaw-water-tariff-10-2025.pdf>;
 - b.** Confirm that PAWC did not revise Page 40 of its water tariff between the effective date of rates from PAWC’s rate case at Docket No. R-2023-3043189 and the date of the Tariff Supplement Filing; and
 - c.** Confirm that PAWC has updated Page 40 of its water tariff that is available on its website to conform with its Tariff Supplement Filing.

- Response:**
- a.** PAWC inadvertently posted a draft version of the PFAS tariff that has not been proposed in Supplement No. 55. Please see TUS-R-13 Attachment_1. These pages have been removed from our website as they are not Commission approved tariff pages.
 - b.** Confirmed.
 - c.** Please see TUS-R-13 Attachment_2 for the corrected page 40 of the Company’s water tariff.

**Responsible Witness: Dr. Christina E. Chard, Senior Director – Rates and Regulatory
American Water Works Service Company, Inc.**

Date: October 22, 2025

PENNSYLVANIA-AMERICAN WATER COMPANY

PFAS LITIGATION UNIVERSAL CREDIT RIDER

(C)

Purpose: This Rider provides a mechanism to distribute the net proceeds from the Company's participation in ongoing litigation against manufacturers of perfluoroalkyl and polyfluoroalkyl substances ("PFAS") uniformly to all customer classes as those proceeds are received. The Company entered into settlement agreements with certain of the defendants in the PFAS litigation that allocate payments to the Company, and pending litigation may result in further compensation through settlement proceeds or judgments. The Company will credit customers all proceeds from the PFAS litigation (net of attorneys' fees and costs) through bill credits within a reasonable time after the Company receives payment of such funds. The amount of the credit will vary based on the net proceeds received and the number of customers at the time the Company calculates the credit. No less than ten (10) days prior to issuing credits to customers in accordance with this Rider, the Company shall provide notice to the Commission of the amount of proceeds to be credited, including a workpaper showing the calculation of the credit as outlined below.

Determination of the Credit

The PFAS litigation credit shall be calculated as follows:

$$\text{PFAS Credit} = \frac{\text{PFAS Funds}}{\text{CC}}$$

Where:

- PFAS Credit: Represents the credit each customer will receive as a result of PFAS Funds paid to the Company.
- PFAS Funds: Represents the net proceeds received by the Company from litigation against manufacturers of PFAS.
- CC: Total active water customer counts, inclusive of all customer classes at the time of credit calculation

(C) means Change

PENNSYLVANIA-AMERICAN WATER COMPANY

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(C) means Change

