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December 22, 2025

**VIA ELECTRONIC FILING**

Matthew Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**RE: *Tentative Order Concerning Interconnection and Tariffs for Large Load Customers - Docket No. M-2025-3054271***

Dear Secretary Homsher:

Attached are Pennsylvania American Water Company's Comments regarding the Tentative Order issued November 6, 2025.

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

Sincerely,

A handwritten signature in black ink, appearing to be "S. Rolko".

Seth Rolko, Esquire

cc: Darren D. Gill, Bureau of Technical Utility Services (*via electronic mail*)  
Elizabeth Barnes, Law Bureau (*via electronic mail*)  
[pc-puc-tus-energy@pagov.onmicrosoft.com](mailto:pc-puc-tus-energy@pagov.onmicrosoft.com) (*via electronic mail – Word Version*)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

*Tentative Order* Concerning Interconnection and Tariffs :  
for Large Load Customers : M-2025-3054271  
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COMMENTS OF PENNSYLVANIA-AMERICAN WATER COMPANY

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Pennsylvania-American Water Company (“PAWC” or the “Company”) appreciates the opportunity to offer additional comments on large load customers following the Tentative Order issued by the Pennsylvania Public Utility Commission (“PUC” or “Commission”) on November 6, 2025.

**I. BACKGROUND**

On June 6, 2025, PAWC issued comments solicited by the PUC in response to the *en banc* hearing held on April 24, 2025, with Chief Administrative Law Judge Charles Rainey presiding. Our comments focused on the opportunities that large load customers bring to the Commonwealth as it relates to economic development and job creation. Following our comment submission, along with other key stakeholders, the Commission issued on November 6, 2025, Tentative Order. On that same day, Chairman DeFrank and Vice Chair Barrow issued statements requesting comment on guidelines for a large load tariff. The Tentative Order was published in the *Pennsylvania Bulletin* on November 22, 2025. PAWC timely submits the following comments to the Tentative Order.

## II. INTRODUCTION AND GENERAL COMMENTS

PAWC is a subsidiary of American Water NYSE: (AWK) and operates water and wastewater facilities in thirty-eight counties and provides service to over 2.4 million Pennsylvanians. We are proud to serve as the Commonwealth's largest water and wastewater utility and again appreciate the opportunity to provide comments on the Tentative Order.

In today's digital world, artificial intelligence ("AI") is shaping the way we interact with our friends, families, business partners and government agencies. It is no surprise that Pennsylvania is at the heart of AI focused conversations because of attractive policies enacted to incentivize data centers development in the Commonwealth.<sup>1</sup> Due to the friendly environment of data center development in Pennsylvania, PAWC has developed a standard operating procedure for prospective data center developers who wish to build and operate in PAWC's service territory.

PAWC has testified before both the PA Republican and Democratic Senate Policy Committees about the relationship between data centers and water providers. When it comes to large load customers, we automatically think of data centers because of the amount of energy needed to operate them. However, when considering new tariffs for these customers, water cannot be forgotten due to its necessity to cool these super computers in various fashions. This is why it is ripe for PAWC to comment on the Commission's Tentative Order.

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<sup>1</sup> E.g., Act 25 of 2021 established sales and use tax exemption for computer data center equipment.

### **III. COMMENTS IN RESPONSE TO THE *TENTATIVE ORDER***

#### **A. Appropriate Size Designation**

As previously stated, PAWC recognizes the Tentative Order is focused primarily on electric usage and large load customers are defined by a customer with maximum Contract Capacity of over 50 MW individually or 100 MW in the aggregate for multiple closely located customers. However, the Commission should also consider a “Large Water Usage Customer” definition as one that consumes over five million gallons per day. This is consistent with PAWC’s current class of commercial water users, which includes data centers.

#### **B. Contributions in Aid of Construction/Infrastructure Upgrades**

In terms of contributions in aid of construction and infrastructure upgrades by Large Water Usage Customers, it is PAWC’s position that the cost for construction and infrastructure upgrades for water service to Large Water Usage Customers should fall on the project developer. Additionally, the process of completing and maintaining infrastructure upgrades should be managed by the serving utility. This ensures PAWC’s high standard of service and reliability is maintained throughout our service territory. It is PAWC’s position that the cost for water service to data centers should not be placed on the backs of our existing customer base. This has been made clear to developers who have inquired about connecting to our service mains and should also be considered as the Commission develops model tariffs. It is also important to recognize that infrastructure improvements to serve data centers can have a positive impact on our current customers in terms of increasing main sizes, improving pumping or storage capacity and complying with regulatory mandates. At the same time, we will not place our company in a position where we can service a data center but not support additional growth within our service territory that we are required to serve.

### **C. Minimum Demand Charges**

Providing safe, clean and reliable water service is paramount to our customer base and requires having the supply available when needed. Large Water Usage Customers - data centers - can use up to sixteen million gallons during peak summer months to cool their servers and as little as 24,000 gallons per day in the winter months.<sup>2</sup> The cost of maintenance and system demand are based off the peak months because that is when the most strain is placed upon a water distribution system. Water utilities must invest in capital that is available year around to handle these peak months, and the customers causing the investment should pay the costs throughout the year, not simply when they utilize their peak. To address these varying demands, a model tariff should include either limits on the amount of water a data center is supplied or a minimum charge for production capacity. A capacity charge paid by the data center is appropriate because the strain placed on the infrastructure during peak demand imposes costs throughout the year. It should not be the customer or utility who absorbs that cost for the seasonal high consumption needed by the data center. This would ensure all our customers are provided with adequate and reliable service in peak demand months.

### **D. Interruptible Service and Standby Rates for Large Load Customers**

PAWC recommends data centers or other Large Water Usage Customers be held to the same standards as our entire customer base. For instance, in situations where supply is low due to drought, we recommend data centers be required to curtail their usage. We issue conservation notices to our customer base and would follow the same process with large users. We do not

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<sup>2</sup> Testimony of Tony Nokovich, P.E. before the Senate Majority Policy Committee, p. 3.

want to provide preferential service to different customers. It is our goal to treat every customer equally in those situations.

#### **E. Reporting Requirements**

There should be reporting requirements placed upon Large Water Usage Customers that highlight their total water consumption. We recommend the reports be published every year and include peak demand days for each month throughout the calendar year. It would also be beneficial to include the source of water supplied and whether the consumption was intended for cooling or other usage. This will assist in providing water utilities with accurate data to anticipate peak demand schedules and our ability to monitor our source of supplies.

#### **IV. CONCLUSION**

PAWC thanks the Commission for this opportunity to provide comments on the Tentative Order concerning interconnection and tariffs for large load customers and for considering the comments contained herein.

Respectfully submitted,



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