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April 17, 2026

VIA ELECTRONIC FILING

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

**RE: Borough of Phoenixville, Chester County, Pennsylvania
Aqua Pennsylvania, Inc.**

Dear Secretary Homsher:

Attached for filing with the Pennsylvania Public Utility Commission is the Second Amendment to Water Supply Agreement Between the Borough of Phoenixville, Chester County, Pennsylvania and Aqua Pennsylvania, Inc. This agreement is being filed pursuant to 66 Pa. C.S. § 507.

Pursuant to 52 Pa. Code § 1.11, the attached document is to be deemed filed on April 17, 2026, which is the date it was electronically filed using the Commission's e-filing system.

If you have any questions, please do not hesitate to contact me. Thank you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a white background.

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

Counsel to the Borough of Phoenixville

cc: Alexander R. Stahl, Esq. (ASTahl@aquaamerica.com)
Frances P. Orth, Esq. (FPOrth@essential.co)
James B. McGinley (JBMcGinley@aquaamerica.com)

SECOND AMENDMENT TO WATER SUPPLY AGREEMENT

THIS SECOND AMENDMENT TO WATER SUPPLY AGREEMENT, is made this 14th day of April, 2026, by and between the **BOROUGH OF PHOENIXVILLE**, a municipal corporation located in Chester County, Pennsylvania (hereinafter called the “Borough”) and **AQUA PENNSYLVANIA, INC.**, a Pennsylvania corporation with an office location at 762 W. Lancaster Avenue, Bryn Mawr, PA 19010 (hereinafter called “Aqua”).

RECITALS

The Borough and Aqua entered into a Water Supply Agreement (“Agreement”), dated January 10, 2018, pursuant to which the Borough committed to supply water to Aqua for sale to Aqua customers for a period of ten (10) years; and

The Borough and Aqua executed a First Amendment to Water Supply Agreement (“First Amendment”), dated May 30, 2019, that, among other changes, shortened the term of the Agreement; and

Under the First Amendment, the Agreement is effective until January 1, 2026, “but may be extended beyond such date, or otherwise modified, upon new terms that are mutually satisfactory to the parties based on good faith negotiations”; and

The Borough and Aqua desire to extend the Agreement and adopt new Agreement terms to the mutual benefit of the parties.

NOW, THEREFORE, subject to the terms and conditions hereof, the parties hereto, for good and valuable consideration, and intending to be legally bound hereby, consent and agree with each other as follows:

1. Paragraph 1 of the Agreement is amended to include an additional clarifying sentence as follows:

1. Supply and Purchase of Water as of Closing. Effective upon Closing and throughout the Term of this Agreement, the Borough shall supply treated water and Aqua agrees to purchase from the Borough all of its total supply of treated water to accommodate service within the Territory as shown on maps in Exhibits “A”, “B”, and “C”, all under the terms and conditions set forth in this Agreement. For avoidance of doubt, all water supply provided by the Borough to Aqua for service to customers in the Territory shall be subject to the terms of this Agreement.

2. Paragraph 4(a) of the Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

Volumetric rates under this Agreement shall be divided into two phases. Phase I includes water supplied by the Borough from January 1, 2026, until the beginning of Phase II, which begins the earlier of (1) March 1, 2027, or (2) the effective date of Aqua’s next base rate case and continues for the duration of this Agreement.

For each quarter in Phase I, the Borough will charge Aqua a volumetric rate of **\$5.00 per 1,000 gallons** for all water supplied under this Agreement retroactive to January 1, 2026.

For each quarter in Phase II, the Borough will charge Aqua a volumetric rate of **\$7.00 per 1,000 gallons** for all water supplied under this Agreement.


Additionally, Aqua must purchase an average aggregate amount of at least 100,000 gallons of water per day during each calendar year, as measured on a quarterly basis at the metering points set forth in Paragraph 3 of the Agreement. Any shortfall during a calendar year shall immediately become due to the Borough within 120 days of the end of the calendar year in which the shortfall occurred. If the Agreement terminates early, the shortfall shall be pro-rated as of the termination date and due within 120 days of such termination date.

3. Paragraph 4(b) of the Agreement is hereby deleted in its entirety.

4. Paragraph 5 of the Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:
 5. [RESERVED].
5. Paragraph 6 of the Agreement, as amended, is hereby deleted in its entirety and the following is inserted in lieu thereof:
 6. Term. This Agreement shall take effect immediately upon approval (or deemed approval) by the Pennsylvania Public Utility Commission, and remain in effect until January 1, 2028, but may be extended beyond such date, or otherwise modified, upon new terms that are mutually satisfactory to the parties based on good faith negotiations. After January 1, 2027, either party may provide a written notice, which shall be provided by electronic mail, of early termination to the other party, with such notice to become effective no less than 180 days after the date of notice.
6. Paragraph 20 of the Agreement is amended to remove James P. Dougherty, Esq. from the “Attention” line under required copies for notifications to the Borough.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to Water Supply Agreement to be executed and delivered on the day and year first above written.

BOROUGH OF PHOENIXVILLE

By: 
Jonathan M. Ewald
Borough Council President

AQUA PENNSYLVANIA, INC.

By: 
Marc A. Lucca
President