

# PRESS RELEASE



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## PENNSYLVANIA AMERICAN WATER FILES RATE REQUEST

*Filing driven by approximately \$1.26 billion invested to address aging water, wastewater infrastructure since last rate case in 2013*

**HERSHEY, Pa. (April 28, 2017)** – Pennsylvania American Water today filed an application with the Pennsylvania Public Utility Commission (PUC) requesting an increase in water rates for its customers. The primary reason for the rate request is the approximately \$1.26 billion that the company will have invested in system improvements to replace and upgrade aging infrastructure since its last rate case in 2013.

The company's request would bring a typical monthly residential water bill, using 3,630 gallons per month, from \$55.63 to \$65.12, or an increase of \$9.49.

If the PUC were to grant the entire request, the typical residential customer would receive a day's worth of water for cooking, bathing, cleaning, drinking and all other purposes for around \$2.18. "The quality, reliable water service we deliver to customers' homes and businesses would remain a remarkable value," said Pennsylvania American Water President Jeffrey McIntyre.

He said the \$1.26 billion worth of capital investments, which include upgrades to treatment plants, storage tanks, wells and pumping stations, are necessary to enhance service reliability, water quality and fire protection for the more than 400 communities served by Pennsylvania American Water. The company will also have replaced approximately 450 miles of aging pipe, as well as valves, service lines, hydrants and other parts of its nearly 10,700-mile network of water and sewer lines.

"This rate request is necessary to help recover the prudent capital investments that we have made to maintain and upgrade our infrastructure, so that we can ensure that our customers continue to receive reliable service that meets all regulatory standards," said McIntyre.

According to the latest report card issued by the American Society of Civil Engineers last month, the nation's water infrastructure received a "D" grade and wastewater infrastructure was rated "D-plus." McIntyre said proactive capital investment saves money in the long run by making sure that water and wastewater systems do not fall into serious disrepair and put public health at risk.

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He added that Pennsylvania American Water's rates are based on the actual cost of providing water and wastewater service. "To mitigate rate increases, we work very hard to control our costs and operate as efficiently as possible," he said.

In its application, Pennsylvania American Water also requests adjustments to wastewater rates for customers who receive its wastewater service. The company's filing would increase rates for some of its 55,000 wastewater customers across the Commonwealth, while decreasing rates for other wastewater customers. Specifically, Scranton and Dunmore customers who were previously served by the Scranton Sewer Authority would see no change in their wastewater rates under the company's proposal. Pennsylvania American Water acquired the assets of the Scranton Sewer Authority in December 2016.

The company's filing requests that the new rates become effective June 27, 2017. However, the PUC typically suspends such requests for up to nine months (January 2018) to permit a complete investigation and analysis of the company's filing. Pennsylvania American Water is seeking a total annual revenue increase of approximately \$107.9 million.

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.3 million people. With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com).

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