NOTICE OF PROPOSED WATER ACQUISITION AND RATE BASE ADDITION (Docket No. A-2025-3052983)

PENNSYLVANIA AMERICAN WATER

Dear Customer:

On March 07, 2025, the Pennsylvania Public Utility Commission ("PUC") conditionally accepted for filing the application of Pennsylvania-American Water Co. ("Pennsylvania-American") for approval to acquire the Pennsylvania-American Water Company wastewater system assets. PAWC serves approximately 2200 customers in Allegheny County. Pennsylvania-American's application also requests that the PUC authorize an addition of $28 million to Pennsylvania-American's rate base pursuant to 66 Pa. C.S. § 1329. A utility's rate base is the value of property used by the utility to provide service to its customers and is one of many components used to establish customer rates.

This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Pennsylvania-American customers, including the PAWC wastewater customers. Pennsylvania-American is not requesting a rate increase as part of the acquisition. Your current rates will not change as a result of this acquisition until the conclusion of Pennsylvania-American's first base rate case where PennsylvaniaAmerican requests and receives PUC approval to increase its rates. Based on a non-binding estimate of the potential rate impacts, Pennsylvania-American anticipates that the potential rate impact could be as follows:

PAWC WATER			
Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	3201 gal/month	$0.16	0.2%
Commercial	22094 gal/month	$0.84	0.2%
Industrial	685947 gal/month	$17.73	0.2%

PAWC WASTEWATER			
Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	3201 gal/month	$1.21	1.1%
Commercial	22094 gal/month	$5.75	1.1%
Industrial	685947 gal/month	$166.30	1.1%

These amounts could change and will depend on how the PUC chooses to apportion any increase among different types of utility service, rate zones and classes of customers. For Pennsylvania-American customers in a rate zone other than Rate Zone 1, the potential rate impact could vary from the chart above.

PUC ROLE

The state agency that approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve, modify or deny the requested addition to rate base.

ACTIONS YOU CAN TAKE

You can support or challenge Pennsylvania-American's request by:

1. **Sending a letter to the PUC.** You can tell the PUC why you support or object to the application in your letter. This information can be helpful when the PUC investigates the application. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. **Attending or presenting testimony at a PUC public input hearing.** You can attend or be a witness at a PUC public input hearing. The PUC holds public input hearings if it opens an investigation of Pennsylvania-American's transaction and if there is enough interest in the case. At these hearings, you can present your views in person to the PUC judge and to company representatives. Testimony under oath becomes part of the application case record. The PUC holds these hearings in the service area of the company. For more information, call the PUC at 1-800-692-7380.

3. **Filing a protest or a petition to intervene.** If you want to be a party to the case, you must file a protest or a petition to intervene. You then have an opportunity to take part in all the hearings about the proposed acquisition. You can receive copies of all materials distributed by the other parties. Protests and petitions to intervene must be filed in accordance with 52 Pa. Code (relating to public utilities) on or before June 03, 2025. Filings must be made with the Secretary of the Pennsylvania Public Utility Commission at P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on Pennsylvania-American's counsel at:

   David P. Zambito, Esq.
   Cozen O' Connor
   17 North Second Street, Suite 1410
   Harrisburg, PA 17101

The documents filed in support of the application are available on the PUC's website at www.puc.pa.gov, and for inspection and copying at the Office of the Secretary of the PUC between 8 a.m. and 4:30 p.m., Monday through Friday, and at Pennsylvania-American's offices at 852 Wesley Drive, Mechanicsburg, PA 17055. The PUC docket number is A-2025-3052983. For more information, you may contact the PUC's Bureau of Consumer Services at 1-800-692-7380.