



Information Regarding the Proposed Rate Increase
Request of Pennsylvania-American Water Company
Docket No. R-2020-3019369 (water)
Docket No. R-2020-3019371 (wastewater)

On April 29, 2020, Pennsylvania-American Water Company (PAWC or the Company) filed a request with the Pennsylvania Public Utility Commission (PUC) to increase water and wastewater rates for its customers. As of December 31, 2019, PAWC provides service to approximately 665,829 water customers and approximately 74,354 wastewater customers located in 37 counties across Pennsylvania.

If the rate increase request is granted as proposed by the Company, PAWC will be permitted to recover an additional \$138.6 million in total annual operating revenues over a two-year period; \$92.4 million in 2021 (12.9% over annual revenues at present rates), and \$46.2 million in 2022 (5.8% over annual revenues at present rates). For specific information on the water and wastewater rate proposal in your area, please refer to the tables on the next page.

During the next several months, the Office of Consumer Advocate will represent the interests of consumers and will participate fully in this case. We have retained expert witnesses to review PAWC's filing, including all costs and expenses claimed. This includes the Company's proposal for a multiyear rate increase, acquisition surcharge, and pension tracker. We will review the basis of PAWC's claimed increase, including operation and maintenance expenses, capital expenditures, rate of return, taxes and the allocation of costs among customer classes. My Office will also carefully review the impact of the COVID-19 pandemic on consumer's ability to support any rate increase during this difficult time.

We have filed a Formal Complaint and the PUC has suspended the proposed rate increase, pending a thorough investigation of PAWC's request. We asked the PUC to hold evidentiary hearings to examine the reasonableness of the Company's proposed increase in rates.

This Office will also request that the PUC schedule public input hearings, if you desire an opportunity to express your views on the proposed rate increase. Requests for public input hearings will be granted if the PUC determines that there is substantial interest. If you would like to request a public input hearing, please contact my Office as soon as possible. If the PUC schedules such hearings, we will notify you of the date and time. We will also post public input hearing information on the Pennsylvania Office of Consumer Advocate's Facebook page at www.facebook.com/pennoca and on Twitter @pa_oca.

The Office of Consumer Advocate will be represented in this proceeding by Christine Maloni Hoover and Erin Gannon, Senior Assistant Consumer Advocates, and Harrison Breitman and Lauren Guerra, Assistant Consumer Advocates.

If you have any questions or need additional information, please do not hesitate to contact my Office's Consumer Liaison, Heather Yoder at 1-800-684-6560. Also, if you are aware of any relevant information regarding the proposed rate increase or the Company's quality of service, please contact us.

Tanya J. McCloskey
Acting Consumer Advocate

According to the customer notices included in the Company's proposal, a typical residential water customer using 3,458 gallons per month would see the following increases to their monthly bill as provided by Zone in the following table:

Rate Zone	Area	Present	Proposed For Jan. 2021 (vs. present rates)			Proposed For Jan. 2022 (vs. Jan. 2021 rates)			Proposed For Jan. 2022 (vs. present rates)		
			Rate	\$ Increase	% Increase	Rate	\$ Increase	% Increase	Rate	\$ Increase	% Increase
Zone 1		57.85	65.91	8.06	13.9%	69.73	3.82	5.8%	69.73	11.88	20.5%
Zone 2		46.90	65.91	19.01	40.5%	69.73	3.82	5.8%	69.73	22.83	48.7%
Zone 3	McEwensville	33.28	49.06	15.78	47.4%	69.73	20.67	42.1%	69.73	36.45	109.5%
Zone 4	Turbotville	45.40	65.91	20.51	45.2%	69.73	3.82	5.8%	69.73	24.33	53.6%
New Zone 2	Winola	33.23	33.23	-	0.0%	33.23	-	0.0%	33.23	-	0.0%
Zone 5	Steelton	29.30	35.17	5.87	20.0%	41.00	5.83	16.6%	41.00	11.70	39.9%

According to the customer notices included in the Company's proposal, a typical residential wastewater customer using 3,458 gallons of water per month would see the following increases to their monthly bill as provided by Zone in the following table:

Rate Zone	Area	Present	Proposed For Jan. 2021 (vs. present rates)			Proposed For Jan. 2022 (vs. Jan. 2021 rates)			Proposed For Jan. 2022 (vs. present rates)		
			Rate	\$ Increase	% Increase	Rate	\$ Increase	% Increase	Rate	\$ Increase	% Increase
Zone 1		60.42	71.97	11.55	19.1%	76.85	4.88	6.8%	76.85	16.43	27.2%
Zone 2	New Cumberland	44.58	53.53	8.95	20.1%	63.04	9.51	17.8%	63.04	18.46	41.4%
Zone 4	Koppel	50.87	71.97	21.10	41.5%	76.85	4.88	6.8%	76.85	25.98	51.1%
Zone 5	Franklin	72.80	71.97	(0.83)	-1.1%	76.85	4.88	6.8%	76.85	4.05	5.6%
Zone 8	Turbotville	52.04	71.97	19.93	38.3%	76.85	4.88	6.8%	76.85	24.81	47.7%
	Delaware	95.52	71.97	(23.55)	-24.7%	76.85	4.88	6.8%	76.85	(18.67)	-19.5%
Zone 7	Sadsbury	74.03	71.97	(2.06)	-2.8%	76.85	4.88	6.8%	76.85	2.82	3.8%
Zone 9	Exeter	42.72	71.97	29.25	68.5%	76.85	4.88	6.8%	76.85	34.13	79.9%
Zone 3	Scranton	40.55	44.44	3.89	9.6%	44.87	0.43	1.0%	44.87	4.32	10.7%
Zone 6	McKeesport	51.75	71.97	20.22	39.1%	76.85	4.88	6.8%	76.85	25.10	48.5%
Zone 6	Port Vue	41.82	71.97	30.15	72.1%	76.85	4.88	6.8%	76.85	35.03	83.8%
New Zone 4	Kane	50.73	61.89	11.16	22.0%	74.05	12.16	19.6%	74.05	23.32	46.0%