

## NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 17, 2018 to increase your water rates as of Oct. 16, 2018. A full investigation of this request could delay the change until May 2019. This notice describes our request, the PUC's role, and what actions you can take.

### AQUA PENNSYLVANIA'S RATE REQUEST

Aqua is requesting an overall rate increase of \$71.8 million per year in total for all of its water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since June 2012 and projected through March 2020. It also covers the cost of operation and maintenance, essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$2.2 billion in infrastructure and other service improvements — that's an average capital investment of approximately \$4,855 per customer.

### THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in its water and wastewater systems have increased reliability and capacity, and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including:

- Replacement and rehabilitation of more than 800 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of its approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure sustained disinfection throughout the distribution system as required by Pennsylvania's new, more stringent environmental requirements
- Upgrades to pumping stations and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8" meter using 4,080 gallons a month would increase from \$59.85 to \$69.07 per month.
- Commercial customers with a 5/8" meter using 37,800 gallons a month would increase from \$380.00 to \$440.04 per month.
- Industrial customers with a 5/8" meter using 231,500 gallons a month would increase from \$1,897.56 to \$2,203.48 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 2 and Original Tariff Sewer – PA P.U.C. No. 2, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain language summary of why we need to raise our rates.

### PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than the Company's request.

### ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. Attending or presenting testimony at PUC Public Input Hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
  
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 16, 2018. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: [www.puc.state.pa.us](http://www.puc.state.pa.us).

**MAIN DIVISION**

Board Supvr of Tredyffrin  
 1100 Duportail Rd  
 Berwyn, PA 19312-1079



Main Division

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