



New Garden Township

Board of Supervisors

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2016-2580061

Dear Customer:

On June 29, 2017, the Pennsylvania Public Utility Commission (PUC) approved the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) to acquire the wastewater system assets of New Garden Township and New Garden Township Sewer Authority (New Garden). New Garden serves approximately 2,300 customers in Chester County, Pennsylvania. The PUC approved an addition of up to \$29.5 million to Aqua's rate base pursuant to 66 Pa. C.S. § 1329, which represents the cost to acquire the New Garden assets. The PUC approval was appealed to the Commonwealth Court, which remanded the decision back to the PUC. Administrative Law Judge Steven K. Haas is presiding over the remand proceeding.

A settlement of the remand proceeding has been reached between Aqua and the Office of Consumer Advocate. On February 21, 2020, Aqua filed the proposed Settlement with the PUC and served a copy of the proposed Settlement on Judge Haas. You can find the settlement on Aqua's website at the following web address:

<https://www.aquaamerica.com/our-states/pennsylvania/new-garden.aspx>

If you would like a paper copy, please contact Aqua's counsel Thomas Niesen at 717.255.7600 and one will be provided to you.

This brief summary of some of the points of the Settlement is provided for your convenience. However, we encourage you to please review the Settlement in its entirety. The Settlement, if approved, would do the following:

- Allow Aqua to acquire the New Garden sewer assets and begin to provide sewer service in areas supplied by New Garden.
- Allow Aqua to add \$29.5 million to its 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 several components used to establish a utility's customer rates.
- Remove the provisions regarding the compound annual growth rate and rate freeze from the Asset Purchase Agreement.
- Implement New Garden's existing sewer rate ordinance for New Garden wastewater customers, which includes the increase in 2019 and provides for the New Garden approved rate increase in 2020, after which time rates would not change until the conclusion of Aqua's next base rate case following closing.
- Propose a rate zone for New Garden wastewater customers, in Aqua's first base rate case following closing, that would increase rates to an amount equal to Aqua's Zone 1 wastewater rates, unless the increase would be more than twice the system average increase for all Aqua's wastewater divisions. In that case, the increase would be capped at twice the system average increase, unless otherwise ordered by the PUC.

The table below presents a non-binding, estimated incremental rate effect of the proposed rate base addition on New Garden's wastewater customers:

New Garden Customers

Rate Class	Average Usage	Estimated Monthly Increase From New Garden's 2020 rates	Estimated Percentage Increase
Residential	3,750 gal/month	\$35.69	51.57%
Commercial	7,820 gal/month	\$101.74	51.57%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers.

PUC ROLE

The state agency that approves acquisitions and rates for regulated public utilities is the PUC. It will review the proposed settlement related to acquisition of the New Garden wastewater assets. After examining the evidence, the PUC may approve, modify or deny the settlement. As part of its review, the PUC will hold a hearing if a hearing is requested.

ACTIONS YOU CAN TAKE

1. File written comments to the PUC. You can tell the PUC why you support or object to the transaction or the settlement. This information can be helpful when the PUC investigates the application and settlement. You can ask the PUC to schedule a hearing and take part in any hearings about the proposed acquisition and will receive all notices and decisions issued by the Commission. Your comments must be postmarked no later than April 8, 2020.
2. You may choose to do nothing.

If you choose to file comments:

- Include the PUC docket number A-2016-2580061
- Send an original to the Commission's Secretary and a copy to Judge Haas and Aqua's Counsel Thomas T. Niesen:

Secretary's Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Thomas T. Niesen
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 302
Harrisburg, PA, 17101

Honorable Steven K. Haas
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

- Your comments **must be postmarked no later than April 8, 2020.**

The documents filed related to this application are available on the PUC's website at www.puc.pa.gov, 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 Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. For more information, please feel free to contact Aqua at 877.987.2782 or the PA Office of Consumer Advocate toll-free at 1.800.684.6560.

Important Notice and Update Regarding Sale of the Township Sewer System and Potential Issues with AQUA and the PA Public Utilities Commission (PUC)

Dear Township Homeowner, Renter and Rate Payer:

Last May the Cheltenham Township Board of Commissioners, upon completing a multi-year deliberation process which included over 20 public meetings, voted to sell our sanitary sewer system to AQUA Pennsylvania Wastewater, Inc.

Our Operating and Fiscal Realities:

- To remind you, we did so due to the serious aging and dysfunction of the system
- It avoided the financial threat the Township faced with unaffordable replacement and major repairs, and sizable anticipated increases in the Township's sewer rates
- By doing this, it should restore our ability to make additional connections to the system which was prevented as a result of a moratorium imposed by the PA Department of Environmental Protection (DEP)

Reasons for this Current Communication:

The application to transfer the Township's Sanitary Sewer Assets has progressed to the point where the PUC has received the Application for Approval of Cheltenham's sale of its sewer system to Aqua Pennsylvania Wastewater, Inc., filed with the Pennsylvania Public Utility Commission on March 13, 2019.

The Board of Commissioners urge you to read the enclosed Notice required by the PUC which provides you with the opportunity to weigh in on the sale; review "Information on the Potential Sale of the Sewer System" listed on the Township website; and refer to the Summary entitled "Sale of Sanitary Sewer System Supported" located above the March 2019 Grid on the 2018-19 Township Calendar.

Prospects for you to Consider:

The sale to AQUA will allow:

- A qualified and PUC regulated utility with core expertise and operational economies of scale to improve, modernize and manage this essential service
- It will eliminate the financial risks and exposure the Township faced at the massive repairs the system required
- It is expected to open the issuance of EDU's (sewer connections) to the upcoming developments the Township has been encouraging to increase our revenue base
- And importantly, it is Cheltenham Township's understanding that AQUA has no plans to file its next rate case until 2021, with any PUC approved increase unlikely to take effect before 2022 (the prospective increases on the PUC notice align with our projections)

Given all this, we hope your understanding of the decision, its impact and benefits, will reassure you that the Board of Commissioners, Township Staff and our consultant team of financial advisors as well as AQUA, have and are acting responsibly and with a vision for the future.

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION
Docket No. A-2019-3008491

Dear Customer:

On March 26, 2019, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the Cheltenham Township (Cheltenham) wastewater system assets. Cheltenham serves approximately 10,200 customers in Montgomery County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$50.25 million to Aqua'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 several components used to establish a utility's customer rates.

This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new Cheltenham Township wastewater customers. Aqua is not requesting a rate increase as part of the acquisition. Your rates will not change until the conclusion of Aqua's next rate case where Aqua requests and receives PUC approval to increase its rates. Currently, it is not known when Aqua will file its next rate case. However, it is Cheltenham's understanding that Aqua does not plan to file its next rate case until 2021, with any rate increase likely to take effect in 2022. At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be determined in Aqua's next base rate case and will be dependent on how the Commission chooses to apportion the increase among Aqua's acquired and existing customers. The table below presents a non-binding, estimated incremental rate effect of the proposed rate base addition on Cheltenham's wastewater customers:

Cheltenham Customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	4,190 gal/month	\$14.11	37.86%
Commercial	43,840 gal/month	\$72.81	37.86%
Industrial	2,170 gal/month	\$11.12	37.86%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$50.25 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the

acquisition and may approve or modify the \$50.25 million addition to rate base. The PUC will issue a decision on the application on or around October 24, 2019.

ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of Cheltenham's wastewater system 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) 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 3, 2019. 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 Aqua's counsel at Thomas, Niesen & Thomas, LLC, Attn: Thomas T. Niesen, 212 Locust Street, Suite 302, Harrisburg, PA 17101.

The documents filed in support of the application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2019-3008491.

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION
Docket No. A-2019-3009052

Dear Customer:

On October 23, 2019, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the East Norriton Township (East Norriton) wastewater system assets. East Norriton serves approximately 4,900 customers in Montgomery County, Pennsylvania. Aqua’s application also requests that the PUC authorize an addition of up to \$21 million to Aqua’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 several components used to establish a utility’s customer rates.

This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new East Norriton Township wastewater customers. Aqua is not requesting a rate increase as part of the acquisition. Aqua will complete capital improvements necessary for the East Norriton system following closing. Your rates will not change until the conclusion of Aqua’s next rate case where Aqua requests and receives PUC approval to increase its rates. Currently, it is not known when Aqua will file its next rate case. At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be determined in Aqua’s next base rate case and will be dependent on how the PUC chooses to apportion the increase among Aqua’s acquired and existing customers. The table below presents a non-binding, estimated incremental rate effect of the proposed rate base addition on East Norriton’s wastewater customers:

East Norriton Customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	4,000 gal/month	\$13.42	34.84%
Commercial	6,750 gal/month	\$19.69	34.84%
Industrial	6,750 gal/month	\$19.69	34.84%
Other	6,670 gal/month	\$11.03	34.84%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$21 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$21 million addition to rate base. The PUC will issue a decision on the application on or around May 21, 2020.

ACTIONS YOU CAN TAKE

You can support or challenge Aqua’s request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua’s acquisition of East Norriton’s wastewater system 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) 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 January 6, 2020. 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 Aqua’s counsel at Thomas, Niesen & Thomas, LLC, Attn: Thomas T. Niesen, 212 Locust Street, Suite 302, Harrisburg, PA 17101.

The documents filed as part of this application are available 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, on the PUC’s website at www.puc.pa.gov and at Aqua’s offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2019-3009052.





Lower Makefield Township

BUCKS COUNTY, PENNSYLVANIA

1100 Edgewood Rd Yardley, PA 19067
Phone: (267) 274-1100 Email: admin@lmt.org

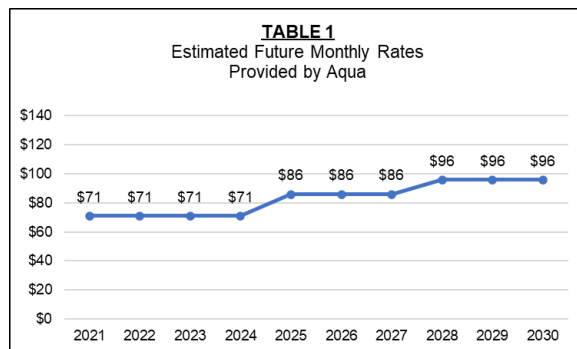
Dear Lower Makefield Township Wastewater Customers:

In August of 2020, Lower Makefield Township's Board of Supervisors (the "Township") voted to approve the sale of the Township's wastewater system to Aqua Pennsylvania Wastewater, Inc. (Aqua) for a purchase price of \$53,000,000.

The Township approved the sale for several reasons. The greater financial resources and the professional expertise of Aqua far surpass the ability of the Township to operate and provide needed long-term investment in a wastewater system, particularly regarding ever increasing environmental and regulatory compliance matters. The massive risk associated with running a wastewater system related to system failure and the cost of funding major capital projects is far too great for the Township to continue to expose itself to as well. Additionally, by paying off debt, avoiding future sewage infrastructure debt, and replenishing deficient funds with the proceeds of the sale, the Township will greatly improve its financial outlook. Even after satisfying these outstanding obligations, the Township will have remaining proceeds to fund other projects as determined by the Township, otherwise, it would have to borrow funds or raise taxes.

Currently, the Township's sewer collection rate for a metered single-family dwelling is \$213.38 a quarter or \$853.52 a year (assuming an annual water consumption of 48,000 gallons per year). Any increases in future rates will be based on the cost to provide service to customers, similar to how the Township rate increases would occur if it kept the system. Because Aqua is regulated by the Pennsylvania Public Utility Commission (PUC), any future proposed changes in rates will require a filing with the PUC and will be subject to extensive governmental review and approval.

Enclosed is the notice that the PUC requires Aqua to send to Township customers containing an estimate of potential future rate increases. Please see the table in the center of the enclosed notice, fourth column, second row, "Estimated Percentage Increase," at 28.17%. This amount is a non-binding estimate of potential future rate increases which assumes a more conservative PUC assumption of apportionment between existing and acquired customers. Actual rates will be set by the PUC and must, under state law, be "just and reasonable," taking gradualism into consideration. As such, future increases may be lower than those set forth in the notice. As part of the agreement of sale, **Aqua will adopt the Township's sewer collection rates in effect when the system is acquired and hold those rates for a minimum of two (2) years beginning in 2022, noting however that the rates will move from quarterly to monthly billing.** Table 1 to the right shows the estimated future rates that Aqua provided as a part of their bid which illustrates holding the existing rates for longer than two years. While actual PUC-set rates may differ, the table shows the gradual nature of a typical PUC increase in rates.



The two paragraphs above the table *in the enclosed notice* describe how Aqua applies for rate changes with the PUC; the area below the table *in the enclosed notice* describes how customers can participate in the acquisition application process. In any event, the Township rate would have been higher had the Township kept the system given future construction and capital requirements and this is without factoring in a catastrophic failure of the system. The Township assessed the risks of keeping the system and the benefits of a sale and determined it was in the best interests of the residents and Township to sell the wastewater system to a larger experienced utility.

Sincerely,
Lower Makefield Township

Webpage: www.lmt.org
Email: admin@lmt.org



NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2021-3024267

Dear Customer:

On June 25, 2021, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the Lower Makefield Township (Lower Makefield) wastewater system assets. Lower Makefield serves approximately 11,000 customers in Bucks County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$53 million to Aqua'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 several components used to establish a utility's customer rates.

This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new Lower Makefield Township wastewater customers. Aqua is not requesting a rate increase as part of the acquisition. Your rates will not change as a result of this transaction until the conclusion of an Aqua rate case where Aqua includes the Lower Makefield system and requests and receives PUC approval to increase its rates. At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be dependent on how the PUC chooses to apportion the increase among Aqua's acquired and existing customers. The table below presents a non-binding, estimated incremental rate effect of the proposed rate base addition on Lower Makefield's wastewater customers:

Lower Makefield Customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	4,690 gal/month	\$20.94	28.17%
Commercial	4,690 gal/month	\$30.32	28.17%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$53 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$53 million addition to rate base. The PUC will issue a decision on the application on or around February 3, 2022.



ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of Lower Makefield's wastewater system 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 into Aqua's transaction and 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 September 7, 2021. 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 Aqua's counsel at Thomas, Niesen & Thomas, LLC, Attn: Thomas T. Niesen, 212 Locust Street, Suite 302, Harrisburg, PA 17101.

The documents filed as part of this application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2021-3024267.



East Whiteland Township
209 Conestoga Road, Frazer PA 13555
(610) 648-0600

Dear Township Sewer Customers:

In November 2020, our Board of Supervisors voted to approve the sale of our sewer system to Aqua Pennsylvania Wastewater, Inc. (Aqua) for a purchase price of \$54.93 million after a thorough and competitive process.

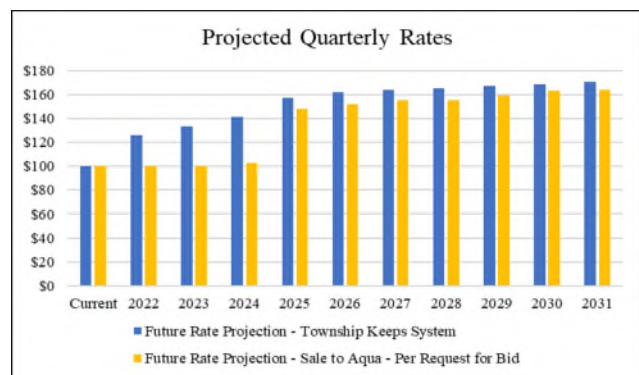
The Township approved the sale for two main reasons. First, Aqua has the greater financial resources and professional expertise needed to operate and provide long-term investment in a sewer system, particularly considering the ever increasing environmental and regulatory compliance matters. The risk associated with failure of portions of the sewer system and the cost of funding major capital projects is significant. Our system was initially built over 50 years ago and needs significant upgrades to meet current standards. Over the past six years, infrastructure repairs and replacement exceeded \$1.1 million. Over the next ten years, system improvements are estimated to exceed \$15 million.

The second reason is to improve our financial situation and fund essential projects without taking on additional debt. We will use the proceeds to completely pay off current township debt, the largest pieces being sewer debt (over \$16 million) and public works building debt (over \$7 million). By eliminating existing debt and avoiding the risk of future sewer debt, the Township will solidify its financial future. The Township will then be able to use the remaining proceeds of the sale to fund other important projects. Some of these projects include a new police station, renovations to our current administration building, possible acquisition of open space, improvements to parks and trails, road projects to improve traffic flow, storm water management, and maintenance of historical resources.

Under the agreement with Aqua, sewer rates will not increase for three years. After that, any increases in rates will be based on the cost to provide service to customers, similar to how the Township would determine rates if it kept the system. Currently, the average Township customer pays \$100 each quarter for sewer, a 33.3% increase in rates since 2007. Costs to operate the system continue to increase. For example, starting in 2021, conveyance and treatment costs are projected to increase by almost \$750,000 (31.3%) by 2025. If the Township retained the system, those costs would be borne entirely by East Whiteland residents.

While the Township sets its own rates, Aqua's rates must be reviewed and approved by the PA Public Utility Commission, which requires that increases be reasonable and just, while also taking into consideration gradualism. As part of this application, the PUC requires notice showing the full cost impact of the revenue deficiency related to the transaction, which is disclosed in the attached letter. These are not the anticipated rates. In submitting its \$54.93 million bid, Aqua calculated an indicative rate

scenario that the Township used when considering the bid. Over a 10-year period, based on increasing operational and capital costs, Aqua rates are projected to be notably less than the Township's rates would be over the same period. The resulting net benefit to the average resident, from the sale to Aqua, is approximately \$622 over the next 10 years.



In summary, the Township assessed the risks of keeping the system, recognized the benefits of a sale, and determined it was in the best interests of the residents and Township to sell the sewer system to a larger experienced utility. For full disclosure of future indicative rates and other relevant information, please go to www.eastwhiteland.org and click on the link for Proposed Sewer Sale in the Administration section of our website.

Sincerely,

East Whiteland Township

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2021-3026132

Dear Customer:

On December 20, 2021, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the East Whiteland Township (East Whiteland) wastewater system assets. East Whiteland serves approximately 3,900 customers in Chester County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$54.93 million to Aqua'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 several components used to establish a utility's customer rates.

This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new East Whiteland Township wastewater customers. Aqua is not requesting a rate increase as part of the acquisition. Your rates will not change as a result of this transaction until the conclusion of an Aqua rate case where Aqua includes the East Whiteland system and requests and receives PUC approval to increase its rates. At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be determined in Aqua's next base rate case and will be dependent on how the PUC chooses to apportion the increase among Aqua's acquired and existing customers. The tables below present non-binding estimated incremental rate effect of the proposed rate base addition on East Whiteland's wastewater customers, which include estimates with and without cost sharing. Aqua has sought cost sharing in later rate filings for acquired systems and therefore we are providing both scenarios in this notice:

East Whiteland Customers rates assuming costs are shared with other Aqua customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Sewer District A & B	Fixed	\$21.02	63.05%
Sewer District C	Fixed	\$28.48	63.05%
Sewer District D	Fixed	\$31.53	63.05%
Sewer District E	Fixed	\$25.22	63.05%
High Volume Users	372,210 gal/month	\$1,455.09	63.05%

East Whiteland Customers rates assuming no costs are shared with other Aqua customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Sewer District A & B	Fixed	\$44.31	132.93%
Sewer District C	Fixed	\$60.04	132.93%
Sewer District D	Fixed	\$66.47	132.93%
Sewer District E	Fixed	\$53.17	132.93%
High Volume Users	372,210 gal/month	\$3,067.71	132.93%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers. The PUC has allowed some form of cost sharing with existing customers based upon prior cases.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$54.93 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$54.93 million addition to rate base. The PUC will issue a decision on the application on or around July 14, 2022.

ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of East Whiteland's wastewater system 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 into Aqua's transaction and 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 February 28, 2022. 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 Aqua's counsel at Thomas, Niesen & Thomas, LLC, Attn: Thomas T. Niesen, 212 Locust Street, Suite 302, Harrisburg, PA 17101.

The documents filed as part of this application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2021-3026132.

BOROUGH OF SHENANDOAH

15 West Washington Street Shenandoah, PA 17976

Phone (570)462-1918 Fax (570)462-2772

Email - shenboro@ptd.net

shenandoahpa.org

“Shenandoah Borough is an Equal Opportunity Employer and Provider”

Dear Customer of Municipal Authority of the Borough of Shenandoah (“MABS”):

At its public meeting on November 25, 2020, the Borough Council of the Borough of Shenandoah (the “Borough”) voted to sell the Borough’s water treatment and distribution system (the “System”) to Aqua Pennsylvania, Inc. (“Aqua”) for a purchase price of \$12,000,000. The primary goals of the sale were to ensure that (i) much needed improvements to the water system are undertaken by Aqua, to the largest extent possible, (ii) your rates are kept as low as possible, and (iii) all current MABS employees are offered employment with Aqua. All information relating to the sale was discussed at public meetings convened by the Borough on October 19, 2020 and October 26, 2020.

The Borough began this process in 2017 after Council was advised by the Pennsylvania Economy League (“PEL”) that (1) the Borough faced a looming financial crisis because its water authority did not possess adequate funds to operate and undertake necessary future upgrades required to provide its customers with vital and necessary water services in compliance with applicable laws and regulations, and (2) this situation has jeopardized the Borough’s water infrastructure and created financial risks to the System’s customers and the Borough’s taxpayers. MABS had been unable to pay its financial obligations and was forced to modify its loan terms on multiple occasions to avoid a payment default.

In order to fund necessary capital improvements, which the Borough has estimated at more than \$25 million, the Borough received an analysis that MABS would have to increase its rates by 10% per year for each of the next several years and then 5% per year for each year thereafter over the next two decades to fund necessary System improvements. The Borough decided that the risk associated with operating the System without sufficient revenues to pay for necessary upgrades is too great for the System’s customers or its taxpayers to absorb. Aqua’s financial resources and professional expertise, however, enable it to provide needed long-term investment in the System, restore the System to a state of good repair and reliability, and remain in compliance with environmental and regulatory requirements. If the sale is completed, the cost of some of those necessary capital improvements are expected to be spread over Aqua’s more than 450,000 water customers.

Proceeds of the sale of the System will be used to pay off all of MABS’ existing debt, fund accrued pension liabilities owed to the MABS’ employees, and fund other accrued post-employment benefits of the MABS’ employees. Additionally, the residents of the Borough will enjoy the benefits of capital investment by the Borough using excess proceeds of the sale.

Currently, an average bill for a metered single-family dwelling of the Borough’s water system is \$49.64 per month or, \$148.91 per quarter (assuming a monthly water consumption of 2,790 gallons). An

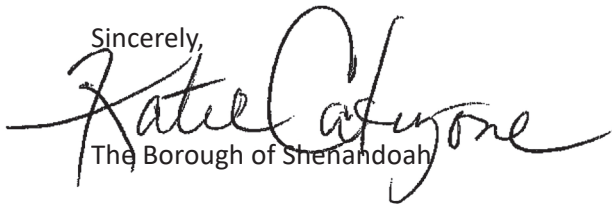


average bill using 4,000 gallons per month under the Borough's current rates would be \$58.82. If MABS were to retain and properly invest in the System, those rates are expected to increase to an amount higher than those charged by Aqua. Increases in Aqua's future rates will be based on its cost to provide service to its customers. Aqua is regulated by the Pennsylvania Public Utility Commission ("PUC"), which examines any proposed rate change to ensure Aqua's rates are just and reasonable.

Enclosed is the notice that the PUC requires to be sent to Borough customers containing an estimate of potential future rate increases. Aqua is required to provide you with a non-binding estimate of potential future rate increases assuming that it seeks to include 100% of its acquisition price of the System in its next rate case and does not have any of the costs allocated to its other customers outside of Shenandoah. Aqua has also provided an estimate of potential future rate increase which assumes some costs are shared among all of Aqua's customers. Actual rates will be set by the PUC and must, under state law, be "just and reasonable," taking gradualism into consideration. As such, future increases may be different than those set forth in the notice. As part of the agreement of sale, however, Aqua will adopt the Borough's water treatment and distribution rates in effect on the date the System is acquired, and Aqua has agreed to hold those rates until the PUC approves Aqua next rate increase, which is expected to be in 2025.

The two paragraphs above the tables in the enclosed notice describe how Aqua applies for rate changes with the PUC; the area below the tables in the enclosed notice describes how customers can participate in the acquisition application process.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie Catyone". The signature is fluid and cursive, with a large initial "K".

Katie Catyone
The Borough of Shenandoah

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2022-3034143

Dear Customer:

On December 9, 2022, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania, Inc. (Aqua) for approval to acquire the Borough of Shenandoah / Municipal Authority of the Borough of Shenandoah (Shenandoah) water system assets. Shenandoah serves approximately 2,900 customers in Schuylkill County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$12 million to Aqua'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 several components used to establish a utility's customer rates.

This acquisition will not immediately, but may in the future, affect water bills of Aqua customers, including the new Shenandoah water customers. **Aqua is not requesting a rate increase as part of the PUC acquisition approval process.** Your rates will not change as a result of this transaction until the conclusion of an Aqua rate case where Aqua includes the Shenandoah system and requests and receives PUC approval to increase its rates. **At this time, Aqua projects its next base rate case will be effective in 2025.** At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be determined in Aqua's next base rate case and will be dependent on how the PUC chooses to apportion the increase among Aqua's acquired and existing customers. The tables below present a non-binding, estimated incremental rate effect of the proposed rate base addition on Shenandoah's water customers, which include estimates with and without cost sharing. Aqua has sought cost sharing in later rate filings for acquired systems and therefore we are providing both scenarios in this notice:

Shenandoah Customers rates assuming costs are shared among other Aqua customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	2,790 gal/month	\$6.91	15.90%
Commercial	6,180 gal/month	\$12.49	15.90%
Industrial	318,750 gal/month	\$167.05	15.90%
Public	55,700 gal/month	\$35.16	15.90%

Shenandoah Customers rates assuming no costs are shared with other Aqua customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	2,790 gal/month	\$19.50	44.87%
Commercial	6,180 gal/month	\$35.25	44.87%
Industrial	318,750 gal/month	\$471.52	44.87%
Public	55,700 gal/month	\$99.24	44.87%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers.



PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$12 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$12 million addition to rate base. The PUC will issue a decision on the application on or around July 13, 2023

ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of Shenandoah's water system 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 into Aqua's transaction and 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 February 27, 2023. 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 Aqua's counsel at Saul Ewing Arnstein & Lehr, LLP, Attn: Courtney L. Schultz, 1500 Market Street, Center Square West, 38th Floor, Philadelphia, PA 19102.

The documents filed as part of this application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2022-3034143.



Sanitary Authority

125 Main Street
Greenville, Pennsylvania 16125

p724.588.4193
f 724.588.1197

www.greenvilleborough.com

info@greenvilleborough.com

June 7, 2024

Dear Sanitary System Customers:

On November 10, 2022, the Greenville Sanitary Authority (GSA) voted to approve the sale of the sanitary system to Aqua Pennsylvania Wastewater, Inc. (Aqua) for a purchase price of \$18 million. Prior to finalization, this acquisition must go through an approval process by the Pennsylvania Public Utilities Commission (PUC). The purchase proposal has been submitted to the PUC, and the filing has reached a conditional acceptance status as of May 2, 2024, to begin the review process.

The GSA carefully considered all options before settling on what they felt would have the least amount of financial impact on you as the customer. A large part of the decision to proceed with this sale was determined by a few significant factors. It was clear that Aqua has access to greater financial resources and professional expertise that far exceeds the ability of the GSA to operate and provide the long-term investment needed in the system. The GSA board also recognized that with each passing year, the operation of the system has become more and more difficult, particularly with the ever-increasing environmental and regulatory compliance matters. It was determined that the risk and cost associated with running a wastewater system coupled with funding for major capital improvement projects are far too great for continued exposure. It is for these reasons that the GSA felt it was best to approve the asset sale.

Our wastewater system treatment plant was constructed over 60 years ago and needs significant upgrades to meet current Department of Environment Protection standards. Although minor projects for regular and routine maintenance have been completed, it has been 30 years since the last major upgrade project was completed. Most recently, in 2020, the GSA began the design phase of a major plant upgrade. As of late 2023, the estimated costs to complete this project amounted to \$45.6 million. The GSA board determined that by the completion of this project, the customers would be burdened with an estimated monthly rate of approximately \$84 just to repay the debt service. That rate does not include the ongoing routine maintenance costs that increase annually or unexpected repair expenses. If the GSA had decided to retain the system, those expenses would be borne solely by the GSA customer base.

Aqua is unable to increase rates without first filing a rate case study requesting an increase. Any future rate increases will be based on the cost of providing the service to customers, similar to how we would determine rates if we had kept up with the system accordingly. And because Aqua is regulated by the PUC, all future proposed rate changes will require a filing with the PUC and will be subject to extensive governmental review and approval. Rates will be set by the PUC and must, under state law, be "just and reasonable," taking gradualism into consideration. Therefore, future increases may be lower than those listed in the notice. Included in this notice are two tables. These tables represent the non-binding estimated incremental rate effect of the proposed rate base addition on GSA's wastewater customers, which include estimates with and without cost sharing. These rates could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers. The PUC has allowed some form of cost-sharing with existing customers based on prior cases.

Sincerely,

Greenville Sanitary Authority

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2023-3041695

Dear Customer:

On May 2, 2024, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the Greenville Sanitary Authority (GSA) wastewater system assets. The GSA serves approximately 2,283 customers in Mercer County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$18 million to Aqua'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 several components used to establish a utility's customer rates.

Aqua is not requesting a rate increase in this acquisition proceeding. Any change to rates would require a separate notice mailed to customers. This acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new GSA wastewater customers. Your rates will not change as a result of this transaction until the conclusion of an Aqua rate case where Aqua includes the GSA system and requests and receives PUC approval to increase its rates. At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be determined in Aqua's next base rate case and will be dependent on how the PUC chooses to apportion the increase among Aqua's acquired and existing customers. The tables below present non-binding estimated incremental rate effect of the proposed rate base addition on GSA's wastewater customers, which include estimates with and without cost sharing. Aqua has sought cost sharing in later rate filings for acquired systems and therefore we are providing both scenarios in this notice:

Greenville Sanitary Authority Customers rates assuming costs are shared with other Aqua customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	2,910	\$28.78	124.68%
Commercial	11,070	\$69.53	124.68%
Industrial	12,580	\$76.79	124.68%
Public	11,230	\$65.54	124.68%
Bulk	3,123,900	\$26,992.61	124.68%

Greenville Sanitary Authority Customers rates assuming no costs are shared with other Aqua customers

Rate Class	Average Usage	Estimated Monthly Increase	Estimated Percentage Increase
Residential	2,910	\$41.75	180.85%
Commercial	11,070	\$100.85	180.85%
Industrial	12,580	\$111.38	180.85%
Public	11,230	\$95.06	180.85%
Bulk	3,123,900	\$39,153.27	180.85%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers. The PUC has allowed some form of cost sharing with existing customers based upon prior cases.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$18 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$18 million addition to rate base. The PUC will issue a decision on the application on or around December 5, 2024.

ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of GSA's wastewater system 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 into Aqua's transaction and 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 July 22, 2024. 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 Aqua's counsel at Saul Ewing Arnstein & Lehr, LLP, Attn: Courtney L. Schultz, 1500 Market Street, Center Square West, 38th Floor, Philadelphia, PA 19102.

The documents filed as part of this application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2023-3041695.



CITY OF BEAVER FALLS

715 FIFTEENTH STREET
BEAVER FALLS, PA 15010

Dear City Sewer Customers,

We are reaching out to share some important news regarding the future of our sewer system. In September 2021, after careful consideration and a thorough evaluation process, the previous City Council made the decision to approve the sale of our sewer system to Aqua Pennsylvania Wastewater, Inc. for a purchase price of \$41.25 million. Since then, we have been diligently working towards regulatory approval and the finalization of this transaction.

This decision was driven by several compelling factors. Firstly, the sale promises significant funding that will benefit our community in numerous ways. By entrusting the operation of the sewer system to Aqua, we can redirect our focus to other vital aspects of city governance while leveraging the expertise of a specialized utility operator. Moreover, transferring ownership helps mitigate future liabilities associated with system maintenance and management, relieving the city of potential financial burdens down the line.

Another pivotal aspect is the restriction on how funds generated by the sewer system can be utilized, limiting our ability to address diverse municipal needs. The sale unlocks these resources, empowering us to pursue initiatives that directly enrich the lives of our residents.

One such initiative is the launch of Beaver Falls Revive, a comprehensive plan aimed at rejuvenating our community and fostering a brighter future for all. This plan encompasses various uses for the proceeds including blight removal, an infrastructure replacement plan, downtown streetscape and business development, recreation and playground projects, exploring a further potential tax decrease, paying down debt, and establishing a rainy-day trust fund.

Importantly, this transition will not result in any job losses for our dedicated employees. Additionally, Aqua's commitment to capital investment ensures that our sewer system will receive the attention and improvements it requires, with over \$10 million earmarked for enhancements in the foreseeable future.

While the City sets its own rates, Aqua's rates must be reviewed and approved by the Pennsylvania Public Utility Commission, which requires that increases be reasonable and just.

Your rates are not increasing in this application proceeding. Aqua is required to implement the existing rates of the sewer system and can only change base rates after closing and when the Beaver Falls system is included in a base rate case filing. However, as part of this application, the PUC requires notice showing the full cost impact of the revenue deficiency related to the transaction, which is disclosed in the attached letter. It is important to remember that this rate may or may not represent the actual rate charged depending on a variety of factors including the ability of Aqua to spread Beaver Falls' costs across its customer base.

The decision to sell the sewer system was made after a thorough evaluation of risks and benefits, with the primary goal of serving the best interests of our residents and the city as a whole.

Thank you for your understanding and continued support.

Sincerely,
The City of Beaver Falls



NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2022-3033138

Dear Customer:

On June 27, 2024, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the City of Beaver Falls (Beaver Falls) wastewater system assets. We look forward to serving the Beaver Falls community in the future. Beaver Falls serves approximately 3,200 customers in Beaver County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$41.25 million to Aqua'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 several components used to establish a utility's customer rates.

Aqua is not requesting a rate increase in this acquisition proceeding and it is not included in Aqua's current base rate case application pending before the PUC. Accordingly, this acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new Beaver Falls wastewater customers. Your rates may only change at the conclusion of an Aqua rate case in which Aqua includes the Beaver Falls system and requests and receives PUC approval to increase its rates. At that time, based on a preliminary analysis of the potential rate impacts, Aqua estimates that the rates of the average customer could increase. The amount of the increase will be determined in Aqua's next base rate case and will be dependent on how the PUC chooses to apportion the increase among Aqua's acquired and existing customers. The tables below present non-binding estimated incremental rate effect of the proposed rate base addition on Beaver Falls' wastewater customers, which include estimates with and without cost sharing. Aqua has sought cost sharing in later rate filings for acquired systems and therefore we are providing both scenarios in this notice:

Beaver Falls Customers rates assuming costs are shared with other Aqua customers

Rate Class	Average Quarterly Usage	Estimated Quarterly Increase	Estimated Percentage Increase
Residential	9,490	\$112.64	112.49%
Commercial	39,870	\$410.35	112.49%
Industrial (Monthly)	96,710	\$322.43	112.49%
Public	69,260	\$689.35	112.49%
Bulk Other (Dalton)	440,530	\$7,499.42	112.49%

Beaver Falls Customers rates assuming no costs are shared with other Aqua customers

Rate Class	Average Quarterly Usage	Estimated Quarterly Increase	Estimated Percentage Increase
Residential	9,490	\$165.83	165.61%
Commercial	39,870	\$604.13	165.61%
Industrial	96,710	\$474.70	165.61%
Public	69,260	\$1,028.14	165.61%
Bulk Other (Dalton)	440,530	\$11,040.94	165.61%

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers. The PUC has allowed some form of cost sharing with existing customers based upon prior cases.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$41.25 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$41.25 million addition to rate base. The PUC will issue a decision on the application on or around March 2025.

ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of Beaver Falls' wastewater system 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 into Aqua's transaction and 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 November 4, 2024. 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 Aqua's counsel at Post & Schell, P.C., Attn: Michael Hassell, 17 North Second Street, 12th Floor, Harrisburg, PA 17101.

The documents filed as part of this application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2022-3033138.





CITY OF BEAVER FALLS

715 FIFTEENTH STREET
BEAVER FALLS, PA 15010

NOTICE OF PROPOSED ACQUISITION AND RATE BASE ADDITION

Docket No. A-2022-3033138

Dear Contributing Municipality:

On June 27, 2024, the Pennsylvania Public Utility Commission (PUC) conditionally accepted for filing the application of Aqua Pennsylvania Wastewater, Inc. (Aqua) for approval to acquire the City of Beaver Falls (Beaver Falls) wastewater system assets. We look forward to serving the Beaver Falls community in the future. Beaver Falls serves approximately 3,200 customers in Beaver County, Pennsylvania. Aqua's application also requests that the PUC authorize an addition of up to \$41.25 million to Aqua'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 several components used to establish a utility's customer rates.

Aqua is not requesting a rate increase in this acquisition proceeding and it is not included in our current rate application pending review and approval of the PUC. Accordingly, this acquisition will not immediately, but may in the future, affect water and/or wastewater bills of Aqua customers, including the new Beaver Falls wastewater customers.

Aqua is required to provide a non-binding estimated incremental rate effect of the proposed rate base addition to customers. While Aqua and the Contributing Municipalities¹ have entered new Wastewater Service Agreements to be effective upon closing of the transaction which, if approved, will govern rates and service to the Contributing Municipalities for the term of those Wastewater Service Agreements, Aqua is providing estimates of what the full cost of service rate impact of the ratemaking rate base could be. Aqua's estimates, based on average quarterly usage of 6,354,460 gallons of the Contributing Municipalities to the Beaver Falls system, quarterly rates could increase \$49,251.81 per quarter (or 165.61%), assuming no cost sharing with other Aqua customers. If costs are shared with other Aqua customers, the projected rate impact could be \$33,453.67 per quarter (or 112.49%).

The amounts stated above could change and will depend on how the PUC chooses to apportion any increase among the types of service, rate zones, and classes of customers. The PUC has allowed some form of cost sharing with existing customers based upon prior cases.

PUC ROLE

The state agency which approves acquisitions and rates for regulated public utilities is the PUC. The PUC will review and investigate the proposed acquisition and requested \$41.25 million in additional rate base. After examining the evidence, the PUC may approve, modify or deny the acquisition and may approve or modify the \$41.25 million addition to rate base. The PUC will issue a decision on the application on or around March 2025.

¹ Big Beaver Borough, Eastvale Borough, North Sewickley Township, Patterson Township, Patterson Heights Borough, West Mayfield Borough, and White Township.



ACTIONS YOU CAN TAKE

You can support or challenge Aqua's request by:

- 1) Sending a letter to the PUC. You can tell the PUC why you support or object to Aqua's acquisition of Beaver Falls' wastewater system 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 into Aqua's transaction and 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 November 4, 2024. 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 Aqua's counsel at Post & Schell, P.C., Attn: Michael Hassell, 17 North Second Street, 12th Floor, Harrisburg, PA 17101.

The documents filed as part of this application are available 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, on the PUC's website at www.puc.pa.gov and at Aqua's offices at 762 West Lancaster Avenue, Bryn Mawr, PA 19010. The PUC docket number is A-2022-3033138.