

## Aqua Pennsylvania files first rate request since 2011

August 17, 2018

Water would be priced at less than 2 cents per gallon

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aug. 17, 2018-- Aqua Pennsylvania Inc. filed an application with the Pennsylvania Public Utility Commission today, for the first time in nearly seven years, requesting an increase in water and wastewater rates for its customers. The primary reason for the request is the recovery of \$2.2 billion it has invested in infrastructure, including upgrades to its distribution and treatment systems to improve drinking water quality and service reliability throughout its water and wastewater operations.

The company's request would increase a residential water bill for a typical customer using 4,080 gallons per month from \$59.85 to \$69.07, an increase of \$9.22 a month (30 cents a day). Aqua is also asking for various increases for its wastewater customers. Although Aqua is asking that the new rates become effective Oct. 16, 2018, the PUC can suspend such requests for up to nine months for a complete investigation and analysis of Aqua's proposal.

"We have replaced more than 800 miles of aging water main, as well as valves, service lines and more than 19,000 fire hydrants throughout our approximately 5,800-mile distribution system," said Aqua Pennsylvania President Marc Lucca, who added that a significant portion of Aqua's capital program has been dedicated to upgrading and rehabilitating treatment plants and wells, including the installation of equipment to meet new, more stringent water quality requirements for increased sustained disinfection. It has also upgraded pumping stations, water storage tanks and standby electrical systems.

Improvements to wastewater operations include collection system replacement and renewal, treatment plant rehabilitation to ensure reliability and high quality of the treated water that is returned to the environment, upgrades to electrical systems that have improved efficiency, and the purchase and installation of generators to ensure continued service during power outages.

"All of this work is to help ensure our customers and communities have reliable water and wastewater service," Lucca said. "Because we're conscious of family and commercial budgets, we've been able to minimize increases in expenses since the last rate request in 2011 to an annual average of less than 1 percent per year."

With approximately 450,000 water and wastewater customers throughout Pennsylvania, the company said its \$2.2 billion of capital spending since the last rate request amounts to an average investment of about \$4,855 per customer.

If the PUC were to grant the entire request, the typical Aqua residential customer would still be able to have a day's worth of water, approximately 134 gallons, for approximately \$2.27— or less thartwo cents per gallon for quality water delivered directly to the customer's home. This usage includes cooking, drinking, showering, washing clothes and dishes, and sanitation.

According to the American Water Works Association, over the next 20 years, the nation's water systems need to invest about \$1 trillion in its aging infrastructure.

"Aqua has taken a proactive approach to these nationwide problems by prioritizing and systematically replacing a small percentage of our distribution systems annually, and maintaining and upgrading our treatment plants and other facilities on a regular basis," Lucca said.

The requested increase in annual revenue for Aqua, which serves nearly 1.4 million people throughout the state, is \$71.8 million.

Aqua Pennsylvania serves approximately 1.4 million people in 32 counties throughout the Commonwealth of Pennsylvania. Visit <u>AquaAmerica.com</u> for more information, or follow Aqua on Facebook at <u>facebook.com/MyAquaAmerica</u> and on Twitter at @MyAquaAmerica.

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