



Essential Utilities Believes New Virginia Fair Market Value Legislation for Water Utilities Benefits Municipalities and Customers

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BRYN MAWR, Pa.--(BUSINESS WIRE)--Apr. 23, 2020-- Essential Utilities Inc. (NYSE: WTRG) today said new legislation in Virginia will allow regulated water utilities to pay a fair market value for the purchase of water and wastewater systems, benefiting local governments, customers and the environment. Before these changes, system values were determined by their depreciated original cost, which generally did not reflect a reasonable market value for those assets.

Essential Chairman and CEO Christopher Franklin stated that the new legislation provides a compelling option for Virginia municipalities that face the challenges and costs of maintaining and operating water and wastewater utilities. Essential's Aqua Virginia water utility provides water and wastewater service to about 80,000 people in 37 counties statewide.

"Fair market value legislation will allow Aqua Virginia to offer solutions to municipalities to help them meet ever-increasing health and environmental standards and the costs of replacing their aging water and wastewater infrastructure," said Franklin. Franklin noted that communities facing greater challenges in the wake of the COVID-19 pandemic might find the new legislation helpful in their recovery. "Drinking water and wastewater services are essential to everyday life. Aqua can help ensure communities have a strong infrastructure, safe water and reliable service both now and in the future," Franklin continued. "At the same time, local governments can use the proceeds of a utility sale to fund meaningful initiatives and services for their residents."

Virginia has become the eighth and final state served by Aqua water utilities to pass legislation providing the opportunity for municipal utilities to receive a fair market value for their systems.

Aqua Virginia President John Aulbach explained that Aqua is committed to protecting public health and the environment, improving service and meeting demand for the customers it serves. "Thriving communities depend on durable, reliable water and wastewater infrastructure. This new legislation gives my team the opportunity to extend these benefits to more communities and residents throughout Virginia."

About Essential

Essential is one of the largest publicly traded water, wastewater and natural gas providers in the U.S., serving approximately 5 million people across 10 states under the Aqua and Peoples brands. Essential is committed to excellence in proactive infrastructure investment, regulatory expertise, operational efficiency and environmental stewardship. The company recognizes the importance water and natural gas play in everyday life and is proud to deliver safe, reliable services that contribute to the quality of life in the communities it serves. For more information, visit <http://www.essential.co>.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: that the legislation will allow the company to pay fair market value for water and wastewater assets benefiting local governments, customers and the environment and that the company will be able to create value through its expertise and economies of scale, and deliver efficiencies. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the economic impact of the coronavirus/COVID 19, the company's ability to leverage its compliance expertise, economies of scale, purchasing power, and operational experience; the company's ability to fund needed infrastructure; changes in regulations or regulatory treatment; availability and access to capital; the cost of capital; disruptions in the credit markets; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Essential Utilities' business, please refer to Essential Utilities' annual, quarterly and other SEC filings. Essential Utilities is not under any obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

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