Essential Utilities' Aqua Pennsylvania Subsidiary Acquires Shenandoah Water System

July 27, 2023

BRYN MAWR, Pa.--(BUSINESS WIRE)--Jul. 27, 2023-- Essential Utilities Inc. (NYSE: WTRG) today announced its Aqua Pennsylvania subsidiary completed the purchase of the Municipal Authority of the Borough of Shenandoah (MABS) water system for $12 million. MABS serves approximately 3,000 customers in Schuylkill County, PA.

"Our customers deserve a reliable system with consistently high water quality," said James Rusin, MABS Chairman. "Getting there requires the expertise, technology resources, and operational skill that Aqua brings. It was equally important to choose someone who is committed to be part of our community."

"We have a long history of municipal partnerships, and we are looking forward to partnering with the leadership and customers of MABS," said Essential Chairman and CEO Christopher Franklin. "We are proud of our track record of making appropriate capital and operating changes to ensure that all of our customers receive clean, safe, reliable water. And we're delighted to increase our commitment to Schuylkill County."

Parts of the Shenandoah system's water infrastructure date back to the 1800s. MABS currently has $5.5 million in debt and the system deals with frequent outages and main leaks. Water loss is estimated at some 60 percent.

More than $23 million of planned investments in 10 years

Essential plans to invest more than $23 million in MABS over the next 10 years, including $10 million to replace water mains. The infrastructure improvements promise system-wide cost savings over time by:

- increasing reliability and reducing water loss
- improving water quality
- improving operational efficiency and environmental performance

All full-time MABS employees were offered employment at Aqua, after completing the company's standard hiring process.

The transaction adds to Essential's regional footprint and builds on the company's strategy to grow by investing in infrastructure that delivers clean, safe, and reliable natural resources – in this case water and wastewater treatment – to residential and commercial customers.

Shenandoah is the third acquisition completed by Essential's regulated water segment in 2023, and the second system acquired by Aqua Pennsylvania. Collectively, these acquisitions have added over $37.5 million in rate base and nearly 9,000 new customers or equivalent dwelling units to the company's footprint. Additionally, the company currently has signed seven purchase agreements to acquire eight water and wastewater systems in four of its existing states. Together these systems represent over 210,000 equivalent retail customers or equivalent dwelling units with nearly $343 million in purchase price.

About Essential Utilities
Essential Utilities, Inc. (NYSE: WTRG) delivers safe, clean, reliable services that improve quality of life for individuals, families, and entire communities. With a focus on water, wastewater and natural gas, Essential is committed to sustainable growth, operational excellence, a superior customer experience and premier employer status. We are advocates for the communities we serve, donating more than $4 million each year, and are dedicated stewards of natural lands, protecting more than 7,600 acres of forests and other habitats throughout our footprint. Operating as the Aqua and Peoples brands, Essential serves approximately 5.5 million people across 10 states. Essential is one of the most significant publicly traded water, wastewater service and natural gas providers in the U.S. Learn more at www.essential.co.

Forward-Looking Statements
This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which generally include words such as "believes," "expects," "intends," "anticipates," "estimates," "will" and similar expressions. The company can give no assurance that any actual or future results or events discussed in these statements will be achieved. Any forward-looking statements represent its views only as of today and should not be relied upon as representing its views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause the company's actual results to differ materially from the statements contained in this release. Such forward-looking statements include, but are not limited to, statements relating to the capital to be invested by the company over the next ten years. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including the factors discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which is filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with the company's business, please refer to the company's annual, quarterly and other SEC filings. The company 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.

WTRGF

View source version on businesswire.com: https://www.businesswire.com/news/home/20230727090517/en/

Media Contact:

Jeanne Russo
Vice President, Communications
Media Hotline: 1.877.325.3477
Media@Essential.co

Investor Contact:
Brian Dingerdissen
Vice President, IR and Treasurer
O: 610.645.1191
BJDingerdissen@Essential.co

Source: Essential Utilities Inc.