



Eastern/Central Pennsylvania: Terry M. Maenza  
T: 610.670.7789 ext. 1009  
M: 610.849.6484  
terry.maenza@amwater.com

Western Pennsylvania: Gary Lobaugh  
T: 724.873.3674  
M: 724.944.5148  
gary.lobaugh@amwater.com

## SETTLEMENT APPROVED IN PENNSYLVANIA AMERICAN WATER RATE CASE

*PUC ruling maintains cost for tap water at about one penny per gallon*

**HERSHEY, Pa. (November 10, 2011)** –The Pennsylvania Public Utility Commission (PUC) today unanimously approved a settlement that allows Pennsylvania American Water to increase water rates. The new rates approved under the PUC settlement maintain the cost of water service at about one penny per gallon for Pennsylvania American Water’s customers.

The typical monthly residential water bill for Pennsylvania American Water customers using 4,150 gallons will increase from \$48.45 to \$51.52, or \$3.07 per month.

“We believe this is a fair and equitable settlement that balances our customers’ interests with the company’s need to recover costs associated with our millions of dollars in capital investments,” said Pennsylvania American Water President Kathy L. Pape. “We commend the Office of Consumer Advocate and the other parties who worked with us to resolve the case.

“The rate request was driven by the prudent capital investments that we made to maintain and upgrade our infrastructure and to ensure that our drinking water meets all quality standards,” Pape said. The company invested approximately \$533 million since its last rate case in 2009. In addition to improvements to its water treatment facilities, storage tanks, wells and pumping stations, Pennsylvania American Water replaced approximately 177 miles of aging water main and other equipment within its nearly 9,900-mile distribution system.

As part of the settlement, Pennsylvania American Water will continue to contribute \$250,000 annually to assist low-income customers who qualify for its Help to Others (H2O) Program™, which offers grants of up to \$500 per year, discounts on the monthly service fee and water-saving devices and education. The H2O Program is funded through a company match of customer and employee donations.

The settlement grants an increase of approximately \$36 million in annual revenue. The company had filed the rate request with the PUC on April 29, 2011, seeking an annual revenue increase of approximately \$71 million.

## SETTLEMENT APPROVED IN PENNSYLVANIA AMERICAN WATER RATE CASE

Pennsylvania American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.2 million people. Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs more than 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15 million people in more than 30 states, as well as parts of Canada. More information can be found by visiting [www.amwater.com](http://www.amwater.com).

In 2011, American Water is celebrating its 125<sup>th</sup> anniversary with a yearlong campaign to promote water efficiency and the importance of protecting water from source to tap. To learn more, visit [www.amwater125.com](http://www.amwater125.com).

###