

PRESS RELEASE



FOR IMMEDIATE RELEASE:

CONTACT: Terry M. Maenza
T: 610.670.7789 ext. 123
M: 610.849.6484
terry.maenza@amwater.com

PENNSYLVANIA AMERICAN WATER RATE CASE SETTLEMENT INCLUDES INCREASED FUNDING FOR LOW-INCOME ASSISTANCE PROGRAM

HERSHEY, Pa. (November 6, 2009) – As part of the rate case settlement approved today by the Pennsylvania Public Utility Commission (PUC), Pennsylvania American Water will contribute an additional \$100,000 annually to assist low-income customers who qualify for its H2O Help to Others Program™.

The H2O Help to Others Program™ is funded through a company match of customer and employee donations. Under the settlement approved today, the company match will increase from \$150,000 to up to \$250,000 per year. The program offers assistance for qualified customers in the form of grants of up to \$500 per year, discounts on the monthly service fee and water-saving devices and education.

“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 and increased operating expenses,” 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, and we are pleased that the Commission has accepted the settlement.”

The typical monthly residential water bill for Pennsylvania American Water customers using 4,200 gallons per month will increase by \$3.16 to \$46.14 per month, keeping the cost of tap water for most households at approximately one penny per gallon. The settlement grants an increase of approximately \$30.75 million in annual revenue. The company had filed the rate request with the PUC on April 24, 2009, seeking an annual revenue increase of approximately \$58 million.

Pennsylvania American Water, a wholly-owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 2 million people. Founded in 1886, American Water is the largest investor-owned 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 32 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

###