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Permitted e-File Document

Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Application of Pennsylvania-American Water Company under Section 1329 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1329, for approval of the use for ratemaking purposes of the lesser of the fair market value or the negotiated purchase price of The Municipal Authority of the City of McKeesport's assets related to its wastewater collection and treatment system and other related transactions

Docket No.: A-2017-2606103

Dear Secretary Chiavetta:

Pennsylvania-American Water Company ("PAWC") closed on the acquisition of The Municipal Authority of the City of McKeesport's assets, properties and rights related to its wastewater collection and treatment system on December 18, 2017.

As directed in Ordering Paragraph 6 of the Commission's Order entered October 26, 2017, this letter is to confirm that PAWC provided the following information to PAWC's new customers in the McKeesport area:

December 28, 2017 – welcome letter and new customer booklet sent that included a description of available low-income programs and PAWC's contact information (copies attached).

February 1 – 28, 2018 – H₂O bill insert that included a description of available low-income programs, eligibility requirements for participation in the programs and PAWC's contact information (copy attached).

If you require any additional information, please do not hesitate to contact me.

Sincerely,

Susan Simms Marsh

Attachments



Dear Customer,

I am pleased to announce that on December 18, Pennsylvania American Water acquired the wastewater system assets of the Municipal Authority of the City of McKeesport (MACM). We welcome you as a new wastewater customer.

Pennsylvania American Water is the largest water and wastewater utility in the state, providing service to approximately 2.3 million people in more than 400 communities. Pennsylvania American Water's network of experts and resources across the Commonwealth ensures that we are able to provide high quality, reliable water and wastewater service to your home or business. Our company is a subsidiary of American Water, the largest publicly traded U.S. water and wastewater utility company in the nation.

The enclosed welcome booklet provides more information about our company, services and payment options. You can reach our customer service center from 7 a.m. to 7 p.m. Monday through Friday at 1-800-565-7292. For emergencies, we are available 24/7 at the same number. Also, visit our website at www.pennsylvaniaamwater.com for more information.

In the agreement approved by the Pennsylvania Public Utility Commission (PUC), Pennsylvania American Water adopted MACM's existing wastewater rates following the acquisition. Pennsylvania American Water's wastewater tariff on file with the PUC will apply with respect to all other rates, rules and regulations of wastewater service. As a regulated utility, our rates, rules and regulations of service are regulated by the PUC.

Important Notice About Your Bill

Your first bill from Pennsylvania American Water will be due in mid-January of 2018. Please consider enrolling in our Auto Pay program and your bill will be paid on time, every time, directly from your checking or savings account. Your bill is paid automatically -- No stamps required! Go entirely paperless and sign up for Paperless Billing. To enroll in Auto Pay, please complete the form in the enclosed brochure or you can enroll online through our web self-service portal at www.amwater.com.

Low Income Assistance Program

Pennsylvania American Water also offers assistance to low-income customers through its Help to Others (H2O) Program™. The program provides grants and discounts on wastewater bills for customers who qualify. The enclosed booklet provides more information on the H2O Program and how to apply.

We are pleased to welcome you as a new wastewater customer. Pennsylvania American Water has been providing high-quality water and wastewater service to homes and businesses for more than a century, and we are committed to providing you with this same standard of excellence.

Respectfully,

A handwritten signature in black ink, appearing to read "Jeffrey L. McIntyre", is written over a light blue horizontal line.

Jeffrey L. McIntyre,
President

Sign up for paperless billing. IT'S FREE, CLEAN AND GREEN!



Save time. Cut clutter.

Sign up for Paperless Billing, and you'll never have to sort and file a paper bill again. We'll notify you by e-mail when your bill is available to view online. It's simple, secure, and—best of all—free!



Save money too.

Tired of buying stamps and writing checks? You can enroll in our Auto Pay Program at the same time. It's the free and easy way to make sure your bill gets paid on time, every time.



Save a tree. Or two: Sign up today at My Account.

If you're not yet registered for My Account, just visit amwater.com/myaccount. Be sure to have your account number handy.



PENNSYLVANIA AMERICAN WATER

www.pennsylvaniaamwater.com



Providing high-quality water service and environmental excellence

Pennsylvania American Water monitors water quality every step of the way, from the source, through the treatment process and along the thousands of miles of pipeline in our distribution system. In fact, every year, we perform millions of water quality tests at our facilities. Water samples are tested and analyzed at American Water's national laboratory and Pennsylvania American Water's accredited laboratories—staffed by water-quality specialists and analysts/operators who are specially trained in quality assurance. Pennsylvania American Water does all of this so that you can feel confident that your water service is of the highest quality and that it complies with state and federal drinking water standards.

We take water quality so seriously that most of our water treatment plants have been nationally recognized with Directors Awards for participating in the Environmental Protection Agency's (EPA) Partnership for Safe Water program. This prestigious award recognizes voluntary efforts to raise drinking water quality above regulatory standards. For a complete listing, visit us on line at www.pennsylvaniaamwater.com and select **Water Quality**.

A hand of support for those in need

It's easy to take water for granted. At Pennsylvania American Water, we don't, because we understand the value of providing high-quality water and wastewater service and what it means to our customers on a daily basis. Unfortunately, some individuals and families in Pennsylvania are at risk of losing service, because they can't pay their water and/or wastewater bills. For disadvantaged customers who need assistance, Pennsylvania American Water's H2O Help to Others Program™ can help.

The program offers three main services:

- Assistance grants of up to \$500
- Discount on the monthly service fee
- Water-saving devices for the home and information on how to use water wisely

To apply or for more information on qualification requirements, contact Pennsylvania American Water's program administrator, the Dollar Energy Fund, toll-free, at 1-888-282-6816. If you wish to contribute to the program, simply follow the instructions on your water bill for adding a donation.

Partnering with our communities

Pennsylvania American Water plays an active role in its communities by supporting environmental and educational initiatives related to water. Our involvement ranges from watershed clean-up efforts to educational programs focused on drinking water and source water protection. Our community programs include:

- Environmental Grant Program
- Protect Our Watersheds Art Contest
- Stream of Learning Scholarship Program
- Firefighting Support Grant
- Speakers Bureau

WELCOME TO PENNSYLVANIA AMERICAN WATER.

We deliver quality, care and value in every drop.



Welcome. We are pleased to be your new water and/or wastewater service provider.



800 West Hershey Park Drive
Hershey, PA 17033

PENNSYLVANIA AMERICAN WATER



We are committed to meeting our customers' water and wastewater needs. This brochure will answer questions you may have about our company and the services we provide.

It is my privilege to welcome you as a customer of **Pennsylvania American Water**, and I thank you for taking a few minutes to learn more about our company, our services and our mission. We are proud to provide quality water and/or wastewater service to approximately 2.3 million Pennsylvanians. In fact, Pennsylvania American Water is the largest water service provider in the Keystone State.

Pennsylvania American Water employs approximately 1,000 skilled professionals, ranging from water quality specialists and plant operators to distribution and field service personnel. All employees share one common goal: to provide safe, reliable water and wastewater service around the clock.

Through our state-accredited laboratories in Pennsylvania and at our national laboratory, we continually conduct water quality tests. Each year, we provide a water quality report to our customers with results that show that our water meets and often surpasses federal and state

drinking water standards. We also regularly upgrade our systems and invest millions each year in infrastructure improvements to enhance the quality of services we provide, as well as support job creation and economic development in the communities we serve.

We are committed to meeting our customers' water and wastewater needs. This brochure will answer questions you may have about our company and the services we provide. You will find useful information on how to read your bill and what optional payment services we offer.

If you still have questions about Pennsylvania American Water or any of our services, our customer service professionals are happy to help you. Please don't hesitate to call.

Sincerely,

Jeffrey L. McIntyre
President

Water service is an exceptional value

Water is a life essential resource—you need it every day for almost everything you do. Pennsylvania American Water takes its responsibility to provide reliable water service very seriously, and that's why we are continually looking for ways to improve the service we deliver. Water and wastewater service is a great value when you consider all that is involved in providing these services.



Visit us online at www.pennsylvaniaamwater.com

LIKE US
www.amwater.com/facebook/pa

FOLLOW US
twitter.com/paamwater

WATCH US
youtube.com/paamwater

FOLLOW US
[paamwater](https://www.instagram.com/paamwater)

SERVICE ARRANGEMENTS

We work hard to make it easy for you to manage your Pennsylvania American Water service, whether you're moving into a new home, having your meter read or arranging for special service.

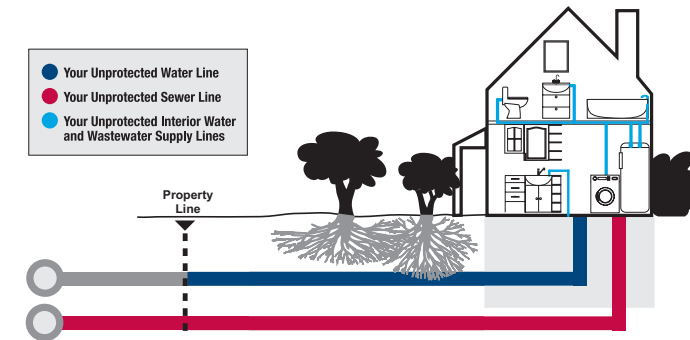


Water Line, Sewer Line and In-Home Plumbing Protection Programs

You might not realize it, but as a homeowner, you own the service lines that run through your property*. Normal wear and tear, temperature variations and overgrown tree roots can cause sudden leaks or breaks in your water line or damaging clogs and blockages in your sewer line. Sooner or later, most homes experience a plumbing emergency, such as a burst pipe, an overflowing toilet or a clogged drain. When any of these situations happen, you're responsible for the repairs, which can cost you hundreds, even thousands of dollars to repair. Worst of all, most homeowners' insurance policies do not cover these types of repairs.

For a nominal fee, service line protection programs can help you avoid unexpected costly repairs. Made available to you through American Water Resources, LLC, an affiliate of Pennsylvania American Water, these programs can offer the peace of mind that comes with knowing that you are covered from repair costs and the hassle of finding qualified contractors. For more information on Water Line, Sewer Line or In-Home Plumbing Protection Programs, call 1-855-705-8434 or visit AWRUSA.com.

*Typical water line responsibility extends from the property line to your home and typical sewer line responsibility extends from the sewer main to your home. Your responsibilities may vary; please contact your local government office or services to determine your service line responsibility. If you live in a dwelling like a condo, please contact your local homeowners association to determine your responsibilities.



Ending service - Please inform us at least three days in advance of the date when service is to be stopped, so that we can arrange for a final meter reading and obtain your new billing address. Also, please refer the new customer to Pennsylvania American Water to help them start the process of opening an account. Residential customers can schedule an appointment to have their water service shut off online at amwater.com/myaccount.

Why crawl through your window, when they can walk through your front door?
DON'T OPEN THE DOOR UNTIL YOU'RE SURE!

Protect yourself from utility imposters

- Ask for company photo ID
- Look for the logo on uniforms and vehicles
- Never give cash - our employees never collect credit card information or cash in the field
- If you're still unsure, call 9-1-1
- Learn more at pennsylvaniaamwater.com

BILLING MADE EASY

Your bill is designed to provide the information you need to know about your account. The information below is provided to help you understand the charges on your water bill. To learn more about your current rates, visit pennsylvaniaamwater.com. Under the Customer Service menu, select "Your Water Rates."

1 CUSTOMER ACCOUNT INFORMATION

- **Account Number:** When calling our call center, it's helpful to have your account number handy.
- **Total Due and Due Date:** Includes current and any past due amounts, and when your bill is due.
- **If Paid After Due Date:** Be sure to pay by the due date to avoid late payment charges. Any portion of the water and wastewater charges not paid by the due date is subject to a 1.50% penalty.

2 BILLING PERIOD AND METER READINGS

- **Billing Date:** Date the bill was mailed.
- **Billing Period:** Period in which the water was used and is being billed for.
- **Next reading on/about:** Estimate of when the next meter reading will take place.
- **Customer Type:** How the property being served is classified (i.e., residential, commercial, industrial).
- **Meter Reading /Billing Measurement:** How your meter is read, and how you are billed. Some customers' meters are read in cubic feet or 1,000 gallons. We bill all customers in 100 gallon increments to make it easier to understand.
- **Meter Chart:** Meter identification number and size, as well as the meter reading for the current and previous billing period. We also specify if the reading was an actual read or if it was estimated.
- **Total Water Used and Water Usage Graph:** Amount of water used during the billing period, compared to the same billing period the previous year. In time, the graph will show water usage over the last 12 months.

3 PAST DUE AMOUNT (if applicable)

- **Prior Balance:** This should be paid immediately.

4 CURRENT CHARGES

Current Water Service Charges

- **Water Service Charge:** Based on the size of the water meter, this fixed charge represents operating and capital costs related to meters and services, meter reading, billing and collections.
- **Water Usage Charge:** This is based on the amount of water used during the billing period. It represents the cost related to operating and maintaining source of supply, pumping, treatment, transmission and distribution facilities, as well as the capital costs associated with these facilities.

Current Wastewater Services (if applicable)

- **If we own the wastewater system:** The fixed **Wastewater Service Charge** represents costs related to providing and maintaining the sewer service to the property. The **Wastewater Use Charge** is based on your water consumption as indicated by your water meter reading. These charges may vary based on the district.

AMERICAN WATER
PO BOX 371412, Pittsburgh, PA 15250-7412

For Service To: 123 ANYWHERE ST
Check this box for address changes and note new address on back.

Account Number: 1024-999999999999
Due Date: November 1, 2016
Total Due: \$86.60
If Paid After Due Date: \$87.90 after 11/1/16

Amount Enclosed \$ Paid electronically. Thank you.

FIRSTNAME LASTNAME
123 ANYWHERE ST
CLARION, PA 16214-5250

PENNSYLVANIA AMERICAN WATER
PO BOX 371412
PITTSBURGH, PA 15250-7412

BILLING PERIOD AND METER READINGS

- Billing date: October 10, 2016
- Due Date: November 1, 2016
- Billing period: Sep 09 to Oct 07 (29 Days)
- Next reading on or about: Nov 07, 2016
- Customer Type: Residential
- Meter Reading Measurement: 1 unit = 100 gallons of water
- Billing Measurement: 100 gallons (GGL)

Meter No.	13525183
Size of meter	5/8"
Current Read	974 (Actual)
Previous Read	545 (Actual)
Total water used this billing period	29 units (2,900 gallons)

Total Water Use Comparison (in 100 gallons)

- Current billing period 2016: 29.00 CGL
- Same billing period 2015: 36.00 CGL

Bill Use Graph (100 gallons)

BILLING SUMMARY
For Service To: 123 ANYWHERE ST
For Account: 1024-999999999999

Prior Balance

- Balance from last bill: 134.99
- Payments on deposit, Thank you!: -134.99
- Balance Forward: 0.00**

Current Water Service

- Water Service Charge: 15.00
- Water Usage Charge (\$1.02140000 x 29.00): 29.62
- Total Water Service Related Charges: 44.62**

Current Wastewater Service

- Wastewater Service Charge: 7.50
- Wastewater Use Charge (\$1.13500000 x 29.00): 29.39
- Total Wastewater Service Related Charges: 36.89**

Other Charges

- Wastewater DSIC (36.89 x 5.00%): 1.84
- State Tax Adjustment Surcharge: 0.06
- Distribution System Improvement Charge (44.62 x 7.42%): 3.31
- Total Other Charges: 5.21**

TOTAL CURRENT CHARGES: 86.60

TOTAL AMOUNT DUE: \$86.60

Pay your bill online: www.water.paymybill.com
Pay by phone: 24 hours a day, every day at 1-866-271-5522
Pay in person: Residential customers may obtain a listing of payment locations by visiting www.amwater.com/myh2o
Pay by mail: Remit your payment to the address shown above

Important messages from Pennsylvania American Water:
* This area is used for important messages from Pennsylvania American Water.

Note: This is a sample bill for display purposes only. The rates that appear on your bill are those approved by the PA Public Utility Commission and may be different.

Customer Service: M-F 7am to 7pm | Emergency: 24/7 | 1-800-565-7292 | www.pennsylvaniaamwater.com | 663751448238

PAYMENT MADE EASY

Pay by Mail

Mail your check to the address provided on your bill. Include the pre-addressed payment stub, write your account number and address on your check or money order, and use the envelope provided. Please do not send paper clips, staples or cash.

Pay Automatically – No Stamps Required

Save on postage by enrolling in our recurring Auto Pay Program, and your bill will be paid automatically on time, every time directly from your checking or savings account on the date it is due. No stamps required. No checks to write. Customers can sign up for this program online at www.amwater.com/myaccount. Or, you can complete the form on the right and mail or fax it to the address provided.

Pay Online or by Phone

Pay your bill online with an e-check, credit card or debit card at www.amwater.com/billpay or by calling 1-855-748-6066. Be sure to have your account number handy. NOTE: Our payment partner, Paymentus, charges \$1.95 per transaction for e-check, credit card and debit card payments. There is no charge to pay by e-check through My Account at amwater.com/myaccount.

Pay in Person

Pennsylvania American Water has agreements with businesses across the state where you can pay your bill in person. For a listing of authorized payment locations, visit pennsylvaniaamwater.com. Under Customer Service, select "Billing & Payment Information."

Pay Through a Third Party

If someone handles paying your bills, such as a relative, trustee or social service organization, we can send a copy of your bill, as well as any reminder, past-due and shut-off notices, to that third party. Call the customer service center phone number provided on the bottom of your bill to arrange for this service.

How should we reach you in an emergency?

Pennsylvania American Water uses a high-speed mass notification system called "CodeRED" to keep customers informed about water-related emergencies and notifications. Once you receive your account number on your first bill, log on to our Web self-service portal, **My Account** (www.amwater.com/myaccount) to make sure your contact information is up to date. While you're there, tell us how you prefer to receive your alerts and notifications: phone, text and/or email.

* Standard text, data and phone rates may apply.



Rights and responsibilities

High-quality, reliable water service is more than a goal of ours—it is your right as a customer. Learn more about your rights and responsibilities in a free booklet called "Rights & Responsibilities as a Water Utility Customer." Information provided includes:

- How to recognize that your bill is too high
- When you might have to pay a security deposit
- Paying for water service after moving
- When your bill is estimated
- How to read your water meter
- What to do if you can't pay your bill
- When your service can be shut off
- Penalties for late payment

To obtain a free copy of this booklet, visit us online at www.pennsylvaniaamwater.com. Under the Customer Service menu, select "Rights & Responsibilities." Customers can also call a Customer Service Center at 1-800-565-7292.

AUTO PAY (electronic funds transfer) AUTHORIZATION

If you prefer to enroll online, visit www.amwater.com/myaccount (be sure to have your account number handy if you're not enrolled in our web self-service program).

(Please print information below as shown on bill)

Name _____
Billing Address (as shown on bill) _____
City _____ State _____ Zip _____
For service to (if different than above) _____
City _____ State _____ Zip _____
Phone Number (_____) _____
Pennsylvania American Water Account Number _____

To participate in Pennsylvania American Water's electronic funds transfer program, called Auto Pay Program, I authorize the company to instruct my financial institution to transfer payments directly from my bank account to pay my bill on the date that my bill is due.

I understand the company will send me a copy of my bill – or make it available online for viewing if I am enrolled in paperless billing – in advance so that I will know the amount that will be deducted from my bank account. I understand the amount due on my bill will be transferred electronically from my bank account on the due date appearing on my bill. I also understand that my bill may contain charges related to service as authorized by the company's currently effective water and/or wastewater tariff, as well as related to other services as I may authorize.

If I receive a combined water and wastewater bill from the company, I acknowledge that to be eligible to participate in the company's Auto Pay Program, I agree to pay the amount due for the combined water and wastewater bill and that partial bill payments will not be accepted.

I acknowledge that handling fees may be applied for insufficient funds or returned checks.

I understand that the information I provide herein will be used solely for the purposes of the automatic payment service and understand that it may take up to 45 days for the automatic funds transfer to begin.

I understand that I may cancel my participation in Auto Pay Program at any time without fees or penalty. If I decide to discontinue my participation, I must notify the company and understand that it may take up to 30 days to process the request.

I authorize the company to instruct my financial institution named below to make my bill payments from the following account on the date the bill is due:

Name of Bank, Savings & Loan, or Credit Union _____
Savings or Checking Account Number _____
Routing Number (if checking account) _____
Account Holder Name (please print): _____
Bank Account Holder's Signature _____
Date _____

Note for commercial accounts: Commercial account requests must be accompanied by a statement from the account holder's bank on bank letterhead indicating that the signature on the form is the approved signature for the commercial account at the bank. This letter must be signed by a bank officer.

Please mail your completed form to:

Pennsylvania American Water, P.O. Box 578, Alton, IL 62002
You may also fax this form to 1-618-433-4569 or email it to infopa@amwater.com.

Have questions? Contact our customer service center at 1-800-565-7292, M-F, 7 a.m. to 7 p.m.



MAKE A DIFFERENCE

You can make a difference in someone's life by contributing to the program today. In fact, 100 percent of your donation and our matching funds go directly to qualifying customers. Our company assumes all administrative costs for this program, so that every penny you donate goes directly to qualifying customers in need.

Yes, I would like to assist an individual or family in need.

- I would like to make a one-time donation of \$ _____
- I would like to make an ongoing donation. Please add the following amount to my monthly water bill:

\$25 \$10 \$5 \$1 Other \$ _____

Name (please print) _____

Account Number _____

Address _____

City _____

State _____ Zip _____

Signature _____

Date _____

Please complete, detach and return this form with your next Pennsylvania American Water bill payment. You can also send a donation directly to the Dollar Energy Fund at P.O. Box 42329, Pittsburgh, PA 15203.

Please write **"H2O Program Donation - PA"** on the memo portion of your check.

For more information

The H2O Help to Others Program™ is administered by Dollar Energy Fund, an independent, non-profit organization established to help those in need. For more information, or to see if you qualify for these programs, call Dollar Energy Fund toll-free at 1-888-282-6816.

HELPING CUSTOMERS IN NEED

Learn about our low-income customer assistance programs



**PENNSYLVANIA
AMERICAN WATER**

WE KEEP LIFE FLOWING™



We know that your water bill is not the only bill you pay each month. And, we understand that some customers may need financial assistance to keep the water flowing.

WATER SERVICE ASSISTANCE

For more than 25 years, Pennsylvania American Water has been assisting low-income customers who qualify through its **H2O Help to Others Program™**. The program offers three main services:

- Grants of up to \$500 per year
- An 85 percent discount on the monthly water service fee
- Water-saving devices and education

WASTEWATER SERVICE ASSISTANCE

In January 2011, the program was expanded to include wastewater customers. The program offers two main services:

- Grants of up to \$500 per year
- A 20 percent discount on the total wastewater charges



**COMMUNITY. ONE MORE WAY
WE KEEP LIFE FLOWING.**

ABOUT THE PROGRAMS

Grant Programs

During the 2016-17 program year, Pennsylvania American Water provided \$361,955 in water and wastewater assistance grants to 1,326 households. Grants are funded through a corporate donation (\$310,000 per year) and customer and employee donations. To qualify for a grant, customers must have annual household incomes at or below 200 percent of the Federal Poverty guidelines (see chart) and applicants must have made a sincere effort to pay their bill.

Discount Programs

To qualify for the water and/or wastewater discount program, customers must have annual incomes at or below 150 percent of the Federal Poverty guidelines (see chart).

Water-Saving Devices and Education

Customers who qualify for the H2O Help to Others Program™ may also qualify to receive a water-saving kit that includes a low-flow shower head, faucet aerators, and a toilet tummy. Also included is an educational booklet that explains how to install the devices and provides helpful tips on how to save water inside and outside the home, so customers can take an active part in reducing their water bill through wise water use.

MONTHLY INCOME GUIDELINES		
Number of Persons in Household	GRANT PROGRAM Total Combined Monthly Income	DISCOUNT PROGRAM Total Combined Monthly Income
1	\$2,010	\$1,508
2	\$2,707	\$2,030
3	\$3,403	\$2,553
4	\$4,100	\$3,075
5	\$4,797	\$3,598
6	\$5,493	\$4,120
7	\$6,190	\$4,643
8	\$6,887	\$5,165
For each additional person	\$697	\$523