

PUBLIC NOTICE OF CHANGE IN WATER RATES WEST VIRGINIA-AMERICAN WATER COMPANY



Notice is hereby given that WEST VIRGINIA-AMERICAN WATER COMPANY, a public utility, has filed with the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA a tariff containing a requested increase in rates, tolls, and charges for furnishing water service to approximately 167,000 customers in Boone, Braxton, Cabell, Clay, Fayette, Harrison, Jackson, Kanawha, Lewis, Lincoln, Logan, Mason, Mercer, Putnam, Raleigh, Roane, Summers, Wayne, and Webster Counties.

The tariff filing will also directly or indirectly affect those customers of the following public service districts, regional development authorities, municipalities or other governmental subdivisions who, under agreements approved by the Public Service Commission, are charged water rates that are in whole or in part based on the rates of the Company:

- Boone County Public Service District
- Cumberland Public Service District
- Flatwoods Canoe-Run Public Service District
- Jumping Branch-Nimitz Public Service District
- Kanawha County Regional Development Authority
- Lashmeet Public Service District
- Lewis County Economic Development Authority
- New Haven Public Service District
- Oakvale Road Public Service District
- Putnam County Building Commission
- Salt Rock Public Service District
- Webster County Economic Development Authority

Some of the customers receiving service from these entities under Operation and Maintenance Agreements with the Company also pay a surcharge in addition to the metered water rates. These surcharge amounts were approved by the Public Service Commission in prior cases, and those surcharges will not increase or otherwise be affected by this filing.

The Public Service Commission has approved the Company's acquisition of the water distribution system of Page-Kincaid Public Service District (Case No. 20-0718-W-PWD-PC) and is considering the Company's acquisition of the water distribution system of the Town of Cedar Grove (Case No. 21-0325-W-PC). To the extent the acquisitions of those systems are completed prior to the implementation of new water rates, the current customers of those systems will receive the rate increases shown in this notice (or, in Cedar Grove's case, a phased-in rate level of 83% of the new rates). The Company has provided notice of this tariff filing to the District and the Town.

The proposed increase will produce, on a total Company basis, \$40,486,124 annually in additional revenues, or an overall increase in revenues of approximately 26.1%, with such revenues being collected from the customers as more fully described herein. The Company expects that the Commission will order the suspension of the new rates and charges for the full 300-day suspension period under W. Va. Code §24-2-4a, or until February 25, 2022.

This increase will incorporate the rate impact of the cumulative investment since February 2019 under the Company's Distribution System Improvement Charge (DSIC)

program that was placed into service between January 1, 2021 and the date on which new base rates from this case go into effect. As a result, the Company proposes to reduce the DSIC component of its rates relating to that investment when the new base rates go into effect, reducing the overall average increase in revenues in this case to approximately 19.7%.

The Company's contract sale for resale customers include Bluefield Valley Water Works Company, Lavalette Public Service District, Aqua Ohio Water, Bland County, Jane Lew Public Service District, Lincoln Public Service District, City of Milton, and the City of Hurricane.

The rate increases shown on the next page are based on averages for customers in the indicated class at varying usages. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing. Any increase in rates and charges will not become effective until authorized and approved by the Public Service Commission. If a hearing is conducted, notice will be given of the time and place of hearing.

A complete copy of the Company's tariff proposals and a representative of the Company to provide information concerning this tariff are available to all customers, prospective customers or their agents at the following offices:

West Virginia-American Water - Central Division
1600 Pennsylvania Avenue
Charleston, WV 25302

West Virginia-American Water - Western Division
4002 Ohio River Road
Huntington, WV 25702

West Virginia-American Water - Southern Division
173 Twelvemile Road
Princeton, WV 24739

West Virginia-American Water - Northern Division
1243 U.S. Highway 19 South
Weston, WV 26452

By the time new rates go into effect, West Virginia American Water will have invested \$252 million since February 2019 to improve service reliability, water quality, and fire protection in more than 365 communities across West Virginia. We believe prudent, ongoing investment is essential to maintain and upgrade our water and wastewater systems in the Mountain State.

While the overall request is a 26.1% increase, an anticipated reduction in the current DSIC means that the average residential customer will experience an increase of approximately **19.7% or 38 cents per day.**

Copies of the tariffs have also been delivered to representatives of the aforementioned public service districts and entities for public inspection at their respective offices.

Anyone desiring to intervene and act as a party in this case should file on or before July 29, 2021, a Petition to Intervene complying with the Commission rules on intervention in the Rules of Practice and Procedure, 150 C.S.R. 1, unless otherwise modified by Commission order. Anyone desiring to protest should file a written protest as soon as possible, although protests will be

accepted by the Commission through the pendency of this proceeding. All written protests should briefly state the reason for the protest. All protests and Petitions to Intervene should clearly state the case name and number and be addressed to Connie Graley, Executive Secretary, Public Service Commission of West Virginia, P.O. Box 812, Charleston, West Virginia 25323.

A copy of this tariff is also available for public inspection at the Offices of the Secretary of the Public Service Commission at 201 Brooks Street, Charleston, West Virginia 25301.

The following schedules show the change from rates currently in effect based on representative levels of consumption and the monthly dollar and percentage changes if the full base rate increase is granted (not taking into account the anticipated DSIC reduction described on the previous page).

WEST VIRGINIA (except Cumberland, Glasgow, and East Bank)

RESIDENTIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
Minimum Bill (1,500 Gallons)	\$40.12	\$31.44	\$8.68	27.61%
Avg Residential Usage (3,100 Gallons)	\$68.56	\$53.75	\$14.81	27.55%
4,500 Gallons	\$93.44	\$73.28	\$20.16	27.51%
7,500 Gallons	\$146.75	\$115.11	\$31.64	27.49%
10,000 Gallons	\$191.18	\$149.97	\$41.21	27.48%

The average bills for larger customers will vary as a result of the tariff change based on both consumption and meter size. At representative levels of consumption (and assuming a standard meter size for that level of consumption), the monthly dollar and percentage changes for those customers are:

COMMERCIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
20,000 Gallons	\$427.03	\$334.98	\$92.05	27.48%
50,000 Gallons	\$838.67	\$657.79	\$180.88	27.50%
100,000 Gallons	\$1,423.48	\$1,116.19	\$307.29	27.53%
250,000 Gallons	\$3,177.88	\$2,491.39	\$686.49	27.55%

INDUSTRIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
2,000,000 Gallons	\$21,027.05	\$16,479.05	\$4,548.00	27.60%
10,000,000 Gallons	\$86,228.45	\$67,561.05	\$18,667.40	27.63%
25,000,000 Gallons	\$169,434.20	\$132,706.05	\$36,728.15	27.68%
40,000,000 Gallons	\$252,639.95	\$197,851.05	\$54,788.90	27.69%

SALE FOR RESALE	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
1,000,000 Gallons	\$12,463.34	\$9,769.34	\$2,694.00	27.58%
7,500,000 Gallons	\$70,410.64	\$55,171.84	\$15,238.80	27.62%
15,000,000 Gallons	\$121,511.10	\$95,187.34	\$26,323.76	27.65%
25,000,000 Gallons	\$184,391.10	\$144,417.34	\$39,973.76	27.68%

OTHER PUBLIC AUTHORITY	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
20,000 Gallons	\$427.03	\$334.98	\$92.05	27.48%
50,000 Gallons	\$838.67	\$657.79	\$180.88	27.50%
100,000 Gallons	\$1,423.48	\$1,116.19	\$307.29	27.53%
250,000 Gallons	\$3,177.88	\$2,491.39	\$686.49	27.55%

PRIVATE FIRE	Rates for private fire protection will increase 27.55%.
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CUMBERLAND PUBLIC SERVICE DISTRICT (all customers)

RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND OTHER PUBLIC AUTHORITIES	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
Minimum Bill (1,500 Gallons)	\$24.47	\$20.47	\$4.00	19.54%
Avg Residential Usage (3,100 Gallons)	\$41.82	\$29.45	\$12.37	42.00%
4,500 Gallons	\$56.99	\$37.30	\$19.69	52.79%
7,500 Gallons	\$89.52	\$54.14	\$35.38	65.35%
10,000 Gallons	\$116.62	\$68.16	\$48.46	71.10%
20,000 Gallons	\$260.49	\$156.31	\$104.18	66.65%
50,000 Gallons	\$511.60	\$301.88	\$209.72	69.47%

GLASGOW (all customers)

Comparison based on Commission-approved step increase to 83% of Company rates as of 12/31/2021*

RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND OTHER PUBLIC AUTHORITIES	PROPOSED RATES	RATES AS OF 12/31/2021	DIFFERENCE	PERCENTAGE DIFFERENCE
Minimum Bill (1,500 Gallons)	\$33.30	\$26.10	\$7.20	27.61%
Avg Residential Usage (3,100 Gallons)	\$56.90	\$44.61	\$12.29	27.54%
4,500 Gallons	\$77.55	\$60.82	\$16.73	27.50%
7,500 Gallons	\$121.81	\$95.54	\$26.27	27.49%
10,000 Gallons	\$158.68	\$124.48	\$34.20	27.48%
20,000 Gallons	\$354.44	\$278.03	\$76.41	27.48%
50,000 Gallons	\$696.11	\$545.97	\$150.14	27.50%

EAST BANK (all customers)

Comparison based on Commission-approved step increase to 91% of Company rates as of 02/03/2022*

RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND OTHER PUBLIC AUTHORITIES	PROPOSED RATES	RATES AS OF 02/03/2022	DIFFERENCE	PERCENTAGE DIFFERENCE
Minimum Bill (1,500 Gallons)	\$36.51	\$28.61	\$7.90	27.61%
Avg Residential Usage (3,100 Gallons)	\$62.39	\$48.91	\$13.48	27.56%
4,500 Gallons	\$85.03	\$66.68	\$18.35	27.52%
7,500 Gallons	\$133.55	\$104.75	\$28.80	27.49%
10,000 Gallons	\$173.98	\$136.47	\$37.51	27.49%
20,000 Gallons	\$388.61	\$304.83	\$83.78	27.48%
50,000 Gallons	\$545.95	\$598.59	\$164.61	27.50%

*The dollar and percentage differences between new rates and current rates would be greater.