

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 168,000 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 proposed increased rates and charges will become effective February 25, 2024, unless otherwise ordered by the Public Service Commission, and will produce, on a total Company basis, \$41,175,725 in additional annual net water revenues over present rate revenues, or an overall increase in revenues of approximately 22.5%. The \$41,175,752 consists of an increase in base rates of \$51,308,960 in annual revenue and a decrease in the Company's Distribution System Investment Charge ("DSIC") of \$10,133,208 in annual revenue, with such revenues being collected from customers as more fully described herein. This increase includes an allocation of the wastewater revenue requirement to the water revenue requirement to support the same percentage increase in rates for both water and wastewater customers. The Company is further proposing a new set of Low Income Tariffs, and other rate mechanisms, the impacts of which are reflected in the rate increase schedule below.

The Company's proposed Low Income Tariff for water and wastewater service that includes multiple tiers of discounts based on different levels of household income stated as multiples of Federal Poverty Level ("FPL"). The driving principle behind the Company's proposed Low Income tariff is to provide all participating customers

discounts such that the expected bill for basic water or wastewater service will be approximately 3% of their annual household income. The proposed tariff discounts are as follows:

Low Income Tariff Discount	(%) Discount
0%-50% Federal Poverty Level	65%
50%-100% Federal Poverty Level	50%
100%-150% Federal Poverty Level	30%
150%-200% Federal Poverty Level	15%

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, 2024.

This increase will incorporate the rate impact of the cumulative investment under the Company's Distribution System Improvement Charge (DSIC) program that was (or is projected to be) placed into service between March 1, 2022 and December 31, 2023. 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.

The Company's sale for resale customers include Bluefield Valley Water Works Company, Lavalette PSD, Flatwoods Canoe Run PSD, Aqua Ohio Water, Jane Lew PSD, Lincoln PSD, City of Milton, and the City of Hurricane.

The rate increases shown below are based on averages for customers in the indicated class. 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 is seeking rate recognition for approximately \$340 million in infrastructure investment that it has made or will make from 2020 through 2025, improving service reliability, water quality and fire protection in the more than 400 communities we serve. We believe prudent, ongoing investment is essential to maintain and upgrade our water and wastewater systems in the Mountain State.

The overall request is a 31.26% increase, meaning the average residential customer will experience an increase of approximately **\$19 per month or 63 cents per day.**

West Virginia-American Water - Southern Division
12 Mile Road @ Route 460, Princeton, WV 24740

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

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 either of these cases should file on or before July 29, 2023 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 Karen Buckley, 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 schedule shows the change from rates currently in effect based on representative levels of consumption and the monthly dollar and percentage changes including the Company's proposed allocation of the revenue requirement between water and wastewater customers and the impact of its proposed new Low Income Tariffs. The modification of any of these components will impact this schedule. The average monthly bill for the various classes of customers will be changed as follows:

WEST VIRGINIA AMERICAN WATER PROPOSED RATE CHANGE (except Cumberland, Glasgow, and Cedar Grove)¹

AVERAGE CUSTOMER PER CLASS	INCREASE	PERCENTAGE INCREASE
Residential (5/8" meter; minimum bill 1,500 gal)	\$11.38	31.26%
Residential (5/8" meter; 3,000 gal)	\$18.95	31.26%
Commercial (1" meter; 16,000 gal)	\$101.08	31.27%
Industrial (4" meter; 650,000 gal)	\$2,476.85	31.26%
Other Public Authority (1" meter; 33,000 gal)	\$181.71	31.26%
Sale for Resale (4" meter; 5,652,000 gal)	\$14,792.59	31.26%

¹Rates for private fire protection will increase 31.26%.

CUMBERLAND PROPOSED RATE CHANGE (all customers)

AVERAGE CUSTOMER PER CLASS	INCREASE	PERCENTAGE INCREASE
Residential (5/8" meter; minimum bill 1,500 gal)	\$25.58	115.17%
Residential (5/8" meter; 3,000 gal)	\$42.60	115.20%
Commercial (1" meter; 16,000 gal)	\$227.16	115.19%
Industrial (4" meter; 650,000 gal)	\$5,566.74	115.18%
Other Public Authority (1" meter; 33,000 gal)	\$408.37	115.18%

GLASGOW PROPOSED RATE CHANGE (all customers)²

AVERAGE CUSTOMER PER CLASS	INCREASE	PERCENTAGE INCREASE
Residential (5/8" meter; minimum bill 1,500 gal)	\$14.29	42.66%
Residential (5/8" meter; 3,000 gal)	\$23.80	42.67%
Commercial (1" meter; 16,000 gal)	\$126.94	42.68%
Industrial (4" meter; 650,000 gal)	\$3,110.68	42.68%
Other Public Authority (1" meter; 33,000 gal)	\$228.20	42.68%

²Rate increases shown include a Commission-approved step increase to 100% of Company rates as of 01/30/2024.

CEDAR GROVE PROPOSED RATE CHANGE (all customers)³

AVERAGE CUSTOMER PER CLASS	INCREASE	PERCENTAGE INCREASE
Residential (5/8" meter; minimum bill 1,500 gal)	\$14.66	44.25%
Residential (5/8" meter; 3,000 gal)	\$24.41	44.25%
Commercial (1" meter; 16,000 gal)	\$130.17	44.25%
Industrial (4" meter; 650,000 gal)	\$3,189.89	44.24%
Other Public Authority (1" meter; 33,000 gal)	\$234.01	44.24%

³Rate increases shown include a Commission-approved step increase to 92% of Company rates as of 10/06/2023 and 100% of Company rates as of 10/06/2024.