

September 28, 2023 | American Water (NYSE: AWK) | PDF

Pennsylvania American Reaches Agreement to Acquire Appalachian Utilities, Inc.

MECHANICSBURG, Pa. (Sept. 28, 2023) – Pennsylvania American Water announced today that an agreement has been reached for it to acquire Appalachian Utilities, Inc. (Appalachian). Under the terms of the transaction, an affiliate of Pennsylvania American Water will merge with Appalachian and, subsequently, Appalachian will merge into Pennsylvania American Water.

Appalachian is a private, investor-owned system serving approximately 1,450 customers in Avis Borough, Pine Creek Township, and Dunnstable Township, Clinton County, and is located near Pennsylvania American Water's existing Milton, Nittany, and Boggs water systems.

"Appalachian has served our customers proudly since 1995, and we are grateful for our partnership with the community over this time," explained Frank Sargent, Jr., president of Appalachian. "We believe that this transaction with Pennsylvania American Water will ensure that our customers and employees are placed in the hands of another competent, community-minded utility partner going forward."

As part of the agreement, Pennsylvania American Water plans to invest more than \$6.5 million into the system to upgrade aging water infrastructure.

"We look forward to becoming the water service provider for these customers in Clinton County, and we appreciate that the leadership at Appalachian Utilities, Inc. is entrusting us with this privilege," said Pennsylvania American Water President Justin Ladner. "The system upgrades we plan to make will benefit area customers, and the acquisition will

further promote regionalization and consolidation of our central Pennsylvania systems.”

Pennsylvania American Water and Appalachian Utilities, Inc. will seek approval of the acquisition from the Pennsylvania Public Utility Commission (PUC) and Pennsylvania Department of Environmental Protection. The transaction is expected to be completed in late 2024.

Pennsylvania American Water will adopt Appalachian’s current rates at closing. The PUC regulates the company's rates, and any future rate changes would have to be reviewed and approved by the PUC. Pennsylvania American Water offers grants and discounted services to customers who qualify through its <https://www.amwater.com/njaw/Customer-Service-Billing/Customer-Assistance-Programs/>.

About Pennsylvania American Water

Pennsylvania American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and wastewater services to approximately 2.3 million people. For more information, visit <https://amwater.com/paaw/> and follow Pennsylvania American Water on Twitter and Facebook.

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