

# NOTICE OF PROPOSED RATE CHANGES

## To Our Customers:

United Water Pennsylvania has filed a request with the Pennsylvania Public Utility Commission (PUC) to increase your rates for water service as of November 15, 2009. A full investigation of this request could delay the change. This notice describes the company's rate request, the PUC's role, and what actions you can take.

## Rate Increase

United Water Pennsylvania has requested an overall increase of \$4.9 million per year.

If the company's entire request is approved, the total bill for a residential customer using an average of 4,500 gallons of water per month would increase from \$33.01 to \$38.36 or by 16.2 percent.

The total bill for a commercial customer using 23,000 gallons of water per month would increase from \$157.48 to \$183.81 or by 16.7 percent.

The total bill for an industrial customer using 320,000 gallons of water per month would increase from \$1,320.86 to \$1,446.51 or by 9.5 percent.

Customers served by the company in the Center Square area would see larger percentage increases, due to their phase-in rates, as determined in the 2000 acquisition proceeding and the 2006 rate proceeding.

To find out your customer class or how the requested increase may affect your water bill, contact United Water Pennsylvania toll-free at 888-299-8972 or 717-564-3662. The rates requested by the company may be found in Supplement No. 15 Water Tariff PA P.U.C. No. 7, filed with the PUC. You may examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of this material is kept at United Water Pennsylvania's main office, located at 4211 East Park Circle, Harrisburg, PA 17111. Upon request, the company will send you the Statement of Reasons for Supplement No.15, explaining why the rate increase has been requested.

## PUC Role

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the company and shown above.

## Actions You Can Take

There are three ways to challenge the company's request to change rates:

1. You can file a formal complaint. If you want a hearing before a PUC judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before December 15, 2009. If no formal complaints are filed, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge.
2. You can send a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes the PUC aware of problems with the company's service or management. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
3. You can attend or be a witness at a public hearing. Public input hearings are held if the PUC opens an investigation of the company's rate increase request and if a large number of customers are interested in the case. At these hearings, you will have the opportunity to present your views in person to the PUC judge hearing the case and company representatives. All testimony given "under oath" becomes part of the official rate case record. The hearings are held in the service area of the company. For more information, call the PUC at 800-782-1110. You may leave your name and address so you can be notified of any public input hearings that may be scheduled in the case.