

NOTICE OF PROPOSED RATE CHANGES

To Our Customers

The Newtown Artesian Water Company ("NAWC" or the "Company") is filing a request with the Pennsylvania Public Utility Commission ("PUC") to increase your water rates as of September 18, 2024. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

NAWC has requested an overall rate increase of \$922,419 per year. If the Company's entire request is approved, the total bill for customers would increase as follows: a residential customer with a 5/8-inch meter and typical usage of 12,000 gallons per quarter would see an increase from \$106.45 to \$121.23 per quarter (or 13.9%); a commercial customer with a 5/8-inch meter and typical usage of 15,000 gallons per month would see an increase from \$112.01 to \$126.88 per month (or 13.3%); an industrial customer with a 3/4-inch meter and typical usage of 115,000 gallons per month would see an increase from \$811.56 to \$917.43 per month (or 13.0%); and a public customer with a 2-inch meter and typical usage of 143,000 gallons per month would see an increase from \$1,056.15 to \$1,195.84 per month (or 13.2%). Both the quarterly and monthly bills under present rates include surcharges for purchased water (the "PWAC"), distribution system improvements (the "DSIC") and the state tax adjustment (the "STAS").

To find out your customer class or how the requested increase may affect your water bill, contact NAWC at (215) 968-6781. The rates requested by the Company may be found in Supplement No. 158 to Tariff Water-Pa. P.U.C. No. 9. 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 NAWC's office and is available on our website at www.newtownwater.com.

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 as shown above.

There are three ways to challenge a utility company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a 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 September 18, 2024. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.

2. You can send the PUC a letter explaining 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 or request for a formal complaint form to the Pennsylvania Public Utility Commission, 400 North Street, Commonwealth Keystone Building, 2nd Floor, Harrisburg, Pennsylvania 17120.

3. You can be a witness at a public input hearing. Public input hearings are held if the PUC opens an investigation of the company's rate increase request. At these hearings you have the opportunity to present your views in person to the judge hearing the case and the company representatives. All testimony given "under oath" and becomes part of the official rate case record. These hearings are held in the service area of the company.

THE NEWTOWN ARTESIAN WATER COMPANY

